

**HUMAN RESOURCE DEVELOPMENT PRACTICES IN PUBLIC SECTOR  
ENTERPRISES OF NEPAL**

**A THESIS**

Submitted in Partial fulfillment of the requirement for the degree of

**DOCTOR OF PHILOSOPHY IN MANAGEMENT**

By

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**Year of Submission: 2014**

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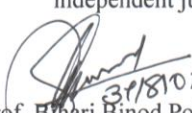
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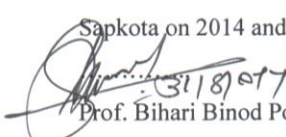
  
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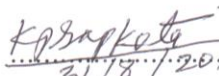
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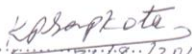
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## DECLARATION

*Institution:* Singhania University, Pacheribari, Rajasthan  
*Thesis Title:* **HUMAN RESOURCE DEVELOPMENT PRACTICES IN  
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This thesis is being submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Management.

I hereby declare that this is the result of my own independent work, except where otherwise stated. Sources are acknowledged by giving citation and reference.

  
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## **ABSTRACT**

This study deals with the issue related to human resource development practices in the context of Public Sector Enterprises of Nepal( PEs). The study focuses on qualitative studies of selected six PEs for accessing the HRD practices in public sector enterprises of Nepal. I framed a principal research problem, how has HRD been practicing in PEs of Nepal? To explore the reality of this research problem, I conducted an in depth study focusing on human resource development mechanism adopted by PEs. This study reveals the HRD scenario particularly in relation to learn conceptual understanding of HRD mechanisms, problems and challenges, effectiveness of existing HRD mechanisms and efforts to improve HRD for meeting the goals of organization in this competitive business age of globalization. I followed qualitative research design within the horizon of interpretive paradigm based on ethnographic approach. The philosophical premises encompass ontological, epistemological, axiological and methodological assumptions in this study. The ontological assumption for this study subscribes as a qualitative researcher to the notion of multiple realities regarding human resource development practices and its effectiveness in the context of PEs in Nepal. My epistemological assumption for this study believes in subjective discourse that knowledge can be acquired through in-depth interview, detailed interactions with research participants, observations, document analysis and intensified literature reviews. However, my epistemological assumption is descriptive. I was fully aware of the matter that absolute truth is not possible. However, the axiological assumption in this research is that reality is socially constructed and the role of values which states that human nature is a determinant factor in research. The purpose of research is to authentically understand and consider it to be ethically real.

I believe in the fact that I am aware of the issues of human rights, social justice and ethical principle but what we uncover as "knowledge" at present will not remain as it is because of the changing speed of HRD mechanism practice in the present scenario.



I adapted interpretive paradigm in order to derive substantial meanings from the uncovered knowledge. Hence, I derived meanings with analysis and reflections on the values, beliefs and feelings expressed by research participants about human resource development practices in the context of public sector enterprises in Nepal. This study has made more substantial, authentic and trustworthy by incorporating relevant ideas which are obtained and gathered through concerned literature review. In this study, I review related studies, three stool theories, other related theories, models and principles about HRD. These studies, theories and models provide me strong foundation for critical analysis, interpretation and discussion about my study.

The major findings of my study reveal that all the employees of selected six PEs are aware of the concept and mechanisms of HRD to some extent but most of the employees and even management take HRD as a mere means of training and development. The HRD culture is yet to be developed. The learning and curing culture among the employees and even management is not developed properly. The philosophy of management towards employees is not positive in practice. Generally, HRD mechanisms like training and development, career development, performance evaluation, reward and punishment, employees' welfare and quality of work life is adapted based on the rules and the regulations, nature and financial position of the concerned public sector enterprises. The problems and challenges are similar on the basis of all organizations to some extent. Existing HRD mechanisms are defective and ineffective. Effectiveness of HRD practice is significantly different in the selected PEs of Nepal.

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## ABBREVIATIONS

ACCA	Association of Chartered Certified Accountant
APO	Asian productivity Organization
ASTC	Assistant Staff Training Centre
ASTD	American Society of Training and Development
ATM	Automated Teller Machine
BS	Bikram Sambat
CA	Chartered Account
CAA	Civil Aviation Academy
CAAN	Civil Aviation Authority of Nepal
CD	Career Development
CDMA	Code Division Multiple Access
CDOs	Chief District Officers
CEDAs	Centre for Economic Development and Administrations
CEO	Chief Executive officer
CPD	Continuing Professional Development
DOLIDAR	Department of Local In fractures Development and Agricultural Roads
EPAI	Employees Performance Appraisal Instrument
EPD	Employees Professional Development
EPS	Earning Per Share
ESS	Electronic Screening System
FGD	Focus Group Discussion
GON	Government of Nepal
GSM	Global System for Mobile Communication
HPPCL	Herbs Production and Processing Company Limited
HR	Human Resource
HRD	Human Resource Development
HRDC	Human Resource Development Climate
HRDC	Human Resource Development Component
HRDD	Human Resource Development Division
HRDGC	Human Resource Development in Global Context

HRH	Human Resource Health
HRM	Human Resource Management
HRM	Human Resource Management
HRMD	Human Resource Management Development
ICAO	International Civil Aviation Organization
ICT	Information and Communication Technology
IHRD	Innovative Human Resource Development
IHRDP	Innovative Human Resource Development Practice
IHRFP	Innovative Human Resource Foreign Policy
ILO	International Labor Organization
INGOs	International Non-government Organizations
INS	Induction in Service
JEMCL	Janak Education Material Centre limited
JS	Jobs Satisfaction
KL	kilolitres
KSAS	Knowledge, Skill and Attitudes
LECs	Local Enterprise Companies
LIS	Life Insurance Sector
M.Ed.	Master in Education
MBO	Management by Objectives
MBT	Management by Trust
MDGs	Millennium Development Goals
MLD	Ministry of Local Development
MNCs	Multinational Corporations
MOHP	Ministry of Health and Population
MPFS	Master Plan Forest Strategies
NASC	Nepal Administrative Staff College
NCVQ	National Council for Vocational Qualifications
NCVQ	National Council for Vocational Qualification
NDCL	Nepal Door Sanchar Company Limited
NDTC	Nepal Doorsanchar Training Centre
NEA	Nepal Electricity Authority



NGOs	Non-government Organizations
NHRD	National Human Resource Development
NIDC	Nepal Industrial Development Corporation
NIDCL	Nepal Industrial Development Corporation Limited
NOC	Nepal Oil Corporation
NOCL	Nepal Oil Corporation Limited
NPC	National Planning Commission
NQTs	Newly Qualified Trainers
NRB	Nepal Rastra Bank
NRB	Nepal Rastra Bank
NSF	National Science Foundation
NTA	Nepal Telecommunication Authority
NTC	Nepal Tele Communication
NVQ	National Vocational Qualification
NWS	Nepal Water Supply
O&M	Organization and Management
OCTAPAC	Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity
and	Collaboration
OD	Organization Development
OD	Organizational Development
OJT	On the job training
PA	Performance Appraisal
PCMD	Professional Course on Management and Development
PDAS	Professional Development and Appraisal System
PDCP	Professional Development Credit Policy
PDOs	Professional Development Organizations
PDS	Professional Development Schools
PERAP	Performance Appraisal
PEs	Public Sector Enterprises
PNPP	Preparing New Principals Program
PSBS	Public Sector Banks
PSC	Public Service Commission

PSTN	Public Switched Telephone Network
QWL	Quality of Work Life
R&D	Research and Development
RBBL	Rastriya Banijya Bank Limited
SA	South Africa
SAARC	South Asian Association for Regional Cooperation
SKIMS	Shri-Kashmir Institute of Medical Science
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
SREB	Southern Regional Education Board
SU	Singhania University
SVQ	Scotland Vocational Qualification
SWOT	Strengthens, Weaknesses, Opportunity and Threats
T&D	Training And Development
TECs	Training and Enterprise Councils
T-Exp	Teaching Experience
TN	Training needs
TNA	Training Needs Assessment
TOT	Training of Trainers
TU	Tribhuvan University
UK	United Kingdom
UN	United Nation
UNDP	United Nation Development Program
UNESCAP	United Nations Economic, Social Commission for Asia & Pacific
WHO	World Health Organization
WSPS	World Strategy of Public Service
YOP	Youth Opportunities Program

## **CHAPTER ONE**

### **INTRODUCTION**

This chapter one explains the background of the study, statement of the problem, worth of research, significance of the study, purpose of the study, research questions, , limitation and delimitation of the study and organization of the study.

#### **Background of the study**

This is an age of human resource Development. The effort of human resource has changed the overall picture of the world. It has made life easier & more comfortable, but human being is not free from defects. It is used in defective activities in the world due to the lack of adequate knowledge & wisdom. Hence, human resources should be properly developed in every sector using different developmental mechanisms and properly managed in the field of activities. It has limitless energy to think and act. Competent, qualified and skillful human resource are the assets for every organizational success. In this situation the emerging concept of human resource development (Capacity Building) plays a vital role in achieving the individual, organizational as well as developmental goals of the nation. Human resource management is an inherent part of management. It is dynamic & pervasive. It is concerned with management of the work force in any institution. It facilitates the retention of experienced, skill & competent manpower & buildup capacity of human resources through continuous learning, training & development works. The management of man is very important challenging job, because of the dynamic nature of people.

“Human resource development is the study and practice of increasing the learning capacity of individuals, groups, collectives, and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness” (Chalofsky,1992,P.179). Similarly, Decenzo and Stephen (2000) expressed their views that HRD is a continuous process to ensure the development of employee’s competencies, dynamism, motivation, effectiveness and it

concerned with preparing employees to work effectively and efficiently in the organization.

According to annual performance review of public enterprises 2011, published by the government of Nepal, "The number of appointed functioning staffs in the fiscal year 2008/2009 A.D. was 33603, whereas in the FY 2009/2010 such staffs came into 33526. The average monthly expenditure for the employees working in the enterprises was Rs. 27110.00 (Per head) in the fiscal year 2008/2009 A.D. whereas it has reached to Rs. 34126.00 in the fiscal year 2009/10 but the productivity of the public enterprises have been found to be very low in the ratio of the number of staffs in comparison with the number of employees and their productivity of private enterprises.

There is high profitability of the PEs by suffering financial crises in future because of the the concept of competition has not been developed in the employees of the PEs due to lack of competency and expertise. There is a tendency among the employees to get over facilities more than their contribution to the enterprises. The PEs have been habituated by the claim of the employees by raising voices for their professional freedom and career development.

### **Human Resource Development Mechanism**

Adhering to Mondy (2010), definition of “career development” he argued that “career development is a formal approach used by the organization to ensure that people with the proper qualifications and experiences are available when needed. Formal career development is important to maintain a motivated and committed work force”. Likewise, Mondy says “performance appraisal is formal system of review and evaluation of individual or team task performance.”

Agrawal ( 2005) argued that “performance appraisal is review of an employee's performance on the job and his potential for assuming future responsibilities. It reviews job-relevant strengths and weaknesses.”

Meanwhile he claims that potential appraisal is concerned with the identifying career advancement possibilities. It introduces the potential for handling higher level responsibilities.

According to Flippo (1984), “training is the act of increasing the knowledge and skills in an employee for doing a particular job”. likewise, Nadler, Leonard stress that training describes those activities that serve to improve an employee performance on a currently held job or one related to it. Agrawal (2005), says that training is an important mechanism of human resource development. It directly contributes to HRD. It plays an important role in HRD efforts of the organization (p.55).

Training is a short term process which utilizes a systematic and organized procedure by lower level personnel, learns technical knowledge and skill for a definite purpose. It refers only to instruction in mechanical and technical operations. It is also designed for non-managerial personnel. Training means process of preparing or being prepared for a sport or job: He mustn't drink beer; He's in strict training for his next fight (These examples have been drawn from the Oxford Advanced Learner's Dictionary).

Dessler (2004) says that management development is any attempt to improve managerial performance by improving knowledge, changing attitudes or increasing skills. It is a systematic process of improving managerial performance. It prepares the managers to handle present and future responsibility.

Training is that organized process concerned with the acquisition of capability or the maintenance of capability of human resource or capacity building of human resource. Learning, training and development intends to build the capacity of the lower and top level manpower of the public enterprises in Nepal.

### **Statement of the Problem**

In today's highly competitive and turbulent business environment every Public Sector Enterprise should be well-equipped with trained, experienced and qualified manpower otherwise they cannot run properly in modern age of globalization. Satisfied human resources are the assets of PEs like the other sector. Hence, this study also focuses on the psychological response of the employees about HRD mechanisms used by PES. The PEs employees render various types of services to implement the government policies and fulfill the objectives of the Nation. In the changing speed of information technology, we are unknown about the reality of HRD practice, its problems, challenges and

effectiveness due to the lack of adequate study in this sector. There is no sufficient study from the part of government and other individual sector. Therefore, to fulfill this gap, this study was benefited. This study analyzed the effectiveness of human resource development (learning, training and development, career development, performance appraisal, rewards, employee's welfare and quality of work life) procedure and system used by PEs to build the capacity of both human resources and organization as a whole. Therefore, this study was mainly concerned with human resource development practices used by PEs in Nepal. In this scenario, the researcher has become more curious to make a study of the HRD practices in PEs so as to understand the real state of affairs.

### **Worth of Research**

This research mainly focuses on the effectiveness of HRD practices, major problems and their casual factors towards it, for achieving the goals in PEs of Nepal. In this sector sufficient grant has been provided by the government as a financial, human resource management and technical assistance for the development of PEs and fulfillment basic-needs of Nepalese people as well as achieving the developmental goals of the nation. Even then, the PEs performance and financial condition are not so good. Hence, it is essential to explore the current HRD practices methods used by PEs in Nepal, whether these methods have been able to enhance employees' managerial and operational skills as well as their moral for achieving the individual, organizational and developmental goals. The study also helps to develop master trainers and developers who will be able to provide human resource capacity building through using effective HRD mechanisms in PEs of Nepal.

### **Significance of the study**

HRD and its mechanism play an important role in a learning process is applied in PEs of Nepal. It enhances and develops the capacity, efficiency and effectiveness of the work force. The following points focused on the importance of HRD practice to the PEs of Nepal. Effective HRD program improves the capacity & efficiency of employees' by updating their knowledge and skills and helps to improve their performance. Training helps in career development of work force. It increases personal life, planning and quality of work life and provides several opportunities for developing skills. It helps to reduce the cost of production and wastage, to do the job in the most economical way, to produce highly sophisticated skill as in boring, drilling, carpentry planning and host of other industrial jobs and operations.

It also helps to prepare greater responsibility in the higher level management that helps to build up security and status, to ensure technical competence as well as to improve in leadership, organizational structure and to enable candidates to understand the problems of the business organization. HRD helps to develop the ability to analyze problems and to take appropriate action. This human resource development technique helps to inculcate knowledge of human motivation and human relationships, helps to understand economic, technical and institutional forces in order to solve business problems and also to acquire knowledge about the problem of human relations. This study looks at different opportunities for developing human resources which help to achieve organizational goals. HRD techniques such as career development, performance appraisal and feedback, learning, training and development, reward system, quality of work life and employees welfare activities are equally essential in PEs like in other organizations.

Every organization whether profit or not for profit, public or private or government, needs to have well trained and experienced employees to perform the activities in order to achieve the organizational goals (Singh, 2010, P.141). There is no doubt that well developed human resources can play a significant role in maximizing the benefit to the Public Enterprises and contribute to enhance the quality service for achieving the developmental goals of the nation. This study was needed to explore the reality of HRD

practices, problems and challenges and, effectiveness of HRD practice and suggest to improve it to the concerned organizations.

### **Purpose of the Study**

The prime purpose of this study is to contribute to the enhancement of human resources development practice in the context of Public Sector Enterprise of Nepal was the prime objective of my study. To meet the above purpose the specific objectives of the study were as follows:

To assess the conceptual understanding and management philosophy on Human Resource Development in selected public sector enterprise.

To evaluate the existing human resource development mechanisms practiced by PEs.

To investigate the major problems and their causal factors towards the human resource development in PEs.

To assess the techniques for identifying the effectiveness of these human resource development activities in terms of knowledge, skill, attitude, moral, motivation and productivity.

### **Research Questions**

The prime question of this research is that what and how is being human resource development practiced in selected Public Sector Enterprises of Nepal was my prime question.

The main questions that the study seeks to answer are as follows:

1. How the employees understand HRD and how is philosophy of management towards employees in the organization?
2. What are existing HRD mechanisms practiced by PEs in Nepal for Human resource development?
3. What are the major problems and their casual factors towards HRD practice in PEs of Nepal?
4. How to assess the effectiveness of HRD practices in PEs of Nepal?



### **Limitation and Delimitations of the study**

The study was delimited in 36 government owned public sector enterprises. Out of them, the study deeply concentrates in six organized Public Sector Enterprises of Nepal. This study does not cover the all HRD mechanisms. It covers these HRD mechanisms adopted by PEs of Nepal such as training& development, career development, performance appraisal, employees' welfare and quality of work life and reward system as well as problems and challenges and effectiveness of existing HRD mechanisms. This study adopted the qualitative approach, it obviously becomes more analytical and descriptive which might not be fully justified quantitatively in many cases. This study and analysis available of data deal with focusing conceptual understanding on HRD among employees, philosophy of management towards employees, HRD mechanisms practices in PEs building the capacity of human resource in PEs of Nepal. It focused problems & challenges and effectiveness of HRD practices in selected six organizations of Nepal. This study was basically delimited to the human social dimension of development which further highlights the human resource capacity building aspect through training and management development and performance & potential appraisal approach. Such capacities can be built through different means but this study was delimited to human resource development practices in selected six PEs of Nepal. This study has covered government owned organized Public Sector Enterprise situated in Kathmandu valley along with a few from the periphery.

### Organization of the study

**Table 1.1 Organization of the Study**

Chapter No.	Name of Chapter
1	Introduction
2	Literature Review
3	Research Methodology
4	Analysis and Interpretation
5	Major Finding
6	Summary Conclusion, Implication & recommendation

This research consists five main chapters. The detail of the chapter is given below:

The first chapter includes the overall background of the study, statement of the problem, significance of the research program, objectives of the research work, research questions, organization of the study, conceptual framework, delimitation of the research study, and related terminology of the study.

Chapter two covers the conceptual, theoretical and historical framework which included principles, related theories and models. It is concerned with literature review and research gap. It is described the review of human resource development mechanisms, such as learning, training & development, career development, performance appraisal, rewards, employees welfare and quality of work life problems, challenges and casual factors towards HRD and related matter about the study. The data analysis of the study was done with academic literature review. It enables the reviews of the previous studies with respect to the study. This is also devoted to the theoretical analysis and the brief reviews of the related thesis, journals, literature and articles etc. and find out the research gap about the problem. It is classified in different sub -titles.

Chapter three explains the methodological aspects of the study and procedure; it deals with research philosophy, study area, research design, nature and sources of data, population and sample, sampling design, data collection tools and techniques, analysis procedures and analytical tools are used for the analysis, presentation and delimitation of the study. It is also classified in different sub heads.

Analysis, assessment, interpretation and discussion of primary and secondary data and information are included in the chapter four. For the analysis of the collected data, as a qualitative researcher, thematic analysis is used as per necessity and research findings and discussions of the study are included in this chapter. Basically, it covers the understanding on human resource capacity building, meaning and perception of HRD among employees, philosophy of management towards employees, HRD mechanisms practiced and their problems and casual factors continuously in the practice process in PEs of Nepal. Lastly, it also assesses the techniques used to be made HRD practice more effective in the organization. In this chapter, several secondary data are analyzed and they are presented in different forms. This chapter is classified into different sub chapters according to objectives of the study as well as the necessity of the topic.

The fifth chapter is concerned with major finding and discussion. In this chapter researcher find out results based on analysis, assessment, and interpretation from previous chapter.

Finally, chapter six is concerned with summary conclusion, implication & recommendation of the overall research study.

### **Concluding Remarks**

This introduction chapter is a reflection of overall research framework of human resource development practices in the context of selected six public sector enterprises in Nepal. In this research work, I have focused on HRD policy in PEs and perception of employees about HRD and HRD culture and philosophy of management towards employees, HRD mechanisms practices in PEs are appropriate or not studied. It investigates the HRD culture and major problems and their casual factors towards HRD in the organization. It should be needed to explore the techniques used to be made HRD practice more effective in PEs of Nepal. Therefore, a sequence of statement of problem, research purpose, research questions have been stated in this chapter. For achieving the main research objective, five sub-purpose and research questions were designed to assess the reality of HRD practices in PEs of Nepal. The research question moved around analyzing the HRD

situation regarding human resource capacity development for better performance of the PEs and achieving the individual and organizational goals which provide strong foundations for this research work.

## **CHAPTER TWO**

### **Review of Literature**

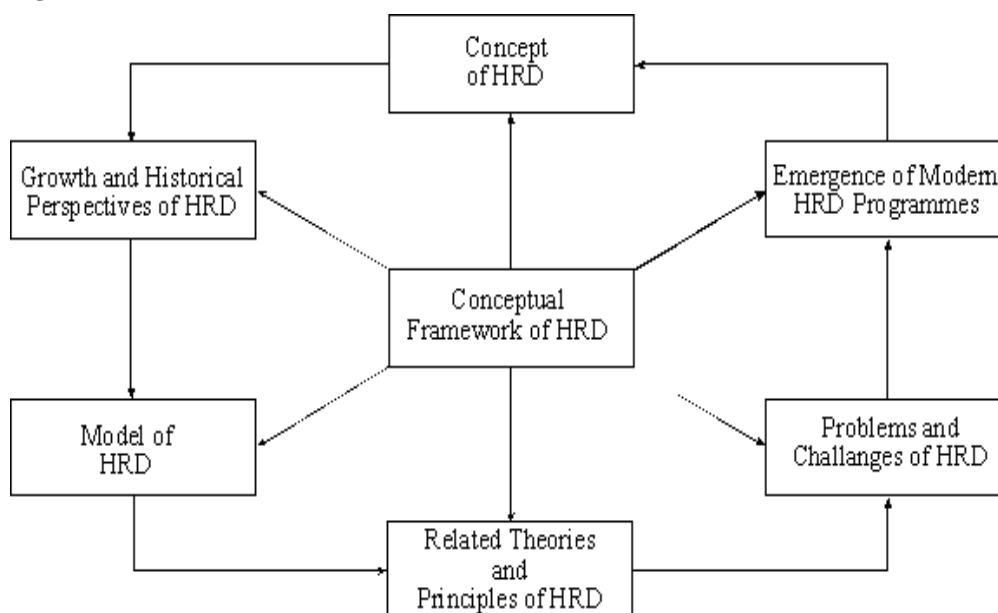
#### **Introduction**

Review of literature is the fundamental part of research work which describes what research studies have been conducted in the past and what remains to be done. The purpose of this chapter is to review the literature related to HRD practices in Nepalese and global context. The purpose of literature reviewing is to develop some expertise in own's area to see what contributions can be made and to receive some ideas for developing a research design (Wolf & Pant, 2002, p.34.). Creswell (1998, p.20) states that the literature section in a research study achieves several purposes: firstly, it shares with readers prior studies closely linked with the study being reported; secondly, it relates to a study to the larger ongoing dialogue on the topic as well as filling in gaps and extending prior studies; and lastly it provides a framework for establishing the importance of the study and a benchmark for comparing the result of the study with other findings. People are an important resources. They are valuable property of an organization. They need to be managed properly so as to assist them to perform at their peak level. The resources need to be deployed, managed and controlled as they are the most important assets of all organizations. This research is based upon the HRD practices in major PES of Nepal.

The analytical review has been divided into six parts. The first part gives focus on conceptual, historical and legal issues concerned with PEs and HRD. The second part is concerned with theoretical issues related to thoughts, theories, models. The third part is concerned with HRD policies, principles, climate, culture and philosophy of management. The fourth part is concerned with HRD mechanisms practices in Nepal and abroad. The fifth part is review the major problems, challenges and their casual factors. The sixth part is concerned with related studies. Finally, the seventh part summarizes the research- gap and implication of the review of related literature. As this study mainly focuses on the effectiveness of HRD practices and contribution to the enhancement of

human resource development practices in the context of Public Sector Enterprise (PEs), the following theme need to be address shortly under literature review see figure I

**Figure 2.1 Review Framework**



## **Part-I**

### **Concept and History of PEs and HRD**

#### **Concept of Public Sector Enterprises**

Public sector enterprise (PEs) refers to the organizations which are controlled, operated and managed by the government. In such enterprises either the government is a sole owner or more than 50% share is owned by the government. These types of enterprises are established to create proper circulation of goods & services in the society and also for the socio-economic development of the country. According to Narayan, (1988, p. 8) in many countries, PEs is known as "parastatal" or "parastatal" sector that is, the group of institutions, organisms and enterprises that are empowered by the State, cooperate in its aims without being part of the public administration (Narayan, p.8). Public sector enterprises are established under Company Act, Special Act, Enterprise Act or any other act. These organizations, under state initiations provide Petroleum product,

food, water, electricity, communication, banking, education materials, medicine and transportation facility as well as PEs also engages in social welfare work like providing employment in the society. For Example: Civil Aviation Authority of Nepal, Nepal Electricity Authority, Nepal Tele Communication Corporation, Rastriya Banijya Bank Limited, Nepal Water Supply, Herbs Production and Processing Company Limited, Nepal Janak Education Material Centre Limited etc are major PEs of Nepal and are known as Public Sector Undertaking, State Enterprise, Nationalized Industry, Government Undertaking Enterprise.

PEs are commercial entities of public utility undertaking funded by the government. These enterprises are established mainly to provide different nature of services to the public in a better manner and also at a reasonable price including profit and social welfare. All PEs share the common features as controlled and managed by government, motivated for service, separated legal entity, oriented for services with public responsibility. PEs are controlled by board of directors and financed by the government.

Narayan (1988) further says that “Public Enterprise is an organization which is owned by public authorities to the extent of 50% or more is under the top management control of the owning public authority, and which is also engaged in activities of a business character (involving the basic idea of investment and returns) and it markets its output in the shape of goods and services for a price” (P, 7).

According to Narayan (1988), the word “Public” has varying connotations. It is used in the context of accessibility and benefit to the general public as in the term “Public Service” “Public Parks” or “Public Thoroughfare” It is sometimes used to denote ownership by members of the public at large as in the term “Public Limited Companies.” A third sense in which it is used as ownership and control by public authorities in the interest of the public at large; and this is relevant here. The three essential characteristics of “Publicness” are: (a) Public Purpose (b) Public Ownership and (c) Public Control, (P, 5, paragraph 2-3). Practice means a method, procedure, process, or rules used in a particular field of study. The literature indicates that PEs is an artificial person. Generally it is operated by the government to fulfill the basic needs of the people.

## **Public Enterprises in Nepal**

According to Pradhan (2044), Pradhan 2048) & Shrestha, (2055), before the first people's revolution 2007 B.S., some offices or councils were established. First of all in 1987 B.S, industrial council was established as the first public enterprise in Nepal. After then agricultural council, mine office, cottage industry, wood mills were established respectively. But all of these enterprises were controlled by Rana government; as a result, these all organizations were not succeeded to achieve the individual and organizational goals. In 1993, Rana government draft and approved a company act then Biratnagar Jute Mills (1993BS), Raghupati Jute Mills (2003BS) and Morang Sugar Mills (2003BS) were established under this act. Under the Nepal Bank act, 1994 B.S. Nepal Bank Limited was established for providing banking services to the Nepalese people. This was the first commercial bank of Nepal inaugurated by king Tribhuvan Bir Bikram Shah Dev. It is continues now and also the first PEs of Nepal. After the first revolution 2007, there were many changes have been made in political, social and economical sector. First of all, in government sector Nepal Rastra Bank was established in 2013 B.S. under the Nepal Rastra Bank act 2012. This is the Central Bank of Nepal. First fifth year plan, was established in 2013B.S. for the rational development of Nepal. Meanwhile, to provide the air services to the Nepalese people, Royal Nepal Airlines Corporation was established under the Royal Nepal Airlines Corporation act 2014. In the beginning 51% share of this corporation was purchased by the government of Nepal. It was essential to establish the corporation to promote the services of capital market and help to establish and develop the industries. Nepal Industrial Development Corporation was established under the NIDC act 2016. In 2017BS, National Construction Company and Timber Corporation were established. After 2017BS to present many PEs have been developed. In this sector government of Nepal has been investing large amount for fulfillment of basic needs of Nepalese people and achieving the developmental goals of the nation. Even the most of the PEs activities are not so good but some PEs activities are satisfied. So, it is essential to study the reality of HRD practice in this sector.



It is crystal clear that most of employees of the PEs have not been succeeded to perform their competency, effectiveness and creativity while performing their own duty as per the changing nature of society and modern technology."

In this situation, it is essential to study the employees' perception towards HRD, HRD culture and philosophy of management and HRD mechanism practices such as learning, training & development, career development and performance appraisal and feedback, Employees welfare and quality of work life methods which generally used by PEs in Nepal. Problems and challenges of HRD and effectiveness of HRD mechanism adopted by PEs in Nepal. The main HRD methods available for organizations are as follows (Singh 2010). Human resource planning, performance appraisal and feed-back, training, education and development, potential appraisal and promotion, compensation and rewards, career development and career planning, role analysis and role development, OD techniques, participative devices, quality of work life, counseling, grievance redressed, data storage and research, industrial relation (p.53).

### **HRD Concept**

The concept of HRD, its philosophy and its measures have been popularized by a number of scholars on the basis of their experiences in the field of personnel management. There was a time when personnel manager was expected to manage the employees to achieve eventually the overall goals of the organization. The practicing personnel managers could perceive wider scope of managing the employees with the basic approach of enlightened self interest as two ways of benefits: one to manage employees the benefit of organizations as well as for the benefit of employees too. In order to know the effectiveness and the real impact of various measures of managing employees, efforts were made by the scholars and the practicing managers to study all these issues empirically. These efforts were made in the field of the entire human resource management and a part of it relates to HRD. The researcher, therefore, made an attempt here to review the prominent literature readily available on HRD, its functions, mechanisms, problems and challenges and management philosophy towards it. HRD is the integral part of Human Resource Management (HRM).

*Armstrong (2006) defines Human Resource Management (HRM) as a strategic and coherent approach to the management of an organization's most valued asset-the people working there who individually and collectively contribute to the achievement of the objectives. HRM involves all management decision and practices that directly affect the people or human resources, who work for the organization (Armstrong, 2006, p. 6-8).*

Human resource management is the utilization of individuals to achieve organizational objectives (Mondy, 2010,p. 4). It is concerned with in the “People” dimension of management that cover a broad range of important organizational functions including recruitment, selection, induction, proper placement, development, motivation, compensation, retention, retirement, evaluation, promotion, etc of the personnel within an organization (Agrawal, 2003,p. 18). HRD is essential to every organization for achieving the individual as well as organizational goals in a right proper manner.

*Human resource development (HRD) is an organized learning experience provided by employers within a specified period of time to bring about the possibility of performance improvement and/or personal growth (Nadler, 1989).*

It is the integrated use of training and development, and career development to improve individual, group and organizational effectiveness (Mc Lagan, 1989, as cited by Swanson 2008).

*Human Resource Development is the framework for helping employees, developing their personal and organizational skills, knowledge and abilities so that the organization and individual employees can accomplish their goals. The main aims of HRD are improving competence and performance of individual on present job. The outcomes of HRD are increased commitment, better role, trust and respect of other, collaboration and time-work (Singh, 2010, p. 60).*

Likewise, Memoria & Gankar (2008) argued that development is a related process intended to equip persons to earn promotion and hold a greater responsibility. Armstrong and Baron (2002) say that human resource development is concerned with the provision

of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance. According to DoLIDAR HRD Policy (2009), "Human Resource Development is the framework for helping employees and stakeholders to develop their personal and organizational skills, knowledge, attitude and abilities. HRD includes various opportunities such as employee training, employee career development, performance development and management, core skill coaching, successor planning, further study assistance, experiential learning through visits and observation, mentoring to support various aspects of the professional development. The focus of HRD is to develop most superior workforce with basic skills and mastery of skills so that the project work as well as regular work can be accomplished in time with quality work and satisfy the investors and users/customers. In order to satisfy the organization and customers, high-performance work system is essential. The high-performance work systems have shown how skills and training are key component in increasing organizational/institutional performance specially when linked with complementary HRM practices" (p.3). "HRD is a process for development and unleashing human expertise through organization development and personnel training; and development for the purpose of improving performance" (Swanson and Holton III, 2001). In simple terms, HRD is concerned with the development of the human resource function in an organization. The term Human Resource Development involves mainly two terms-Human Resource-which consists of the total knowledge, creative abilities, skills, talents and aptitudes of an organization's work- force, as well as the values, and benefits of an individual involved in the organization.(Government Jobs, 2012).

Development involves enhancement of the skills and abilities of the employee in the present job as well as making him capable of doing so in the future assignments too. Mc Connell, Timothy R. says that historically, the IT community has been very good at on -the -job skills development and fluid career progression. This distinguishes IT from the other professions, where the focus is on the specific job. In these fields, individuals are hired into a position and generally stay there performing the relatively static duties of

that job until the staffing system moves them to another position, where the cycle repeats itself.

McLean & Mclean (2001, p. 10) offered an expanded definition to underscore its evolutionary nature. They described it as "any process or activity that either initially or over the long term, has the potential to develop adults work-based knowledge, expertise, productivity and satisfaction, whether for personal or group/term gain, or for the benefit of an organization, community, nation, or, ultimately, the whole of humanity." In his own definition, Rao (1986) argued that "Human Resource Development in the organizational context is the process by which employees of an organization are helped in a continuous planned way to: i) acquire or sharpen capabilities required to perform various functions associated with their present and future expected roles; ii) develop their general capabilities as individuals and discover their own inner potential for their own and/or organization development purposes; iii) develop and organizational culture in which superior-subordinate relationship, teamwork and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees." There are several techniques of management development. Those techniques can be classified into two broad categories namely- On the job-techniques & off-the-job-techniques (Khadka, 2009,p. 128).

### **Importance of HRD**

The HRD is essential everywhere. It is essential in the public sector organization. Chalofsky & Lincoln, 1983; Megginson et al 2000) regarded that HRD is necessary for developing a learning climate or learning organization (Marquardt & Engel, 1993; Marsick & Watkins, 1994). Moreover, in consonance with globalization and new technology, the purpose of HRD is to meet regulatory requirements, improving quality and training for implementing new technology (Parker & Coleman, 1999; Rothwell & Kolb, 1999, as cited by Haslinda, 2009).

In general, it is also said that HRD is necessary to establish learning culture, to improve quality, to implement new technology, to meet regulatory requirement and to achieve

individual as well as organizational goal in the organization. Without proper human resource development the organization cannot run properly and successfully.

Academics and practitioners alike proclaim that successful organizations that human resources are ultimately the only business resources with the creativity and adaptive power to create, renew and sustain organizational success, despite changing market conditions (Hearaty and Morley, 2000, Cheney and Jarret, 1998, Donovan et al 2001, as cited by Nolan Ciara, 2004). Hence, learning and development of human resources becomes crucial to survival (DeGeus, 1997).

The core essence of HRD is to bring out the best in employees. It refers to making the people capable of bringing out all the capabilities inside them for a particular job they hold there by developing the organization as a whole. This will be possible only when the employees have to develop their capabilities inside them for the higher productivity or performance. This will only be possible when they have high skills, knowledge, and a positive attitude towards the work as well as good working environment also. HRD aims at maximizing the potentialities of the general work force as a whole. This involves integration of the individual work goals with that of the company goals and improving the individual performances. In order to achieve the goal of organization the organization should give in positive work environment as well as working opportunities (Government Job, 2012).

Source: Role of Human resource Development in Public sector/Government Jobs 2012  
<http://governmentjobsalerts.com/role-human-resource-development-public-sector-405.html#ixzz1tJDQluEKRR> Review dated 4/12/2012)

Similarly, Chalofsky (1992) suggested that the core of the HRD profession should reflect what was essentially HRD in order to separate it from other professions. He said that this core should contain the philosophy, mission, theories, concept roles and competencies ( as cited by Wilson, 2005,p.18).

Arising from the research conducted on behalf of the American Society for Training and Development, Mclagan and Suhadolnik (1989,p 2) identified 11 roles that indicate many of the dimensions carried out by HRD professionals. These are researcher,

marketer, organizational change agent, needs analyst, program designer, HRD materials developers, instructor/facilitator, individual career development advisor, administrator, evaluator and HRD manager(as cited by John P. Wilson, 2005,p. 18).

The ASTD research of Mclagan and suhadolnik also identified 35 years of competence for those involved with HRD (Wilson, 2005, p.18-19). Human Capital is the stock competency, knowledge, social and personality attributes, including creativity, embodied in the ability to perform labor so as to produce economic value. It is an aggregate economic view of the human being acting within economies, which is an attempt to capture the social, biological, cultural and psychological complexity as they interact in explicit and /or economic transactions. The intangible human capital, is an instrument of promoting comprehensive development of the nation because human capital is directly related to human development, and when there is human development, the qualitative and quantitative progress of the nation is inevitable (Haq, Mahbubul, 1996, as cited by Wikipedia, the free encyclopedia, May, 2, 2012). Therefore, it is also said that HRD is essential everywhere to develop the nation.

### **Purpose of HRD**

After studying the concept, and importance of HRD, it is found that there are so many theoretical debates about the concept, nature and objectives of HRD. A set of argument is given here pertaining to the HRD purpose. The purpose of HRD is said to influence the nature and extent of HRD activities being implemented (McLean & McLean, 2001). Likewise, the purposes of HRD are centered on learning and performance perspectives, both benefiting the individual and the interests of shareholders (Holton, 2000). Meanwhile, in a wider perspective, Hatcher (2000) argues that the purposes centre on economic benefits, social benefits and the ethics of HRD. All these points indirectly suggest that a reconciliation of the purposes of HRD centrally focus on training, development and learning within organizations for individual development to achieve business strategies and for the development of organizational competence (Gourlay, 2001).

The purpose of human resource development, is to enhance individual performance and improve organizational effectiveness and productivity (For example, McLagan, 1989; Chalofsky, 1992; Stewart & McGoldrick, 1996, as cited by Haslinda, 2009).

The review of HRD concept and definition indicate that the purpose of HRD is learning and performance perspective. The purpose is regarded social benefit, economic benefit and ethics of HRD. The purpose focus learning, training and development and individual development within organization to achieve individual and organizational goals.

### **History of HRD**

The concept of HRD began with the aim of enrichment of working capacity of labors during 18<sup>th</sup> century as Desimone, writes, "The origins of HRD can be traced to apprenticeship training programs in the eighteenth century" (Desimone, 2002, p. 4). Then, it developed around the end of the 19th century when concern grew compared with other industrial nations like in Germany, Britain's labor force was of a poor standard, leading to a lack of competitiveness, a theme which would re-emerge continually during the 20th century as the necessity to enrich the working capacity. The First World War demanded rapid production of munitions, so the Ministry of Munitions devised training schemes aimed at producing competent machine operators within three months. In 1917, the emphasis shifted to skill training for mainly disable ex-servicemen, to enable them to gain both employment and trade union membership (Desimone, 2002).

After the First World War, the government was concerned about a possible shortage of skilled workers, while simultaneously there was concern to alleviate mass unemployment. So from 1925 the interrupted apprenticeship scheme enabled those whose apprenticeship had been interrupted by the war to resume them. For women, training schemes were established to fit unemployed women and girls for domestic employment. The principle aim of virtually all the schemes was to mitigate long term unemployment, which disappeared with the onset of the Second World War. In 1945, with the end of the war in sight, courses were again adapted to the needs of post-war reconstruction to provide training for the building industry.

But the quality of training was generally considered poor: although the experience of the war stimulated interest in training and formalized to some extent training techniques, it did not change attitudes. The post-war years were a period of full employment, and the consensus remained that employers should bear the major responsibility for training their employees; and training, in most cases, still meant time-served apprenticeships which were regulated by industry-wide national agreements between employers and unions, formed by the widely varying custom and practice of each industry.

Unemployment grows rapidly from the mid-70s and various schemes were developed to train young people and to reduce unemployment. One such major outcome was the Youth Opportunities Programme (YOP) which began in 1978 and offered unemployed school level work experience, training and work preparation courses. In 1987 the National Council for Vocational Qualifications (NCVQ) was established to design and implement a new National Vocational Qualification (NVQ; SVQ in Scotland) framework to bring order and structure to qualifications, including accreditation for what had already been accomplished. Similarly, in 70s American Society for Training and Development (ASTD) was formed as the professional trainers regarded to expand their role beyond classroom and in the early 80s the ASTD coined the name Human Resource Development (HRD) to encompass the growth and change of training (Desimone, 2002). From 1989 Training and Enterprise Councils (TECs) were established in England and Wales, and Local Enterprise Companies (LECs) in Scotland and Northern Ireland. They were legally autonomous bodies that controlled the public funds allocated to them, could raise private funds and were employer-based. Their aim was to make training policy sensitive to local needs and therefore have a real impact on business growth.

In 2003 the government issued its skills strategy White Paper with the aims of ensuring that employers had the skills to support the success to their business, and that employees had the necessary skills to be both employable and personally fulfilled. The White Paper spoke of building a new skill alliance where every employer, employee and citizen played their part, by integrating what already existed and focusing it more effectively. In



this sense, the history of HRD was rooted due to the need of skill growth of labors. In the form of training HRD came in practice at the beginning.

This was followed by the Leitch Review of Skill's published in 2006. It proposed to tackle the continuing problem of low skills by (among other recommendations) proposals for the UK ultimately getting to a position where 95% of adults would achieve a level 2 qualification, and supporting a new 'Pledge' for employers to voluntarily commit to train all eligible employees up to level 2. Progress would be reviewed in 2010, and if improvement was 'insufficient, introduce a statutory entitlement to workplace training to Level 2 in consultation with employers and unions'. (The History of HRD adopted from <http://www.cipd.co.uk/hr-resources/factsheets/history-hr-cipd.aspx>, Review date 19 May, 2012).

### **Human Resources Development Practice in Global Context**

The concept of HRD is very new, even than implementation of the concept of HRD is rapidly increasing. It is more implemented and practiced in developed countries rather than developing countries. The nomenclature of HRD was occurred in USA in 1980s while ASTED purposed a separate HRD department (Desimone, 2002). Then HRD practice is well developed. Human Resource is rather well developed field in this country from the early 70s for over decade, HRD has remained and enlarged concept of Training and Development. HRD is today's Global context used to mean many procedure and process starting from individual performance improvement programs to adult education. Similarly, HRD practice was started in India about 25 years ago at L & T. Prof. TV Rao is major contributor of human resource development concept and theories in Indian context. The national HRD network was formed in the year 1985 and sustained itself with good work since then. An academy of human resource development was started at 1990 in India for HRD purpose. Only few education institutions have started post graduate degree in human resource development programs is in place. HRD is the need of today's organization to compete with global competitors or to cope with change.

In Japan, there is HRD practice is also well developed. Individual development, career development, and organizational development are three major components of HRD in Japan. The term of HRD is defined by three terms; I) Noryoku Kathatu (Development of individual abilities) II) Jinji Keisei (Formulation level of mastery over human resource through the work system and training) III) Jinjai Ikusai (Fostering of development of human resource through the management of human resource process)

[www.slideshare.net/pranish/human resource development-hrd-11728066](http://www.slideshare.net/pranish/human-resource-development-hrd-11728066). These three references clarify that HRD is in practice in developed nations.

There are various studies based on the HRD practice as well as its mechanism, challenges, climate in different organizations with multiple objectives and findings. These studies help to understand the contemporary HRD application and its relevance to the organizational growth.

### **History of HRD in Nepal**

Nepali history of HRD familiarity is not very old. Before the advent of democracy in the country in 1951, no orientation class was given to new recruits. Nor was there any particular system of training as such-whether pre-service or in service. During Rana Prime Minister Chandra Shamsher's regime, the minimum qualification for entry into civil service was fixed for the first time in the history of public administration in Nepal. CHARPAS (Nepali Shrestha plus legal & clerical knowledge, records keeping & book-keeping, arithmetic and accounts) as an entry qualification was introduced to require of all candidates clerical knowledge and secretarial skills to be able to adjust themselves to the established procedures (Dixit, 2005, as cited by Tuladhar, 2010, p.104). The basic requirement and necessary training for employees in public service could be taken as HRD practice in Nepalese history. Like Europe and America, the training was the beginning form of HRD in Nepal.

According to Tuladhar, (2010), with the dawn of democracy in the country in 1951, there came an awakening of the need for education and training. The necessity for the spread of education along with training of trainers all across the country was keenly felt. In cognizance of perennial need for the civil servants to adjust to new knowledge, new skills

and new attitudes, the O & M study Division was created by the government sometime around 1957 to survey existing civil service facilities and to develop modern schemes of training to impart appropriate training to assistant-level staff of all echelons (Long term strategic orientation, 1988). Those under training had to learn principle and ideas which have general applicability in the practice of public administration e.g. being able to make decisions, to discriminate between important and unimportant matters, to apply administrative and operational procedures, to handle correspondence, to prepare (clerical) reports to write communicative memos and notes etc.

Tuladhar further highlights that the Central Training Department was created in 1966; the Department of Public Administration was responsible for conducting administrative training for newly recruited class III gazette officers. Later, the central training department conducted training courses for Chief District Officers (CDOs) and other civil servants including assistant-level staff (Pradhan, 2007). Subsequently, three institutes were entrusted with the task of training the government employees. These institutions were: (a) The Training Wing of the Ministry of General Administration (b) Panchayat Training Centre under the Ministry of Panchayat and Local Development and (c) Centre for Economic Development and Administration of the Tribhuvan University. The training wing of the Ministry of General Administration trained the Class III officers and all of the assistant -level staff of the government. The Panchayat Training Centre focused on the civil servants and political workers involved in village and district Panchayats. CEDA's training programs were geared towards the government and corporate middle level managers.

Tuladhar says that the establishment of the Nepal Administrative Staff College (NASC) represents an important milestone in the history of administrative training in Nepal. The college was formally opened on July 16, 1982 under government management but subsequently became an autonomous institution on September 27, 1982 with the coming into effect of the Nepal Administrative Staff College Act 1982. It is conducted both in Service, pre-service and other specialized courses in several management disciplines for the officer-level staff of the government and public enterprises to improve the quality of

delivery of services to the people. On the 10th October 1991, the Assistant Staff Training Centre (ASTC) was created and amalgamated with the Nepal Administrative Staff College for the purpose of providing office management and clerical and secretarial skill training to assistant-level staff of the government and public enterprises. Presently, many training centre is established under the private and public sector organization to the development of HRD and enhance the overall organizational effectiveness in the concern sector.

Chapagai (2004) says that human resource capacity holds highly valued position in the global scenario of the post-modern era characterized by a materialistic and hi-tech world where social norms, human values, ethics, and moral codes are being gradually deteriorated. According to him the people in the beginning were heavily dependent on natural resources, where the production of natural resources was also higher than now. According to him at present, natural resources, social capital, social values, moral and peace in the entire world are depleting very fast. In such a delicate period of time negative perception and action are reoccurring over the human, social, economic, natural and physical capital. Here the importance of competent human resources, their positive perspectives and behavior are instrumental to address the deteriorating social and human capital (2004, p. 31). In the absence of effective HRD program competent human resource is not possible. Hence, it is necessary to develop HR in modern age of globalization. Without competent human resource the organization cannot run properly. Ritzer (1996) throws light on the erosion of human and social capital and their values, presenting as the drawbacks and inconsistencies of extreme modernity. It is money and city based society of modern epoch that has hampered the harmonious evolution of human society. Looking after the inconsistencies of the modern era is expecting the rational use of human resources who will be able to take action and advocate against the drawbacks of modernity and will come up with a new perspective, vision, linguistic skills, hopes, possibilities, and appreciative paths for the new millennium generation (Ritzer, 1996, p. 608, as cited by Chapagai 2004).

## Part-II

### HRD Theories and Models

The second part discussed about the HRD theories, models, philosophy and its connection with HRD. With the evolution of HRD history, it has been connected with various theories like developmental, economical, psychological, system as well as performance. Harbison and Myers (1964) connect HRD with developmental economics as they regard "HRD is a process of increasing the knowledge, the skills and capacities of all the people in the society" (P.2). They focus on the high level manpower and its full utilization (as cited by Swanson & Holton III, 2008).

Similarly, Nadler (1970) connects HRD with the behavioral psychological theory as he regards HRD as a series of organized activities conducted within a specific time and designed to produce behavioral change (as cited by Nadler & Nadler 1990).

Like Nadler, Chalofsky and Lincoln (1983) too connect HRD with psychological theory as they regard that discipline of HRD is the study of how individuals and groups in organizations change through learning (as cited by Swanson & Holton, 2009). All these reviews of HRD are somehow related with the theories like economical and psychological. Smith (1990) connects HRD with performance, system, psychology and economical aspects with his focus on the performance improvement through HRD. For Smith, "HRD is the process of determining the optimum methods of developing and improving the human resources of an organization and the systematic improvement of the performance and productivity of employees through training, education and development and leadership for the mutual attainment of organizational and personal goals" (P.16, (as cited by Swanson & Holton, 2009). Like Smith, Chalofsky too focuses on the system psychology and performance theory. For him, HRD is the study and practice of increasing the learning capacities of the individuals, groups, collections and organizations through the development and application of learning-based interventions for the purpose

of optimizing human and organizational growth and effectiveness (Chalofsky, 1992,p.179).

HRD experts, various authors and scholars have been discussing the theoretical foundations of HRD as early as 1987 (Torraco, 2004) and a rich debate on the topic has continued since that time ( as cited by Upton, 2006).

The theory is particularly important to a discipline that is emerging and growing (Chalofsky, 1990). Sound theory is not pontificating or forcefully marketing the latest fad. Rather, theory is an applied field such as HRD is required to be both scholarly and successful in practice and can be the basis of advances in practice ( as cited by Swanson,2009 ).

*According to Torraco (1997), "A theory simply explains what a phenomenon is and how it works" (P.115).*

His definition poses the following questions: What is HRD and how does it work? According to Lynham, "Theory building is the process or recurring cycle by which coherent descriptions, explanation and representations of observed or experienced phenomena are generated, verified, and refined" (Lynham, 2000b). His definition poses the following questions: What commitments must individuals, the HRD profession, and its infrastructure make to establish and sustain theory building research in the HRD profession? ( as cited by Swanson, 2009).

Swanson R. A. (2001) contended "that the HRD profession needs to develop its core theories" (p. 299). He also referenced the work of Mclean (1998), who stated that "there are those in HRD that do not believe that having HRD theory or clearly specifying the underlying theory of HRD is essential to the profession" (p. 299).

(Lynham, 2000b,p.163) with particular focus on CD in the context of HRD, Swanson reinforced the importance of theory building in his statement, "Theory is particularly important to a discipline such as HRD that is emerging and growing" (p. 299).

Acknowledging Swanson's call for continued theory development in HRD, Torraco (2004) stated "the importance of theory to the development of professional disciplines such as HRD is one of the most frequently discussed topics in the field" (p.171). He cited

nine works (published between 1997 and 2002) from seven HRD scholars as support for the notion that HRD should continue to develop theory (as cited by Upton and Matthew Glen, 2006, p. 29). With its debate HRD has been developing with its connection with other theories and issue of debate.

Similarly, McLean and McLean (2001) focus on the development of economics and psychological aspects of HRD. For them HRD is a process or activity that, either initially or over the long term, has the potential to develop adult's work-based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team again, or for the benefit of an organization, community, nation, or ultimately, the whole of the humanity" (P. 313). The remark captures the developmental, economical and psychological dimensions of HRD.

For Swanson, it is the economical, psychological and system oriented. He regards that HRD is the process of improving an organization's performance through the capacities of its personnel and it includes activities dealing with work design, attitude, expertise and motivation.

*McLagan (1989) too connects HRD with psychology, system and economics as he says, "HRD is integrated use of training and development, career development and organizational development to improve individual and organizational effectiveness" (P. 7).*

It is much relevant to deal with Swanson's three stool model to mark the economical, psychological and system approach of HRD. For Swanson (2008), HRD captures the three theories: psychological, economical and system theories. In other words, HRD is integration of these three theories.

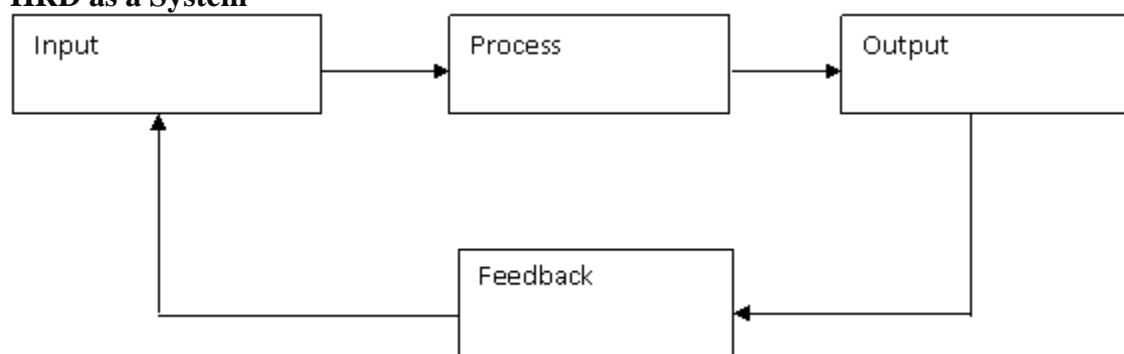
### **System Theory:**

*According to Swanson's three stool model HRD is being undertaken with the System Theory, Psychological Theory and Economic theory. The whole theory of HRD is proposed to be the integration of psychology, economic, and system theories within an ethical frame (Swanson,2008).*

Swanson expresses his view that system theory captures the complex and dynamic interactions of environments, organizations, work process and group or individuals. According to this theory, organizations are open, organic or living system as they must satisfy their conditions for their continuing survival.

Agrawal asserts his views about organic structure of organization with his notion that every part of the organization should be well balanced. First, an organization should be stable in the sense that its various parts should be in balance with one another. Secondly, it should grow and mature like all other living entities. Finally, it should adapt to environmental changes (Agrawal R.D. 1998,p. 31). Agrawal takes an organization as an organic whole and regards the balance among its parts. Human employees as the main part of the body could not be underestimated. So, the system theory is applied to HRD. For Jacob, presents system theory as a unifying theory for HRD ( as cited by Swanson, 2008). HRD system includes input, process and output.

**Figure 2.2 HRD as a System**  
**HRD as a System**



*Sources:- Swanson,2008*

### **Economic Theory:**

Economic theory is a theory of commercial activities, such as production and consumption of goods. Economic theory captures the core issues of the efficient and effective utilization of resources to meet the productivity goals in a competitive environment. (as cited by Oscar, 2005.). Economic theory provides an outlet for research in all areas of economics based on rigorous theoretical reasoning and on topics in



mathematics that are supported by the analysis of economic problems. Economic address the allocation of resources among a variety of human wants. Economic is the social science. Human capital theory is the branch of economics most applicable to human resource development. Gary S. Becker is generally credited as the leading developer of human capital theory. Economic theory considers labor as a commodity that can be bought and sold in the market. Alfred Marshall's quotes the economics as "The most valuable of all capital is that invested in human beings" (as cited by Swanson 2009).

Similarly, Becker distinguishes firm specific Human Capital, from general purpose human capital. Specific human capital includes expertise obtained through education and training in accounting procedures and management information system, etc. The general purpose of human capital is knowledge gained through education and training in variety of firm such as in generic skills, in sales and marketing or human resource management.

#### **Psychological Theory:**

Psychological theory captures the core human aspect of developing human resources as well as socio technical interplay of humans and systems. (As cited by Aliaga Oscar A. and Swanson, Richard A). It includes theories of learning, human motivation, information processing, group dynamics and related to behavior. It provides a core theoretical foundation for the discipline of HRD.

*Psychological theory acknowledges that employees improve productivity, make changes and influence development within organizations through training, learning and development (Swanson & Holton III, 2001).*

Keeping these issues into the consideration, it is applicable that it is not only the economical factor but also psychological and structural aspects helpful for human resources development. In this sense, HRD covers all these three aspects like economical, psychological and systematic structures of employees.

(Swanson, 2008) says that "The theories have been visually presented as comprising or three legged stool, with the three legs providing great stability for HRD as a discipline and field of practice that is required to function in the midst of uneven and changing

conditions." The whole theory of HRD is proposed to be the integration of psychological, economic, and system theories within an ethical frame (p.93).

### **Models of HRD**

There are so many models of human resource development exist that depict the nature of HRD. In many cases, these models continue the debate regarding the definition of HRD. Generally there are three important models. These are frequently reference within the HRD literature. Here I review these some models. These are HRD theory stool model, HR wheel, and HRD cube. I reviewed here some important models of HRD.

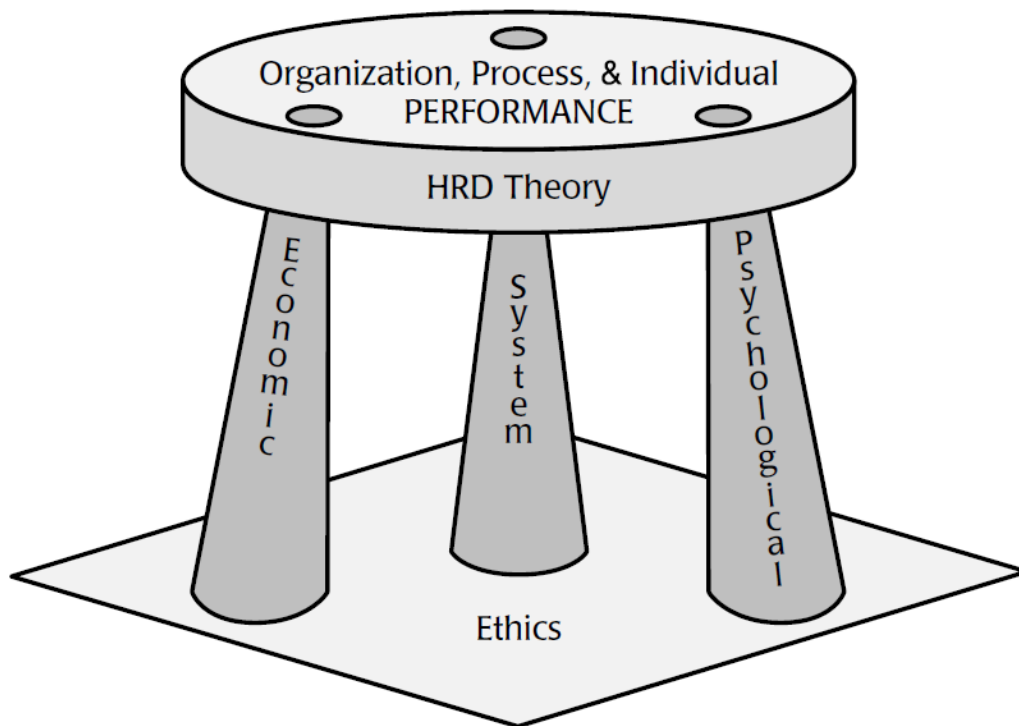
#### **HRD Theory Stool Model**

This model is Swanson's interpretation of the major underlying theory of HRD (Swanson and Holton, 2001). This model has three legs such as psychology, system and economics. They represent three areas that most inform and define study within HRD (Torraco 1999). The three legs of stool are connected to the seat which have been inscribed on the top of the three domains of performance: individual, process, and organization. The domains of performance are what HRD theory seat of the stool, utilizing the three theoretical foundations strive to inform. The stool is situated on top of an ethical rug. The rug described by the Swanson as a filter by which all HRD theories are separated from context (domains of performance, (as cited by Hurt, Andrew Christopher, 2010).

In response to Swanson three stool model Mc Lean (1998) suggested that HRD has its foundation more than the three fields that Swanson presented. He added further additional fields such as anthropology, sociology and speech communications among many others cores. He further suggested that the other field that have influenced HRD that are perhaps less obvious, such as music, sports, philosophy, literature, technology and evaluation. This debate is about the Mc Lean and Swanson model of HRD (as cited by Hurt Andrew Christopher, 2010). The theoretical foundation of HRD adopted by Swanson is given the following figure:

**Figure 2.3 Three Legged-Stool Model of HRD**

**Theoretical Foundation of HRD**



*Source: Adopted from Swanson & Holton III, 2001 (as cited by Swanson & Hulton, 2009).*

**HR Wheel Model**

The human resource wheel originated from a competency study conducted by the American Society of Training and development (ASTD) in 1981 (McLagan & Bedric, 1983). In an effort to define more clearly the field of training, ASTD initiated a multi-phase study that was charged with an attempt to identify, define and describe the competencies and nature of training in the early 1980s.

A product of that study was nine functional areas that described the nature of the field of training. Oriented in a circular fashion, these nine areas created HR wheel (Training and, organizational development, career development, organizational/job design, human resource planning, performance management system, selection and staffing, compensation/benefits, employee assistance, union/labor relations, HR research and information systems). The initial development of HR wheel by Lagan 1989 (as cited by Hurt, Andrew Christopher, 2010).

Mc Lagan proposed to change HR wheel in 90s. She proposed a slightly redesigned model of the HR wheel. In this new model, HR wheel took two additional areas and further divided these areas exclusive to HRM, HRD and shared by both. Exclusive to HRM are HR research and information systems, union/labor relations, employees assistance and compensation/benefits. Likewise, exclusive to HRD are training and development, organizational development and career development. Meanwhile, shared by HRM and HRD are organization/job design, human resource planning, performance management system and selection and staffing. These are all closely related to HRM and HRD and shared them each other (as cited by Hurt, Andrew Christopher, 2010). It is also said that generally HR wheel has three functional areas. They are training and development, organizational development and career development.

### **HRD Cube**

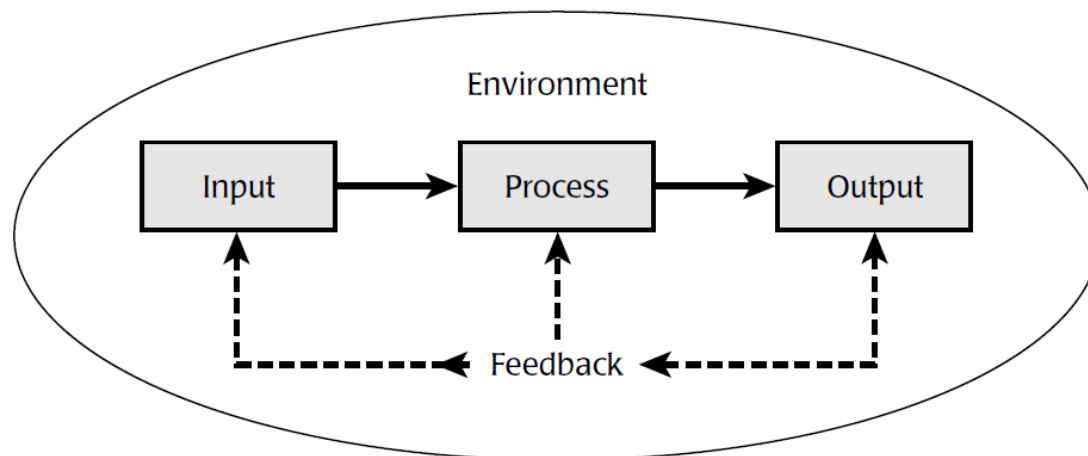
It is a developing model of HRD that was created by Lynham (2007/2008). The HRD cube is comprised of three sides: each side has as its focus on a particular aspect of theory, research and practice. It was originally constructed as a learning tool that proposes HRD as constructed of three interacting domains of understanding theory, research and practice components that have been presented within HRD literature (as cited by Hurt, Andrew Christopher).

### **HRD as a System Model**

HRD professionals talk about system view and system thinking. Swanson takes HRD as a system (Swanson, 2008). System thinking is an outgrowth of system theory. General system theory was first described in (1956) with a clear *antimechanistic* view of

the world and the full acknowledgment that all systems are ultimately *open systems*, not closed. The basic system theory model includes the inputs, processes, and outputs of a system as well as a feedback loop(as cited by Swanson 2008). Furthermore, basic system theory acknowledges that the system is influenced by its larger surrounding system or environment (See Figure 4). Basic system model of HRD

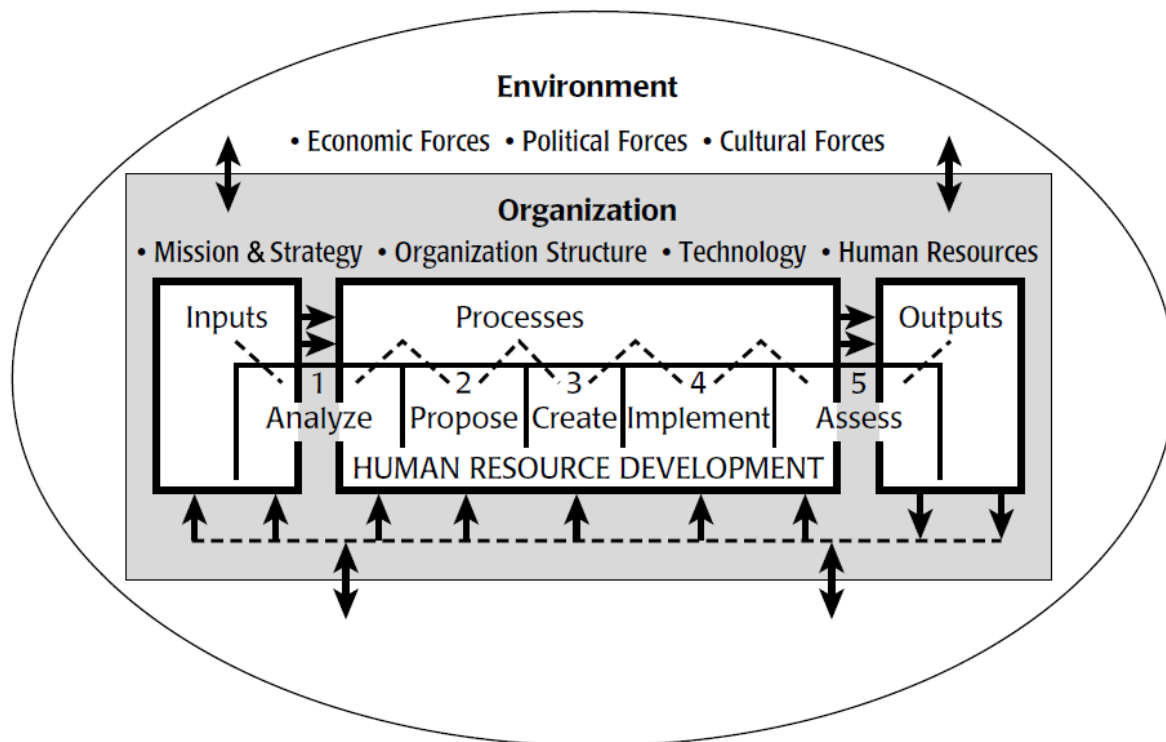
**Figure 2.4 Basic System Model**



*Source: Swanson, 2008*

HRD is affected by environmental forces, such as economic forces, political forces, and cultural forces (Swanson,2001,p.305). (See figure: 5) Organization should have mission and strategy, well organizational structure, well improved technology and qualified experienced human resource for better performance of organizations as well as achieving the developmental goals of the nation. The figure captures the HRD's interrelation with environmental factors.

Figure 2.5 Basic System Model



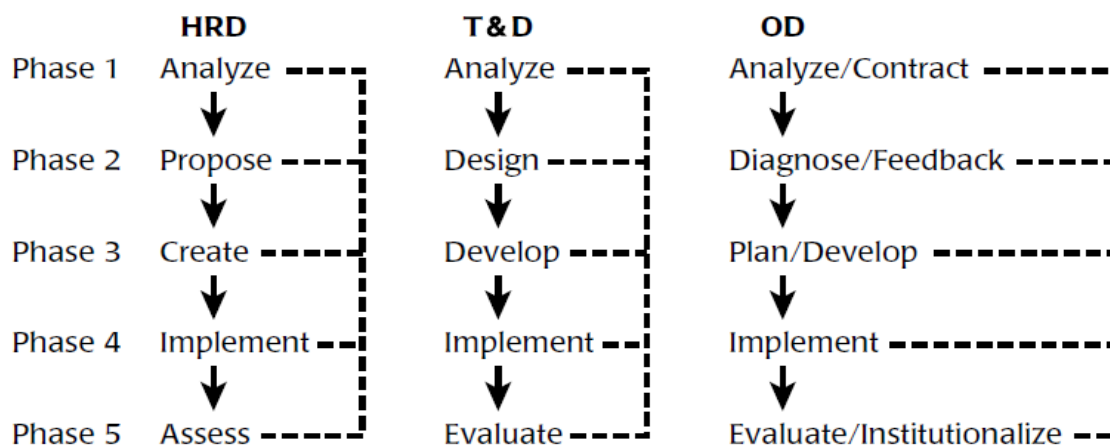
*Source:* Adopted from Swanson 2001 (P. 305) "Human Resource Development in Council of the Organization and Environment"(as cited by Swanson & Hulton,(2009).

## HRD Process

Swanson (2009) figures out the Introduction to HRD model and its process in his book: "Foundation of Human Resource Development". He has classified the HRD process in five phases. According to him, we have defined HRD as a process that is essentially a problem-defining and problem-solving method. HRD and its subsets of personnel training and development (T&D) and organization development (OD) can be portrayed as five-phase processes. Variations in the wording for the HRD, T&D, and OD process phases capture the common thread and varying terminology. HRD goes through five phases process including analysis at first with the analysis of its need; second phase determines the purpose; third phase creates the HRD program; forth phase is the implementation of HRD and finally fifth phase, assess refers to judge effectiveness of HRD program. Similarly, Training and Development (T&D) goes through the process of

analyze, design, develop, implement and evaluation. Organizational Development (OD) too has similar processes: analyze, diagnose, plan, implementation and evaluation. Figure of HRD process and phases is given below:

**Figure 2.6 HRD PROCESS**



Sources: "Foundations of Human Resources Development." 2009, By Richard A.Swanson; Elwood F.Holton (Adopted by Google Books Mozilla Firefox)

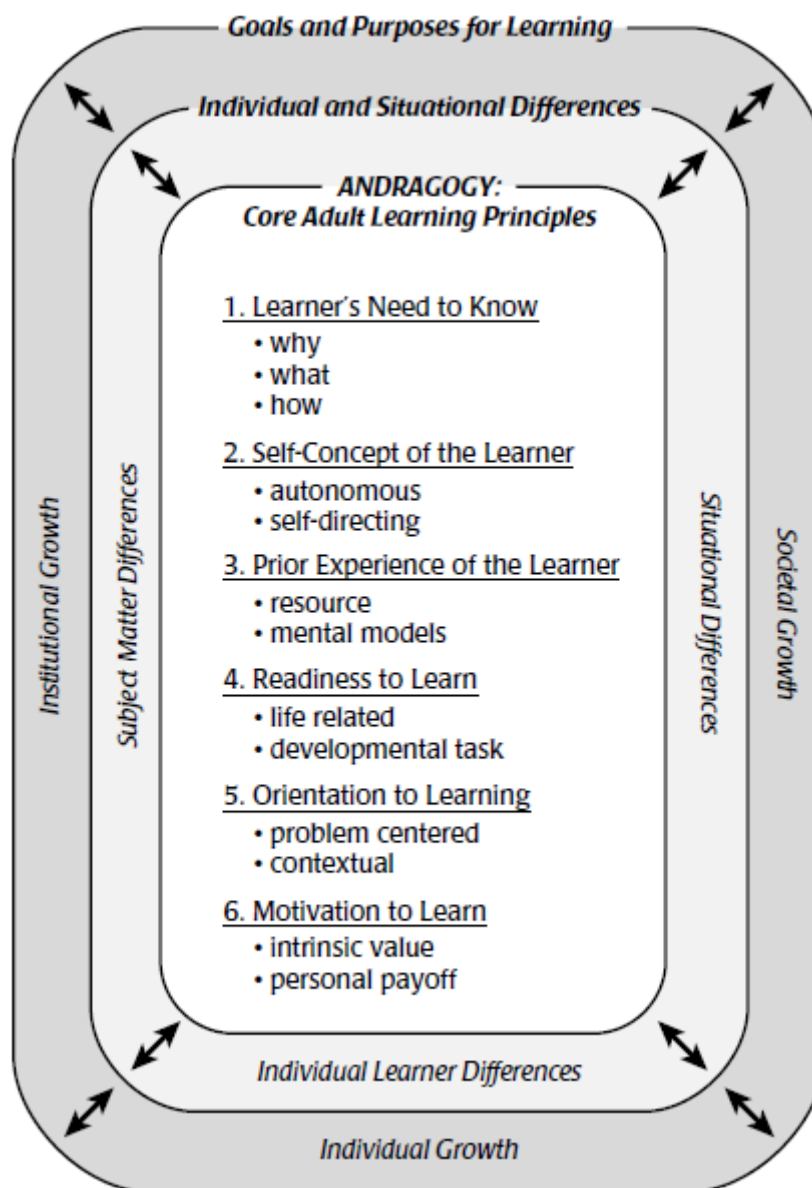
### **Part-III**

#### **HRD Principle and Policies**

##### **The learning principle**

Knowles Swanson and Holton, (2005, P.4) classified the core adult learning principles in six parts, such as learner's need to know, self concept of the learner, prior experience of the learner, readiness to learn, orientation to learning, and motivation to learn.( See figure:2.7)

Figure 2.7 Andragogy in practice



Source: Knowles Swanson, and Holton 2005, P.4 (as cited by Swanson & Hulton.2009)

According to Swanson's Learner's perspectives, first of all the learners should be aware of the learning skill, way of learning and the reasons of learning. Similarly, learner should be self guided and autonomous in learning. There must be pre experience of learners with regard their resources and mental models. Learning should be life related and developmental task. Furthermore, learning should be problem oriented and



contextual as well as there should be motivational element for learning. In Nepalese context, there is no adequate learning habit among the employees in government as well as public and private sector also.

HRD is a global phenomenon since Gubbins & Garavan (2009) regarded that globalization is highlighted as a key environmental factor shaping the work of HRD professionals in MNCs. Globalization encompasses a multiplicity of issues, including the growth in global, multinational and transactional organization developments in technology, mergers, acquisitions, and strategic alliances. Every organization look to go global or remain global, they are likely to look to HRD professionals for advice and support. However, globalization demands radical transformation of the way HRD thinks about the nature, role and tools of developing people within the organization. In modern age of globalization, global organization requires new strategic models and leaders who can lead the transformation to sustain ability.

### **HRD Principle and Policies in Nepalese and Global Context**

Nepal is not untouched with the familiarity of HRD principles, policies and practices. This section presents the review about the existing Plan, Policies and Strategies of HRD initiatives in the government as well as public sector enterprise of Nepal and abroad beyond till date are discussed as the following including the HRD familiarity among major institutions and enterprisers:

The government of Nepal has some policies for human resource development which exhibit the tenth plan, (2002-07) commits itself to implement good governance reform program. It contains an activity to enhance efficiency and motivate civil servants. Other programs are to develop ability and leadership of the reform process, increase the financial efficiency of civil administration honesty, corruption control and transparency, and improve job performances of government agencies, NPC, 2002 (p, 601-603) cited by Shakya, Rabindra. The activity specifically maintains to “Prepare an action plan on manpower development at every ministry, link staff training with the skill development of staffs and with the achievement of an institutional objectives” (NPCa, 2002 p, 602) cited by Shakya Rabindra.

DoLIDAR HRD Policy (2009) addressed the HRD policies. HRD was focused on following four areas: (1) Directing training towards achieving the organizational goals; (2) Facilitating the technical as well as management staff members or other out-side users, agencies, and committees in meeting their responsibilities or tasks; (3) Mending the behavior of the key people in a way that helps achieving organizational goals and objectives and (4) Filling up the deficiency gap in skills, knowledge and attitudes of the people, so that they can perform their job efficiently, effectively and economically.

The HRD Policy of MLD is to systematically and continuously improve the capacity of its employees and relevant stakeholders at central as well as local levels. The policies include as, to create a favorable HRD/M environment in DoLIAR by establishing an independent HRD Division /Directorate (HRDD) with clear functions, to provide equal opportunities for both technical and managerial staff at all levels and geographical locations with priority to work in remote, to manage trainings regularly for development and improvement, to apply a single door policy for regular training for all projects, to explore opportunities for external training, to manage adequate fund for training from regular budget and project budget to manage well equipped public as well as private training providers will be used for outsourcing DOLIDR training programs, to provide the best use of available training facilities and resources, to test skill and encourage any skilled person working in the project/office, to provide the multidimensional training for elected leader and contemporary counterpart managers like change management, leadership and teambuilding/consensus building, and transition management etc, to establishment of reward system, to manage a data-base training management to carry on are some of the example of the HRD familiarity and application of Ministry of Local Development. Various activities such as baseline data collection, training resource collection, short-term-training monitoring, testing/evaluation, TNA, post-training support, on -the-job-training, coaching, mentoring conducting TOT in regions/ districts, training follow up and technical backstops could be regarded as the HRD practice in DoLIDAR and Ministry of Local Development.

<http://www.dolidar.gov.np/wpcontent/uploads/2012/02/DoLIDAR-HRD-Policy-Strategues6.pdf>

Ministry of Health (2011-2015) in "Human resource for health strategic plan" has already drafted the strategic plan, which will govern the production, recruitment, development, career development, retention, monitoring and the evaluation of human resource in the health sector as a HRD practice (as cited by Himalayan Times( 10 May, 2012).

For successful implementation of its mandated functions and for meetingm, its obligations as per legislation, NTA will make earnest efforts to develop the skill of the persons engaged in management of telecommunication sector, including its owns, so that an attractive market place is created for promoting investment and competition which is mainly driven by the skills of its staff and for the effectiveness of its policies and procedures (adopted from Ten Year Master Plan- 2011-2020 A.D.) <http://www.nta.gov.np/articleimage/file>

According to Jerry Gillet and Seteven Egglend (2002), a policy statement should answer questions regarding implementation of release time for training, tuition reimbursement, eligibility requirements, and standards of employee participation. An HRD policy should also include a statement regarding the purposes and long-range outcomes of participation. Attainable learning objectives and corresponding time frames, organizational structure, authority and funding sources, provision of periodic review and revision, utilization of needs assessment data, and record keeping procedures need to be addressed as well.

The development of human capital and extension of their capacity is the long term policy and strategy of the company. The company is confident about the progress and prosperity depend on knowledge, skill, and motivation of human resource affiliated to the organization (NDCL 4th Annual Report2067/2068). Nepal Telecom is committed to ensuring the development of qualitative human resource capacity as needed so that adequate knowledge and local expertise is available for the operation and development of

the sector as its implementation of HRD (adopted from Ten Year Maser Plan 2011-2020 AD.). <http://www.nta.gov.np/articleimages/file>

According to Bhusal, Lekh Nath (2005) Nepal Rastra Bank has adopted a policy of providing higher education inside and outside the country for the employees in different levels as the HRD implementation like an employee who has completed 3 years of service and gets admission in any reputed university in approved subject could avail the education leave facility, employees completing 3 years of service and their age not exceeding 45 years are eligible to appear in written examination conducted by the bank for higher study.

Bank sends such candidates to the reputed university and shoulders all the cost and 20 employees have availed of this facility during the last 5 years as well as a total of 10 employees have availed of this facility to study CA and ACCA during the last 5 years. As human resource development is associated with the recruitment and retention of high quality people who are best fitted to fulfill the organization's goal, human resource management policy of NRB is directed towards recruiting and inducting high quality manpower and deploying them effectively.

### **HRD Climate**

Saxena (2012) argued that climate is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders. The HRD climate can be characterized by tendencies such as treating employees as the most important resources, perceiving that developing employees is the job of every manager, believing in the capability of employees, communicating openly, encouraging risk taking and experimentation, making efforts to help employees recognize their strengths and weaknesses, creating a general climate of trust, collaboration and autonomy, supportive personnel policies, and supportive HRD practices (Rao & Abraham, 1986, as cited by Saxena 2012)

The top management subscribes to these values is a starting point of the well management. When a critical mass internalizes these values, there emerges a favorable climate for HRD. This positive HRD climate makes existing systems more effective and

makes the organizations more receptive to the introduction of the relevant additional system (Atherya, 1988). A healthy HRD climate certainly bolsters the overall internal environment of the organization and fosters employee commitment, involvement and satisfaction with the job (Srimannarayana M. 2007). According to Rao & Abraham HRD climate is an integral part of organizational climate. It is the perception the employee can have on the development environment of an organization. The developmental climate will have the following characteristics (As cited by Saxena, Karunesh,2012):

1. A tendency at all levels starting from the top level management to the lowest level to treat the people as the most important resources.
2. A perception that developing the competencies in the job of every manager.
3. Faith in capability of employees to change and acquire new competencies at any stage of life.
4. A tendency to be open in communication and discussion rather than being secretive.
5. Encouraging risk taking and experimentation.
6. Make efforts to help employees recognize their strengths and weaknesses through feedback.
7. A general climate of trust.
8. Team Spirit.
9. Tendency to discourage stereotypes and favoritism.
10. Supportive personnel policies.
11. Supportive HRD practices including performance appraisal, reward management, potential development, job rotation and career planning.

The supremacy of human element and urgency of creating a learning organization through development of organizational capabilities all the times, make out a strong case for the evaluation of HRD climate in organizations. Various studies reveal that the HRD climate contributes to the organization's overall health and self-reviewing capabilities which in turn increase the capabilities of individual, dyads, team and the entire organizations. Management should constantly plan and design new methods and systems,

for developing and strengthening the HRD climate. HRD climate is essential for developing human resources. Thus, management should assess the organization climate through HRD climate survey. The survey should identify the factors which shall affect the HRD programmes. Management should conduct human process research, organizational health surveys and renewal exercises periodically.

### **HRD Culture and Philosophy of Management**

Management philosophy and HRD culture is another important factor of HRD implementation. HRD climate refers to the favorable situation of HRD implementation in any organization. For synergic benefits of integrated subsystems, the HRD mechanisms should not be thought of in isolation. They are designed to work together in an integrated system. For example, the outcome of performance appraisal provides inputs for assessment of training needs, awards, career planning and feedback and performance coaching. HRD instruments should lead to the generation of HRD process like role clarity, performance planning, development climate, risk taking and dynamism in employees. Such an HRD process should result in developing more competent, satisfied and committed people, who by their contribution would make the organization grow but without the proper HRD climate and management philosophy toward employees, it is impossible for the proper implementation of HRD. Performance appraisal focuses primarily on helping the individual to develop his present role. Potential appraisal focuses primarily on identifying the employee's likely future roles within the organization. Training is a means of developing the individual's personal effectiveness or developing the individual's ability to perform his present job role or future job roles. Training can also strengthen interpersonal relationships and increase team work and collaboration through management and leadership training and team building programme. Efforts to promote employee welfare and ensuring the quality of work life, along with honors and awards, promote a general climate for development and motivation among employees. The overall effectiveness and success of HRD system depend upon a well devised HRD strategy and the management philosophy towards it. HRD is a total integrated system. That is why, strategies of introducing HRD system must be clear in the

mind of the management, a vision that may guide the choice of HRD programmes and direction.

Acceptance of HRD philosophy and policy is important to develop a human resource philosophy for the entire organization and get the top management committed to it openly and genuinely. HRD exercise becomes meaningful and realistic when an organization believes that the development of individuals is in its own interest and expresses concern for the growth of its employees, because; (i) organization provides opportunities, climate and conditions for the development of human resources and its optimization; (ii) the top management is willing to invest adequate time and resources for the development of employees and to examine the organizational context and existing mechanism in which human resource development functions; and (iii) employees are willing to avail themselves of the given opportunities for growth and development (Agrawal, 2005).

Similarly, determination of major objectives of HRD by the management is clear. It is necessary to be aware of the goals of the organization and direct all their HRD efforts to achieve these goals. An objective specifies a single result to be achieved within a given period of time, which will accomplish all or some of the goals. It is necessary to take into account several factors significant to the organization, such as organizational environment and social and cultural factors. Although social and cultural factors (casteism, religion, festivals, etc.) affect the HRD programmes, it is mainly affected by the following organizational factors which according to Pereira and Rao 30 are known as OCTAPAC culture which is essential for facilitating HRD. OCTAPAC is abbreviation to denote details which are not far to seek. Openness is there when employees feel free to discuss their ideas, activities and feelings with each other.

An important step of HRD strategy is the identification of HRD needs through an analysis of organizational objectives, such as problem solving objectives, innovative objectives, group objectives, individual development objectives, regular training objectives, etc. HRD needs should be assessed in the context of an organization. Only a responsible management can manage Human Resource Planning. Management should try

to develop human resources after making a complete investigation of probable growth and changes in various functions of an organization. The major elements in the process of HRD planning are to include human resource inventory, human resource forecasting, and execution of development plans. On the basis of these elements, HRD department should prepare a plan for HRD for a company. Such plan should follow the corporate plan and should be both short term and long term.

There must be the proper development of HRD climate. Management should constantly plan and design new methods and systems, for developing and strengthening the HRD climate. HRD climate is essential for developing human resources. Thus, management should assess the organization climate through HRD climate survey. The survey should identify the factors which shall affect the HRD programmes. Management should conduct human process research, organizational health surveys and renewal exercises periodically. Management should divide the structural aspect of HRD and build up infrastructure facilities for the success of HRD plans. It includes both internal and external resources and task forces and makes the allocation through HRD budget. Every HRD programme has to utilize training personnel and HRD centre properly and effectively. Management should have a clear understanding about the expected results of HRD and should have a long term strategy linked with corporate goals. HRD decisions and investment should be based on conviction and commitment and not on expectations. At the same time, executives should keep themselves informed of the suitable changes that are taking place. Indicators of such change should be worked out from the beginning. It is necessary to inspire line managers to have a constant desire to learn and develop. Management should assess or evaluate the developmental efforts and corrective action should be taken if there is any deviation. For this, internal monitoring mechanism and built in periodic review should be developed. The impact of the HRD programmes should preferably be realized at three levels: (i) Appreciation or endorsement level by the employees; (ii) Learning level of the employees, and (iii) Result level to know the impact of HRD programmes (Agrawal, 2005). These issues determine the favorable HRD culture and management philosophy toward employees.



## **Part IV**

### **HRD Mechanisms**

HRD is a total system with various sub systems. Various HRD thinkers and professionals have designed the mechanism of HRD in different ways. Prof. Rao opines that the sub systems should comprise the performance appraisal, potential appraisal and development, feedback and performance coaching, career planning, training, organization development, rewards, employees' welfare and the quality of work life and human resource information system (Rao, 1986, p. 5).

There are many instruments that can be used to facilitate HRD. These instruments may be called sub systems, methods or mechanisms of HRD. Each of these sub systems focuses on some particular aspect of HRD. To have a comprehensive HRD, many of these instruments may be needed to be used simultaneously. Any systematic or formal way of facilitating competency, motivation and climate development could be considered an HRD instrument. The most frequently used HRD mechanisms are as Pattanayak (2002) are; performance and potential appraisal, feedback and performance coaching, employees career planning and development, training programmes, organization development, recognizing and rewarding the contribution (honors and awards), employees welfare and quality of work life, self renewal and institution building, personal growth laboratories and worker education programme, quality circles, task forces, and assignment groups, managerial learning networks, developing team spirit. Keeping these factors into the consideration, the key mechanisms of HRD are individual development, organizational development, career development and performance improvement. In analyzing the various definitions of HRD, most writers and researchers have indicated that the primary focus of HRD is individual development (See for example, Nadler, 1970; McLagan, 1983) or organizational development (Nandler & Wiggs, 1986). However, some researchers have argued that individual and organizational development are connected and interrelated. From this perspective, employees are

expected to be provided with T&D or learning activities to improve performance which leads to organizational effectiveness (see, for example, Chaflofsky, 1992; Swanson, 1995; Stewart & Mc Goldrick, 1996). On the contrary, it has been argued that when T&D is provided, other than for organizational effectiveness, it helps to develop key competencies, which enable individuals to improve their current job performance and enhance future performance for career development (Marsick & Watkins, 1994, Desimone, et al, 2002 ).

Hence, it has been argued that the purpose of HRD is to develop an individual's career progression, rather than to encourage individual and organizational development (Marsick & Warkins, 1994; Desimone et al, 2002). Nevertheless, another key purpose of HRD drawn out from the various definitions is performance improvement. It has been claimed that performance forms one of the four key functions of HRD, as it is an important extension of HRD theory (Also included in Chalofsky, 1992; Marquardt & Engel, 1993; Swanson, 1995; Desimone et al, 2002; Gilley et al, 2002). Hence, individual development, organizational development, career development and performance development are the four main functions of HRD and can be described as interrelated functions within HRD ( as cited by Abdullah, Haslinda 2009 p. 488).

### **Learning, Training & Development**

The training is directly linked with the career plan and development and appraisal of the employees as such. Employees are given on-the-job training as well as off-the-job training. Training is a process of learning a sequence of programmed behavior. It is application of knowledge. It gives people an awareness of the rule and procedures to guide their behavior. It attempts to improve their performance on the current job or prepare them for an intended job. Development is a related process. It covers not only those activities which improve job performance but also those which bring about growth of the personality help individuals in the progress towards maturity and actualization of their potential capacities so that they become not only good employees but better men and women (Mamoria & Gankar 2008,p. 172). An effective training program should be consistent with the following learning principles:-

1. Learning is enhanced when the learner is motivated
2. Learning requires feedback.
3. Reinforcement increases the likelihood that a learned behavior will be repeated.
4. Practice increases a learner's performance.
5. Learning begins rapidly than plateaus.

Learning must be transferable to the job according to its need and objectives (Decenzo, & Robbins 2000, p. 269). The National Industries Conference Board, U.S.A (Dec, 1950, Vol. 12, No. 12 P. 447) states some principles or concept of training that its purpose is to meet company objectives by providing opportunities for employees' at all organization levels to acquire the requisite Knowledge, skill and attitudes according to needs and objectives and the objectives and scope should be defined before beginning the training. Similarly, being related with organization's objective, training is properly the responsibility of any one in the management to attain a particular objective. Similarly, training must use the tested principles of learning as well as it should be conducted in the actual job environment to the maximum possible extent. (These Principles adopted from Mamoria C. B "Personnel Management" Himalayan Publishing House)

Training is transforming process that requires some input and in turn it produces output in the form of knowledge, skill and attitudes (KSAS) (Singh 2010, p.149). There are three model of training. These are system model, transitional model and instructional system development model. System Model includes five phases. The step involved in system model of training are: analyze and identify the training needs, design and provide training to meet identified needs, develop, implementing and evaluating.

"Transitional Model" focuses on the organization as a whole. It includes vision, mission and values. "Instructional system development model was made to answer the training problems. This model comprises of five stages. These stages are analysis stage, planning stage, development stage, execution stage and evolutionary stage. (These "Model of training" have been drawn from the book of Singh S.P 2010, P.149- 151). According to Mamoria (2008) the general principle of training refers to: Who regard training as the solution of the problem will be more willing to take it than satisfied individual with

current performance abilities, rewards and punishment are effective in training. In the long run, awards tend to be more effective for changing behavior and increasing one's learning than punishment, rewards for the application of learned behavior are most useful when they quickly follow the desired performance and the larger the reward for good performance following the implementation of learned behavior, the greater will be the reinforcement of the new behavior, negative reinforcement through application of penalties and heavy criticism following inadequate performance, may have a disruptive effect upon the learning experience of the trainee that positive reinforcement.

Mamoria (2008), further mentioned about feedback on the progress as well as a person's required abilities to improve his performance. The required abilities include that the trainee must know what aspect of his performance is not up to par, should know the corrective actions he must take to improve his performance there must be the development of new behavior norms and skills is facilitated through practice and repetition and the training material should be made as meaningful as possible, because if the trainee understands the general principles underlying what is being taught, he will probably understand it better than if he were just asked to memorize a series of isolated steps (P.313).

Decenzo, & Robbins, (2010) claimed that management development is more future oriented, and more concerned with education, than is employee training, or assisting a person to become a better performance. By education we mean that management development activities attempt to instill sound reasoning process- to - enhance one's ability to understand and interpret knowledge- rather than importing a body of serial facts or teaching a specific set of motor skills. Development, therefore, focuses more on the employee's personal growth.

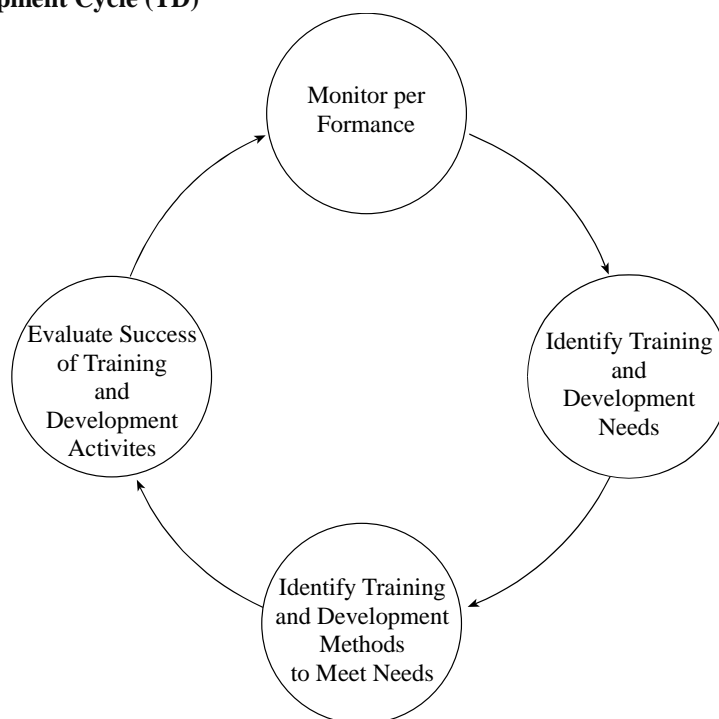
Successful manager has analytical, human, conceptual and specialized skills. They are able to think and understand. Training per se cannot overcome a manager's or potential manager's inability to understand cause-and-effect relationships to synthesize from experience, to visualize relationships, or to think logically. As a result, we suggest

that management development be predominantly an education process rather than a training process (Decenzo, & Robbins, 2010 p.253).

Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job. We typically say training can involve the changing of skills, knowledge, attitudes or social behavior. It may mean changing what employees know, how they work, their attitudes towards their work, or their interactions with their co-workers or their supervisor (Decenzo. & Robbins, 2000, p.240).

### **The Training and Development Cycle**

Training & Development is a cycle which consists the four main points. These are identify training & development needs, identify training and development methods to meet needs, evaluate success of training and development activities and monitor performance and feedback as in figure:

**Figure 2.8 Development Cycle (TD)**

Source. [www.lrutilities.com](http://www.lrutilities.com)

Training and development are important functions of human resource management. It increases productivity and enhances moral and co-operates organizational stability, it also expands knowledge, skill and ability of employees and improves performance efficiency for the present and future jobs (Khadka, 2009 p.118). Training helps to adapt to technological changes, improve quality and boost performance by improving knowledge, skills and attitudes. It sustains competitive advantages (Agrawal, 2009 p.180). Employee training and development is an attempt to improve current or future employee performance and efficiency by increasing through learning, an employee's ability to perform, usually by increasing his/her skill and knowledge in the organization.

Training and development is a continuous process of learning in human resource development, which aims at developing and enhancing an individual's efficiency, capacity and effectiveness at work. This study " Human resource development in PEs in Nepal" consists the effectiveness of HRD, HRD procedure and system, existing status of

HRD in the context of PEs of Nepal, to make an assessment of the training and development needs in PEs of Nepal, to find out moral buildup for the PEs staff at all levels, to identify the training and development methods used by PEs and examine the implications for human resource capacity building strategies in PEs of Nepal.

Khandelwal, Rao, Nair, Phatak, & Sinor, (2010) conducted a study from Indian government side on "Human Resource issues of public sector banks" (PSBS) and making appropriate recommendations there on. The committee recommended the training and development as the inevitable aspect for the development of human resource. They regarded the necessity of the training as the HRD in public sector banks like improvisation of technological knowledge, application of E-learning, implementation of training according to the roles of the employees such as Training of newly recruited officers to be strengthened and re-vitalized. Two years training to be made is mandatory for these officers to provide systematic exposure to all aspects of banking. They further focus on the linkage between training and operatives to be improved by proper training need analysis and evaluation of effectiveness of training. They recommend for the establishment of the governing board of training to address the issue of skill building and engagement of the staffs and manage the functional heads/business leaders to be accountable for training and development of cadre of officers in their area. The researcher further found that every bank should develop a training policy and apply the policy to include mechanisms for ensuring that training inputs are properly used.

### **Career Development**

Career development is an important HRD mechanism. It is used in HRD practice in every organization. Addressing the practice level implications of career development, Swansom and Holton (2001) stated, "Career development theories that describe adult career development are important contributors to HRD practices because they describe adult progression through work roles-a primary venue for HRD practice" (p, 312). Upton et al. (2003) also identified overlap "Between individual and organizational outcomes" within career development and identified "the interests of both the individual and the organization to engage in career development or the support of career development

related activities." "It is at this intersection that HRD plays a role in the crossover between individual and organization development agendas" (p.732).

Additionally support for the inclusion of career development in HRD is provided by Desimone, Werner & Harris (2002), who stated, "In our view, what should change, and what is changing, is that organizational CD should be designed to fit the responsibilities and needs of both individuals and organizations, Providing the opportunities both need to prosper" (p.455). "There is much support for the belief that [employed and career] development programs make positive contributions to organization performance" (Jacobs & Washington, 2003, p.351/ as cited by Upton, Matthew Glen).

Career planning- in HRD, corporate strategies and business expansion plans should not be keep secret. Long term plans of the organization should be made transparent employees. Most individuals want to know their career growth and other possibilities. Hence, the managers should transform the organization plans to the employees, thus making way for the employees to plan their growth possibilities accordingly.

Various scholars have identified a number of core areas within HRD connecting HRD with multiple issues. According to Upton and Egan (2005), McLagan included Training and development, organization development, and CD as the areas of HRD (McLagan, 1989).

By addressing the "Perspectives and discussions regarding the purpose and focus of HRD" (Upton & Egan 2005: P. 633), scholars have begun to answer the question of whether HRD practice should focus on "the individual or the shareholders [within the organization]" (Upton & Egan, 2005, P.633). Anyway HRD is directly connected with carrier development in individual level. Furthermore, in the field of HRD, career development "has had declining influence in HRD in recent Years" (Swanson & Holton 2001,P.312) and is often viewed as the responsibility of the individual within organizations. Despite this declining influence, career development remains a relevant aspect of HRD as well be demonstrated in the following paragraphs.



One of the earliest and most explicit connections between Career Development and HRD was written by McLagan (1989) in her definition of HRD as she regards, "HRD can be viewed as a subset of the human resources discipline. Specifically, it consists of three areas of human resource practice. The three areas that use development as their primary process are: training and development (T&D), organization development (OD) and career development CD [with CD] assuring the alignment of individual career planning and organizational career management processes to achieve an optimum match of individual and organizational needs" (p.52).

Upton and Egan stated, "although McLagan has revised her position regarding the interrelationships between HRD and HRM related areas, an emphasis on Career Development as a key issue in the exploration and implementation of HRD remains" (p.633). Swanson and Holton (2001) also recognized CD as an "area of practice" within HRD, saying they "tend to think that CD is being overlooked as a contributor to HRD" (p.312). Similarly, it is cited by Upton, Matthew Glen (p.53-54). The various concerns about CD and the HRD pre suppose that these are both interrelated and CD is one of the key mechanisms of HRD practice.

### **Performance Appraisal**

As effective performance appraisal can strengthen a company by improving employee moral establishing common goals for employees and managers alike, promoting teamwork within the company and increasing productivity and loyalty. "Performance appraisal represents, in part, a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers" (Shahzad, Bashir and Ramay, 2008, p. 304, as cited by Rathnaweera R. Rathnaweera N. Thanuja, 2010).

Performance appraisal, the process of observing and evaluating employees' performance and providing feedback, is a potentially important method for developing an effective workforce. Performance appraisal is also used as mechanism for improving employee performance. It is widely recognized as the primary human resource management

intervention for providing feedback to individuals on their work-related achievements (Waddell, et al. 2000, as cited by Rathnaweera R. Rathnaweera N. Thanuja, 2010).

Performance Appraisal is used to as HRD mechanism to understand the difficulties/weakness of the subordinates and help/encourage them to remove all these and realize these. Other objective is to identify their strengths and weaknesses of the subordinates too and to provide a positive environment and help them to understand their positive attitudes. Most organizations utilize employee evaluation system is known as a performance appraisal. A performance appraisal is a formal structure system designed to measure the actual job performance of an employee against designated performance standards. Although performance appraisal system varies by organizations, all employee evaluations should have the following three components such as 1. Specific, job-related criteria against which performance can be compared 2. A rating scale, that lets employees know how well they're meeting the criteria 3. An objective methods, forms, and procedures that determine the rating. Traditionally, an employee's immediate boss conducts his or her performance appraisal. However, some organizations use other devices, such as peer evaluations, self-appraisals, and even customer evaluations, for conducting this important task.

Performance appraisal used as an aid in making decisions pertaining to promotion, demotion, retention, transfer, and pay. It is also employed as a developmental guide for training needs assessment and employee feedback. Employee commitment and productivity can be improved with performance appraisal systems (Brown & Benson, 2003, as cited by Rathnaweera R. Rathnaweera N. Thanuja, 2010).

The capabilities should be developed within the employees to grow/perform new roles & responsibilities by themselves continuously. A dynamic and growing organization needs to continually review its structure and systems, creating new roles and assigning new responsibilities.

## **Rewards**

Rewarding employees is a significant part of HRD. By this the organization helps in motivating & recognizing the employee talents as such. It also helps in communicating

the values of the organization also (<http://governmentjobsalerts.com/role-humanresource-development-public-sector405.html>). Honoring and awarding employee performance and behavior is an important part of HRD. Similarly, rewards include cash award, certificates of appreciation/commendation, newsletters announcements, pay rise, special privileges and so on. Rewards not only recognize and motivate employees but also communicate the organization's value to the employees.

Singh, (Oct, 2009) conducted a study on "HRD practices & organization culture in India." The objective of the study was that to examine the impact of HRD practices namely planning, recruitment, selection, performance evaluation, training and development, career management and rewards on the organization culture values, self-realization, status enhancement values and socio economic support in private and public sector organizations. The study found that rewards and planning are strong predictors of self-realization in public sector. Planning creates an environment so that managers in the organizations can institute action plans to cope with projected HR needs. Reward is strongly related to self-realization. Other HRD practices such as, recruitment and selection bear in mind the constitutional obligations, while filling the job. The jobs are reserved for certain caste and tribes, taking into account the constitutional obligation rather than organizational goals. Automatic promotion up to certain level for managers and high job security reduces the influence of the performance evaluation and career management. So, only few HRD practices affect the culture in general and self-realization in particular in public sector organization.

Meanwhile, the study also found that selection, rewards and performance evaluation turned out to be relatively stronger predictors of status enhancement in private sector. Selection based on merit leads to status enhancement. Rewards (financial and non-financial) were strongly related to status enhancement. Managers who emphasized recognition and encouragement were more effective in shaping the culture of organization or target results. Performance evaluation, in one of the HRD practices, was a strong predictor of status enhancement and served as a key input for administering a formal organizational reward, career growth and a tool of punishment (Cummings 1973,

as cited by Singh,2009). As a purveyor of organizational expectations performance evaluation was critical. Through the evaluation process those working in the organization were aware of how well they was critical, Through the evaluation process those working in the organization were aware of how well they were meeting their task and role demands (Asford Cummings 1983,as cited by Singh 2009). The beta weight of performance evaluation was found to be negative. Clear rewards are the hallmark of organization that effectively socialize newcomers. In addition to their readily apparent value, the rewards that provide challenging assignments, promotions and salary increase prove to be status enhancement for manners (Chatman 1991,as cited by Singh ,2009). Lastly, the study concluded that a reward is not merely a tool for shaping the behavior of individuals receiving them. The respondents are of the opinion that it is the single most important variable that affects organizational culture, measure in terms of self-realisation, status enhancement, sulphitic values and socio economic support. It showed that greater the congruence between values of individual and normative requirements of the organizations better would be the effectiveness if employees feel rewarded. In Indian public and private sector organizations reward was considered to be the single most important variable that affects culture of organization. Nadler et. al. (1994) report that rewards are "What employees most frequently mention as the real indicator of commitment to cultural values"(as cited by Singh2009).

Khandelwal, Rao, Nair, Phatak, & Sinor, (June, 2010) in their study from Indian government side on "Human Resource issues of public sector banks" (PSBS) make appropriate recommendations about reward management as the means of HRD practice. The committee recognizes the need for rewards to outstanding performers to sustain a high performance culture. The committee also appreciates introduction of incentive scheme (Statement of Intent) for CMDs and EDs and observes that the scheme requires changes.

The committee, therefore, recommends the following broad contours of the principles that may govern the performance-linked incentive schemes of PSBs.

The incentive scheme should aim at performance differentiation and reward the pivotal employees. This is with a view to retain employees in critical areas and build future leadership pipeline.

The scheme should also positively incentivize potential business growth and as such, it cannot be a general incentive for distribution across the board. It should be linked to performance.

### **Employee Welfare and Quality of Work Life**

HRD systems focus on employee welfare and quality of work life by continually examining employee needs and meeting them to the extent possible. Agrawal, (2005) includes about employees' welfare and quality of work life that Employees at lower levels in the organization usually perform relatively monotonous tasks and have fewer opportunities for promotion or change. In order to maintain their work commitment and motivation, the organization must provide some welfare measures, such as medical insurance, disability insurance, holidays, vacations, etc. Quality of work life programmes generally focus on employee needs and meeting them to the extent feasible. Job enrichment programmes, educational subsidies, recreational activities, health and medical benefits, etc., generate a sense of belonging that benefits the organization in the long run as the mechanism of HRD.

### **Organization Development**

A continuous effort is maintained to maintain the development of the organization as whole. The development in specific areas may be reviewed and corrective action may be taken. Agrawal, (2005) takes Organization development as the HRD mechanism. For her OD functions to ascertain the psychological health of the organization and this is generally accomplished by means of periodic employee surveys. Efforts are made to improve organizational health through various means in order to maintain a psychological climate that is conducive to productivity. The OD specialists also help any department in the organization that has problems such as absenteeism, low production, interpersonal conflict, or resistance to change. These experts also revamp and develop various systems within the organization to improve their functioning.

### **Feedback and Performance Coaching**

This is the responsibility of the supervisors to continuously monitor the employee performance and review and provide necessary suggestions to improve them. Thus, HRD is a major function of human resource management (HRM). The HRD area consists of three primary functions-training and development, organizational development, and career development. It is critical that the HRD function recognize its value to the organization in relation to the strategic planning process and the opportunity to provide a true competitive advantage to the organization through its sustained and continuous development of its most important asset-its people.

Feedback of performance is an important control measure. Knowledge of one's strengths help one to become more effective to choose situations in which one's strength is required, and to avoid situations in which one's weaknesses could create problems. This also increases the individual satisfaction. Often, people do not recognize their strengths. Agrawal, V. H. (2005) regards that manager has the role for feedback and performance coaching as she writes, "Managers in HRD system have the responsibility for observation and feedback to subordinates about their strengths and weaknesses on a continuous basis. These are also responsible for providing the employees proper guidance to improve their performance capabilities" (P. 110).

## **Part V**

### **Problems and Challenges for HRD**

The challenges for effective implementation of HRD program/mechanism in government of Nepal are, lack of HRD division, lack of HRD plan, lack of coordination among training programs and activities, limited application of knowledge and skills gained from training, no impact evaluation was done of training programs, lack of proper selection criteria for training, lack of training management system, limited use of HRD opportunities, difficulties to carry on varieties of projects in absence of trained technicians and managerial staff, lack of uniformity in training course, duration and cost among various projects lack of proper mechanism of training management, monitoring

and evaluation, very limited training on training of trainers courses, lack of clarity in recruitment criteria, lack of reward, incentive, and recognition, lack of training materials: Hardware, software and course were, lack of priority on training/HRD with adequate resource allocation, the gaps encountered in training needs assessment (TNA) and training/delivery, lack of effective follow of current Civil Service Rules and regulation exist for external training and exposure visits but those rules are not followed effectively. <http://www.dolidar.gov.np/wp-content/uploads/2012/02/DoLIDAR-HRD-Policy-Strategies6.pdf>

### **Challenges for HRD**

In this context there are following challenges before the HRD managers: Human Resource Development is facilitated by different training and development programmes, which is not free of cost. These development programmes are aimed at increasing or adding value to people and organization. Organizations make valuable investments in human resources. Now a question arises as to how estimate the cost incurred on HRD, which is also a continuous process, and to estimate cost per employee becomes still very difficult. It is not easy to quantify the cost incurred on HRD. Even if the expenses are estimated, another question arises as to how recover the capital investment incurred on HRD. An approach for this can be that those who are subjected to Human Resources Development may be required to contribute to the organization by way of increased productivity and increased efficiency to work in a better way by minimizing time and wastages. (Agrawal 2005)

Another question related to this aspect is the recovery period of the investment made on HRD. As the investment on HRD is a capital expenditure and not the revenue expenditure (an issue to be specified and accepted) the recovery period will involve future which is risky and uncertain too. It is not easy to decide the recovery period of investment made, when it is difficult to estimate the investment expenditure on HRD per employee. A related aspect then is as to how incorporate risk and uncertainty. The investment, which is incurred on human beings today, will give a return in future. So there arises a difficulty to convert the future contribution into the present terms. Future is

uncertain and money has got a time value. Training and development of human beings require money to be incurred now and the results which the company gets out of it will be in the future in the form of increased productivity, increased efficiency and increased morale.

Another challenge faced by the organization going for HRD is the risk of employees leaving the organization earlier than the optimum period to recover the investment. Here again the question is as when and how to get a return out of it, when the employees do not continue with the organizations. Bond requirement may be one such method to retain the employees. Employees may be asked to fill in Bond which becomes a legal binding on the part of the employer. But at the same time, employees may force the organization to make them free earlier by way of their non-cooperative and restrictive attitudes. Employees may deliberately do such undesirable activities so as to force the management to free them before the agreed period of the contract. As such, the investment incurred will not be recovered and the organization will be deprived of the benefits from HRD efforts. Here the role of the manager is very important both as a leader and as a good motivator. It is the beauty and efficiency of the management to create a sense of self discipline, self actualization and self realization among the employees to serve the organization and enable the organization to benefit from the investment incurred on HRD in the form of increased productivity, efficiency, morale and loyalty towards the organization. . (Agrawal 2005)

Human beings are living beings and cannot be subjected to as machines. The aim of the management for adopting HRD is to get higher efficiency from the employees. Every organization would like to take maximum out of its resources, may it be human resource. Though human beings are the most important input or resource, they cannot be treated as other resources like machines. Organizations are developing human beings to develop oneself. In the older days, human beings were treated just like machines and the philosophy was to get the maximum out of them without paying much attention, but the philosophy has changed today and employees are considered as the most important resource. They should be treated very delicately because there is a human element



involved, as well as there are some social considerations and ethical values involved. Besides, modern employer's perception is not myopic. (Agrawal 2005)

Sometimes, several employees are seen observing the HRD methods / practices as sheer formalities and hence do not take much interest. For them, HRD is a superfluous exercise. In this regard, the challenge lies before the management to make them understand the utility of HRD by way of creative motivation and changing their attitude to unfold the benefits of such exercises in their own interest (Agrawal 2005).

Human Resource Development is not easy and cannot be practiced in all types of organizations. HRD involved good amount of capital expenditure and the small sized organizations cannot afford to have HRD. It can only be practiced in large sized organizations. However, in the 21st century, because the corporations are emerging as mega-sized giants and the corporations are having wide variety of manufacturing and trading activities requiring ever changing techniques - the manpower has to be dynamic and HRD has to take a shape in the form of continuous efforts, though it will involve several frictions and legal bottlenecks. To resolve all such type of things, it will always create a challenge before the management. Organizations in the 21st century cannot escape from HRD exercises and the management of the organizations must be equipped with all sorts of capabilities and abilities needed to overcome the several pertinent challenges normally being experienced by them. Enterprise resource planning (ERP) may go a long way in planning and implementing HRD activities in the organization. (Agrawal 2005).

Human Resource Development is important for the overall development of the organization as also of the employees working in the organization. But the question arises here as who should be responsible for HRD. Should the initiative be taken by the management or by the employees is another confusing factor of HRD practice. Furthermore, should HRD be the responsibility of HRD managers or the line managers of the organization? Notwithstanding the staff role of HRD manager, the HRD is being considered as the joint responsibility of line managers and the HRD personnel. While the HRD departments can design and provide instruments or mechanisms for use by line

managers; the line managers have the responsibility for using these instruments to develop their subordinates (Agrawal 2005).

If the line managers do not make demands on the HRD departments and do not take follow-up action, HRD efforts in an organization are not likely to succeed. Thus, it is the responsibility of line managers, to request the company's HRD expert to design and introduce participatory systems like autonomous work groups, quality circles, appraisal and review system, communication system, stress management programmes and so on, to implement various HRD mechanisms, identify the difficulties experienced in and the support needed for getting success, to analyze with the help of HRD manager, the implications of various HRD mechanisms for generating a climate of mutuality, openness and trust in the organization, to provide continuous on-the-job coaching to their subordinates and to help them develop problem - solving skills, to invite outside experts to know about their experiences in the areas of HRD and O.D, to provide sufficient budget for HRD purposes. Thus, the important role of the line managers is of a good leader and a good motivator. On being catalyst for development, the HRD managers must engage himself in creating an atmosphere for learning and relearning in the organization (Agrawal, 2005).

Despite the fact that HRD is very much beneficial to the employees in their career - building, it is largely resisted and opposed by them. The resistance and opposition is visible in the form of lack of willingness and cooperation in the entire process of HRD. It is mainly due to myopic perception of the employees about the concept, philosophy, measures and mechanisms of HRD. The researcher feels that a creative and enlightened HRD manager may definitely succeed in overcoming this type of resistance and opposition. In the light of the whole gamut of HRD conceptual framework and all the pertinent aspects of HRD, the researcher has ventured to study all these challenges by surveying the understanding, experiences and reactions of bank employees through a well structured questionnaire covering all the issues. In other words, the study specifically concentrates on three major phenomena, viz. (i) appreciation or endorsement of HRD concept and philosophy by the employees, (ii) experiences and reactions of the

employees for HRD measures, and (iii) the impact of HRD practices and measures on the organizations as also on the employees (Agrawal, 2005).

## **Part-VI**

### **Related Studies**

Bhardwaj, and Mishra (2002), conducted a study with a sample of 107 senior, middle and lower level managers of private sector organization which is one of India's largest multi-business companies. Thus, on the whole, the existence of good HRD climate in the organization covered under study. The managers in general showed a favorable attitude towards HRD policies and practices of the organization. They were satisfied with the developmental policies of top management as well as happy with the prevailing HRD climate in the organization. The study reveals the significance of HRD climate and favorable HRD philosophy in private sector organizational growth which is noticeable for the comparative study of HRD climate and management philosophy in other studies about HRD practice.

Management philosophy on HRD is the attitude of management with regard to the HRD practice and Implementation in institutions. For the proper implementation of HRD in an organization, the quality of office management is the primary necessity. The quality of office management is always positive with HRD practice and implementation. Tuladhar, Subarna Man (January, 2010) conducted a study and published an article on “Secretarial Skill Development and Institutional Arrangement for Assistant Staff Training in Nepal.” The article concluded that the quality of office management is one of the most important factors that influence organizational success. Management can be successful if the managers’ way of thinking and behaving is grounded in positive mental attitude. Even those without a high degree of formal knowledge and information and skills have been successful in reaching a prestigious point of achievement because of their positive attitude. Positive attitude is clearly a must for all kinds of success. After the introduction of federal democratic republic system to governance in the country, the training institutions have been under tremendous pressure to perform in a new way of thinking, espousing progressive perception to change. At the present time there is a need on the

part of those in the public sector training to be change friendly and devoted to making differences positively in their work for self- management and organizational development.

Wong and Peng (2010) empirically investigated the potential effect of school leaders' (i.e. senior teachers) emotional intelligence, on teachers' job satisfaction in Hong Kong. The result showed that school teachers believe that middle-level leaders' emotional intelligence is important for their success, and a large sample of teachers surveyed also indicated that emotional intelligence is positively related to job satisfaction. The study indicated that the teaching profession requires both teachers and school leaders to have high levels of emotional intelligence. Practically, this implies that in selecting, training and developing teachers and school leaders, emotional intelligence should be one of the important concerns and that it may be worthwhile for educational researchers to spend more efforts in designing training programs to improve the emotional intelligence of teachers and school leaders.

Similarly, Nolan C. (2004) conducted a study on "Best Practice HRD: Exploring the Feasibility of Conventional Models in the Small Firm: the Case of the Irish Hotel Sector" the study concluded that HRD in small firms is highly individualistic. Interventions are principally informal and are embedded in everyday routines and working practices. However, informality in HRD management is a chosen value of small firms, based on an analysis of the job and the skills required. Small firm HRD management is a chosen value of small firms, based on an analysis of the job and the skills required. Small firm HRD practice is also largely driven by the attitudes and perspectives of key decision makers within the business. In this sense, key decisions maker's attitude should be favorable for the effective practice of HRD in organizations.

A major weakness of the best practice HRD knowledge base is its narrow perspective, which derives from its tendency toward a large company orientation focus. Each organization from large to small and private to public are not uncomfortable with the importance of management philosophy with regard to HRD implementation. The best practice HRD is depended upon the attitude of the management. The philosophy of

management behind conventional theory is relevant and applicable to all organizations. However in PEs there must be proper studies about the management philosophy toward HRD practice as well as there must be the proper analysis behind the cause of obstacles on HRD practice in Nepali context. Similarly, there might be different causes behind problems and implementation of HRD in PEs of developed and developing countries so there should be a distinct study with regard to Nepalese PEs that could trace out the status of contemporary HRD practice.

Does there any significance of national policies for the proper implementation of HRD? Nepal is developing country. Some of the studies have focused that developing nations need the HRD practice from the national level.

Kenzhegaranova (2008) conducted a study on "National human resource development in the development world" the purpose of this study was two-fold. The first was to explore, describe and define the emerging construct of HRD in the Republic of Kazakhstan. The second, informed by the outcomes of the first, was to examine specific national contexts and associated challenges affecting the necessary nature for though and practice of HRD at the national level (NHRD).

As told by Kenzhegaranova (2008) there must be the blend of NHRD and HRD for the best result of HRD practice in developing nations. Such studies have dragged the HRD from private levels to the national level. It is one of the necessities to study and observe the national level HRD practice (NHRD) in Nepal for the proper study of HRD practice in the PEs of Nepal since such organizations are conducted by government in a national level.

In the developed nation, even the government had applied the HRD practice positively. For example, Kuo (2002) conducted a study on "The History of HRD in Taiwan: 1950s-1990s." This study traced the history of human resource development (HRD) in Taiwan from the 1950s through the 1990s. The author used an historical methodology to review the revolution of HRD strategies and policies adopted by the government, private and public enterprises, civic organizations, and research institutions in Taiwan. The purposes of this study were to trace the history of HRD in Taiwan since

the 1950s and to identify HRD patterns from the history of HRD in Taiwan since the 1950s and develop an HRD definition that is derived from the history of HRD in Taiwan. Three factors have been fundamental in shaping Taiwan's development of HRD: (1) Dr. Sun Yat-Sen's teachings, (2) The government's commitment to development of human resources; and (3) the pragmatic and pluralistic approaches adopted in policy formulation (Kayani, 2008).

Similarly, Antwi, Analoui, Cusworth, (2007) conducted a study on "Human Resource Development Challenges Facing Decentralized Local Governments in Africa: Empirical evidence from Ghana." They concluded that this exploratory case study investigated the human resource development capacity challenges facing local governments in the development in a developing country, Ghana. The overall purpose of the study was to explore, describe and understand how the new public management sector reform paradigm, which Ghana has embraced, is shaping the path of decentralization reform. In particular, it sought to explore the major human resource development capacity building challenges facing local government administration. Keeping these reviews into the consideration, it is clear that for the goal oriented and the proper implementation of HRD in national level there must be national level policy making with regard to HRD. Even the national level policy can construct the favorable HRD climate and management philosophy for the implementation of HRD in institutions.

Saxena (2009) conducted a study on "HRD climate in selected public sector banks; an empirical study" with the objective of to study the type of HRD climate prevailing in some selected public sector banks in Ahmadabad. The study concluded that HRD climate plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. If the HRD climate is good, the employees contribute to their maximally for the achievement of the organizational objectives. The result of the study showed that the HRD climate in the public sector bank is average and there is lot of scope for improvement in the HRD climate. The result has also shown that there is no difference in the perception of the employees on the basis of gender, qualification designation but the perception of the

employees differs on the basis of age. The management can improve HRD climate by introducing the changes HR policies and practices.

Sthapit (Jan. 2010) conducted a study on "Integrating HRD with organization strategy as a precursor to strategic management: A review". He concluded that in the context of the managing the organization by strategically integrating HRD with it more weight was given to the significance of the external environment by Felstead and Green (1994). They found that the forces maintaining HRD or training activity in 157 firms, the majority being SMEs, during the recession in Britain in the early 1990s were a combination of external regulations and competitive market forces cited by Sthapit, Arhan.

Akinyemi B. (2011) conducted a study on "An Assessment of Human Resource Development Climate in Rwanda Private Sector Organizations" The main objective of his study was to investigate the prevalent HRD climate within two leading private companies in Rwanda. The results of this study show that generally there exists a good HRD Climate in the organization according to the perceptions of respondents. The employees in general showed a favorable attitude towards HRD Policies and practices of the organizations

Srimannarayana (July, 2007 ) conducted a study on “Human Resource Development Climate In Dubai Organizations” the analysis of the HRD climate pertaining to the banking business leads to the conclusion that supportive personnel policies and practices enhance the HRD climate. A good deal of lip sympathy without any commitment towards and conviction for human resource development keeps the climate at an average level. The top managements in the respective organizations might, therefore adopt or reaffirm human resource philosophy, thereby affirming that every employee has potential and employee behavior can be changed; people can be developed at any stage of their life. Appropriate personnel policies and procedures could be put in place for the implementation of these values. When implemented, an invigorating HRD climate will be prevalent and an organization can make use of this climate for its growth in the competitive environment.

There are the challenges too for the proper understanding and implementation of HRD. Various reviews are made on the challenges of HRD practice. Kayani T. (2008) conducted a study on "Challenges of Human Resource Development to Pace with Globalization" The purpose of the study were to study the difference in perception of human resource development climate of teacher education. She regarded the necessity of performance appraisal of teacher, the correlation between human resource development climate in-service education and training for better performance. As told by Kayani, it is the unfavorable HRD climate and management philosophy as the major challenges of HRD implementation. There must not be a singular cause behind the challenges of HRD. It might be differing with various nations and organizations hence there should be the proper study of each nation and organization's HRD practice differently so the proper understanding of the problem will be revealed.

On reflection, the major research conclusions suggest that human resource capacity challenges manifest in three dimensions as: policy-related, task/skill organization-related and performance motivation-related. Confronting these challenges has far reaching implications for policy and human resource management development practice. One of the policy conclusions was that decentralization has the potential to improve local public service delivery and ensure good governance. However, for this dream to materialize, several human resource development policy actions and interventions are required, including: establishing functional, well re-tooled and professional HRD institutional structures at all levels of local government administration.

In respect of the implications for human resource development practice, it might be useful to focus on the following issues: Improving the core competencies of staff and management in decentralized local governments: by promoting an integrated approach to organizational learning that would require the development of three inter-related human resource capabilities, including: Human Capital (Knowledge, Skills and competencies); Social capital (network of reciprocal relationships and support); and corporate capital (embedded culture, assets and information system). Synchronizing the nature and content of training offered by the different stakeholders contributing to local governments human



resource capacity building:-This would imply designing strategies to focus on four dimensions of the local government institution or what is commonly referred to as the "organization human resource strategy", including its: i) Culture-the beliefs, values, norms and management style; (ii) Organization-the structure, job roles, and reporting lines; (iii) People-the skill levels, staff potential and management capability; and (iv) Human Resource System- the people focused mechanisms which deliver the strategy communications, training, rewards, career development which are addressed within the theoretical understanding of HRD.

Alphonsa, (2000) surveyed HRD climate in private hospital of Hyderabad with sample of 50 supervisors from different departments participated in present study. The crux of the study highlighted that the supervisors perception about the HRD climate was satisfactory and there exists reasonably, good climate with respect to top management belief in HRD climate. But there is not similar situation of favorable HRD climate in other organizations. Rather in most of the institutions, there is satisfactory and in rest other there is unfavorable situation of HRD climate. On the same analogy, Mufeed (2006) has conducted comprehensive in one of the study major hospitals of the Jammu and Kashmir namely Shri-Kashmir Institute of Medical Science (SKIMS) about perception of medical staff towards HRD climate in the hospital. The result of the study shows the existing HRD climate in the hospitals to a large extent is significantly poor. The study also shows that HRD in organization uses various instruments like performance appraisal system, training, promotion, rewards, organizational development and counseling etc to create a climate conducive to achieve organizational goal but not in extreme extent. Through these two studies, it is clear that there is not similarity of HRD climate, management philosophy and application of HRD in various institutions.

Sharma & Purang (2000) conducted a study on "Value institutionalization and HRD climate: A case study of Navaratna public sector organization." The objective of the study was to find out the relationship between value institutionalization and HRD climate. They found that there was positive relationship between the two variables. Likewise, Khandelwal, Rao, Nair Phatak,& Sinor, (2010) conducted a study from Indian

government side on "Human Resource Issues of Public Sector Banks" (PSBS) and making appropriate recommendations there on. The committee recommended the following major point for the development of human resource that, Training and development, Career Planning, Performance Management, Reward Management, as the basic need of the HRD practice and favorable climate for HRD implementation. All these are the form of HRD mechanism and they even talk about Succession Planning and Leadership Development.

Mane Sambhaji (2010) conducted a study on "Human resource development practices in public sector milk processing organizations in western Maharashtra." The prime objectives of the study were to avoid social exploitation, to secure social investment and to the notice of the government authorities to strengthen the workforce of these organizations. The result of the study showed that HRD practice in public sector milk processing organizations in Western Maharashtra are judged on the basis of theoretical presentation and the analysis of the empirical data. Accordingly, it is concluded that in milk processing organizations in Western Maharashtra HRD practices are very weak and need to be strengthen in order to sustain in today's global competition.

Kumar & Mishra (N.A.) conducted a study on "Implementing Human Resource Development as a tool for effective organizational change." The aim of the study was to measure employees' perception of human resource development (HRD) practices in their organization, and to examine the role of HRD practice on employees' development climate. The study concluded that a good HRD practice can lead to smooth and effective organizational change. The process of globalization made it inevitable for Indian organizations need to make adjustments to harmonize with the work values and practices of employees so that they can cope up with the changing work environment. This would be ideal if the HRD activities of the organization are in harmony with the prevailing organizational change. The globalization process is to apply HRD interventions such as T-group, process consultation, third-party intervention, team building, educations and training, and coaching and counseling. Thus, HRD interventions in any organization will

prove to be successful in developing work values and practices (effects) and company or organizational effectiveness and productivity and will ultimately lead to the smooth and problem free organizational change.

Shivanand (2007) conducted a study on “Human Resource Development Activities Initiated by Nandi Sugar Factory, Bijapur District of Karnataka State” The study was conducted to know the human resource development activities initiated by Nandi Sugar Factory and also to know the knowledge level and adoption behavior of the respondents to improve sugarcane production technologies. An attempt was also made to study the benefits derived from the HRD activities initiated by factory with the following specific objectives; to know the profile of sugarcane growers, to analyze the HRD activities initiated by sugar factory, to study the knowledge and adoption level of sugarcane growers with respect to improved production technologies, to study the problems and suggestions for improvement of sugarcane growers. The study brought certain important findings, which have got direct bearing on all those, involved in human resource development for policy making.

Sthapit, Arhan (January, 2010) "Integrating HRD with organization strategy as a precursor to strategic Management", the objectives of the article were; to access the context and value of integrating the HRD policy and practices with the organization strategy and to discuss the methods of integrating the HRD with the organization strategy for practicing strategic HRD in the organization. The study found conclusion that a successfully accomplishing organizational strategies and goal requires a critical mass of positive factors related to the effective management of human resources; particularly in developing HRD. The research concludes that the quality of managing and developing human resources is a key determinant in attaining organizational strategies and goals as mentioned by Garavan (O. Donnell & Garavan, 1997).

Tuladhar (2010) conducted a study on "Secretarial skill Development and Institutional Arrangement for Assistant staff training in Nepal" with the finding that the quality of office management is one of the most important factors that influence organizational success. Management can be successful if the managers' way of thinking

and behaving is grounded in positive mental attitude. Even those without a high degree of formal knowledge and information and skills have been successful in reaching a prestigious point of achievement because of their positive attitude. Positive attitude is clearly a must for all kinds of success. Tuladhar's study is mainly focused on the management's philosophy towards HRD practice and implementation. For the study it could be claimed that behind the successful implementation of HRD there is the primary role of the positive management philosophy.

After the introduction of federal democratic republic system to governance in the country, the training institutions have been under tremendous pressure to perform in a new way of thinking, exposing progressive perception to change. At the present time there is a need on the part of those in the public sector training to be change friendly and devoted to making differences positively in their work for self management and organizational development such individuals will be very welcome to the upcoming institute of secretarial training, if it is up indeed.

Singh, (2005) conducted a study on "HRD practice and philosophy of management in Indian organizations." The Objectives of the study were: to examine the assumptions of the top management about the people working in the organization, understand the social organization through HRD belief and the philosophy of management in the organization, to examine the nature of differences in the philosophy of management subscribed to by the organization towards employees working in the public and the private sector, to examine the nature of relationship between HRD practices represented by planning recruitment, selection, performance evaluation, training & development, career management and rewards and the philosophy of management in the private and the public organizations.

The findings of the study were as follow; the perceived negative correlation of philosophy of management with HRD practise showed that the private sector, organizations still had belief in theory 'x' of Mc. Gregor. In the fast changing scenario of the Indian economy especially after liberalization and globalization, it is a cause for concern that Indian private Sector organization still have faith in theory x. The

philosophy of management projected a blurred picture in the public sector organization though the top management, views and the balance sheet emphasized the belief of the organization towards Theory Y, the response showed that the management philosophy was not clear to managers working in the organization.

Contrary to the hypothesis, the result showed that there was no significant relationship between the variables of HR practices and the philosophy of management in the public sector organization where as in the private sector, the variables of HR practices, particularly training and development and rewards, were highly but negatively related to the philosophy of management. Thus, hypothesis has been partially proved by this study. The issue of HRM practices in large business organizations was explored in this study to determine traditional or modern philosophy of management. The finding pertaining to private sector organizations reflected that Indian organizations were practicing traditional philosophy of management. The traditional philosophy of management depends primarily upon economic motivation i.e. "The carrot and stick" policy-the rewards go to the performers who are retained and promoted while those who are less efficient are not rewarded and, at times, demoted laid off or discharged.

There are even the challenges on the implementation and practice of HRD. Tan, Peng Boo (1997) conducted a study on "Human Resource Development in Asia and the Pacific in the 21st century issues and challenges for employers and their organization" for the presentation at the ILO workshop on employers' organization. The study concluded that the importance of HRD cannot be overemphasized. The Chinese philosopher Gunazi (551-479 BC) said that "when planning for one year, there is nothing better than planting grain. When planning for ten years, there is nothing than planting trees, when planning for a life time, there's nothing better than planting men" In his own words he explained that grain is something that is planted once and producers only a single harvest. Trees are planted once but many produce ten harvests. Men are things that are planted once but many produces a hundred harvests. The reference justifies the HRD as the everlasting programme that never stops.

The paper concluded that HRD contributes to economic development. It does not by itself make such growth possible. The paper also emphasized that employers' organization of Asian and Pacific developing countries face the challenge of defining their HRD role. Their decision will affect the standing and relevance of their organization to enterprises and their contributions to the economic and social development of their countries in the 21<sup>st</sup> century.

Even there are few studies made on Public sectors in particular focusing their Millennium Development policy. Shakya (August 2006) conducted a study on "Developing HRS in the public sector in the context of Millennium Development (MDGs)" the objectives of the study was that to identify challenges and issues, and suggest and important measures for improving the human resource base in public sector particularly at the central level for attaining Millennium Development Goals (MDGs). His concluding remark is that Public sector HRD requires a conclusion approach on the part of the government and Public sector HRD policy demands a holistic approach that emphasized the role of all the major player institutions, ministries and training institutions. NASC needs to be encouraged to come up with a training policy, and programs with a view to meeting needs of the training and skills and development for MDGs. The research focuses on the national level policy for HRD. For the research, an association of certain percentage of total funds earmarked on training and development for developing human resource would be helpful to build the HR base in public sector or vitally important for enhancing implementation resource would be helpful to build the HR base in public sector or vital important for enhancing implementation capacity. The study further mentions that political commitment and government ownership for any kind of reform measures for strengthening HR base is crucial for the success of developing a competent and active work force within the bureaucracy.

MCDonald, Kimberly & Hite, (2005), conducted a study on "Reviving the Relevance of career Development in Human Resource Development." This article has focused on how HRD can review its commitment to carrier development as one of its fundamental functions. Whether the absence of HRD in carrier development discourse

and practice has been the result of uncertainty of what to do or the misassumption that there was nothing to be done, it is time that HRD revise and reassert its role in making career development viable again. The frame work and recommendation provided urge a new perspective for HRD practitioners and researchers, one that is flexible, reflective, valuable for organizations and affirming for individuals. As HRD transition from the traditional program delivery stance to more interactive roles as facilitative resource, employees and employer liaison, and coach, it can enhance and reclaim the relevance of career development.

Khan, (2008) conducted a study on "Human Resource Development in Tourism, Industry in India: A case study of Air India Ltd. New Delhi". The major objectives of the study were, to impact knowledge and develop skill oriented to the nature and needs of tourism industry for present and future needs, to develop the individual intellectually as well as materially to enable him to lead a fuller life by developing his/her capacity to learn and earn, to enhance the contribution, which individual can make in the collective tourism, endeavor, which is needed to enlarge the availability of services which the nation as a whole needs, to acquire/sharpen capabilities required to perform various obligations in the tourism industry and the tasks and functions associated with their present or expected future roles, to develop organizational culture in which superiors subordinate relationship, team work and co-ordination among different sub-unit are strong and contribute to the organizational wealth, dynamism, professional well-being motivation and pride of the employees in tourism industry and to assess the growth in productivity of Tourism Industry in India.

The study founded that majority of the employees agree with the questions of the questionnaire that the human resource is to be considered as an extremely important factor for productivity. They feel that top management did not treat human resources more politely as it is one of the important factors of the productivity. Most of the employees felt that there was need to re-structure the organizations of air India Ltd and train & develop them according to its pre-determined objectives. They felt that their potentialities were not fully utilized for enhancing productivity of this organization. Air

India Ltd, the overall performance as regards higher productivity had not been so encouraging. The main reason in the conflict between employees and the management, which leads to strike and unrest among them, was the lack of the implementation of HRD. The study refers that most of the senior managing feel uneasy for the HRD but the employees feel it is necessary in most of the companies. This is an example of the unfavorable management philosophy towards HRD practice.

Swain, (2007), Conducted a study on "HRD practices in the classified hotels in Orissa; a study of employee perception." The research article is concluded that employees in the surveyed Star hotels are general benefited with the ongoing training practices conducted with the assistance of professional training institute, Bhuanancswar. This institute is rendering industry oriented training program based on contemporary needs for improving the quality of human resources in the hospitality industry. Hotels have also acknowledged the positive impacts for their employees with the intentions of meeting the human resource challenges in the foreseeable future. As it is demonstrated in the hypothesis testing on the perception of employees about the training program, it is understood that employees who were working in the star hotels in Orissa have perceived the usefulness of the training in their work culture.

The study reveals that there is a positive association between professional training and employees chances of promotion. They understand about their professional training which can help promote the organizational effectiveness as well. This understanding is proven to be stronger in the case of employees working in the higher star category hotels than those working in the lower star category hotels. But, no significant relationship existed between the level of professional training undergone by an employee owe his or her perception about the benefits of professional training. However, the employees who have already undergone professional training have got a more balanced and realistic view than those who are waiting to take the training. The study has also found out the diverse roles of employees working in various departments like front office, housekeeping, food and beverage, horticulture and accounts and administrations to popularize the name and the fame of the hotels by delivering outstanding services to the guest.



Stewart, (2006), conducted a study on "The current state and status of HRD Research." The purpose of the study was that: establishes a connection between the concepts of "Learning organizations" and "Human resource development". The study concluded that the subject is healthy. Another conclusion was that HRD research is developing the potential to lead in fundamentally changing the nature of organization, management and work. A final conclusion was that the concept of human resource development and that of the learning organization have much in common.

Aliaga, (Jan, 2005) conducted a study on "A study of Innovative Human Resource Development Practices in Minnesota Companies" and the purposes of the study were that: to contribute to the knowledge and understanding of the Innovative Human Resource Development practices, in particular in the HRD discipline two major components - training and development, and organizational development, to identify and describe the IHRD as reported by professionals in the field, to explore the IHRD identified by professional and contrast them with the IHRFP reported in the literature, to examine the relationship between organizational characteristics and the IHRDP, to explore the managerial characteristics that influence the adaptation of IHRDP, to explore the job function characteristics that have an impact on the adaptation of IHRDP, to analyze the business characteristics that relate to the adaptation of IHRDP, to frame the discussion about the IHRDP within the mainstream theory of innovation.

This study is the first attempt to address the issue of innovation in the discipline of HRD, and in that sense this becomes a benchmark study upon which other studies can build continued research. The type of innovative HRD practices found in the literature and those reported in this research shows a clear emphasis on the organization development component of HRD, which may coincide with the historical trend of both the discipline and the organizations managerial approaches. The number of adopted and implemented innovative human resource development practices is important but only in a descriptive, non-definitive way. No interferences can be made with regards to trends, frequencies and cycle.

Similarly, Smith,(2006) conducted a study on "Benchmarking Human Resource Development: An Emerging Area of Practice". Paper concluded that Human Resource Development is widely recognized as strategic organizational imperative. This is specially so in the LIS sector world-wide where the rapid pace of development and change necessitates maintaining and abilities of those who work in the sector. Because HRD is so important ongoing assessment of the efficiency of HRD is equally important. Benchmarking of HRD can provide the means for this to be achieved providing valuable insights into the effectiveness of HRD effort and the opportunity for ongoing review, assessment and important using identified sectoral best practice as the standard. Benchmarking is a tool for measuring effectiveness, identifying ways in which practice might be improved. Benchmarking need not be difficult to do. As demonstrated by the examples of emergent HRD benchmarking practice in the LIS sector discussed here, HRD benchmarking may take on a variety of forms-ranging from relatively simple to move complex. In whatever form it takes, HRD benchmarking has significant potential to become a powerful tool in ensuring good and improving HRD practice. The LIS sector already has a well established record in adopting and applying performance measurement processed, including benchmarking. HRD benchmarking is one further step alone that road.

Akram, (2008) conducted a study on "Human Resource Development through Foreign Aided Projects in Azad Kashmir". The major objectives of the study was that to identify the causal factors of human resource development or factors affecting capacity building of communities, The general purpose of the present study was to design a strategy of evaluating projects from a capacity development perspective and to assess and evaluate the impact of training given by the foreign funded projects on capacity building of the ultimate beneficiaries in the area.

The study concluded that although training for the extension workers and master trainers were relevant and efficient but they couldn't provide desired results as these workers couldn't pass on the knowledge gained to the ultimate beneficiaries of the project. This study identifies some inherent flaws and exclusion of some important factors which

rendered the training less effective. Sustainability and community participation were the weaker areas of the project and created some negative effects.

Solkhe, (2011) conducted a study on "HRD climate and job satisfaction: An empirical Investigation." The objectives of the study were; to examine the nature of the HRD climate and OCTAPACE culture existing in the organization, to study the level of job satisfaction of the managers of the organization, to critically review the relationship of HRD climate and job satisfaction and subsequently the impact of development climate of job satisfaction of the individual. The study concluded that early identification of Human Resource Development of their skill represent two major tasks of Human Resource Development. This can only be achieved when conducive HRD climate prevails. Thus on the whole the researcher find the existence of good HRD climate in the organization according to the perception of managers sought through the scale constructed for measuring the same. The managers in general showed a favorable attitude towards HRD policies and practices of the organization. They were satisfied with the developmental policies of the top management as well as contented with their work and the organization as a whole. i.e. level of job satisfaction was also good. Most importantly the researchers findings support the existing literature and add to the deficit literature existing which have attempted to explore the relationship of HRD climate and job satisfaction in Indian context. It was concluded that there is a significant relationship between JS and HRDC and its components will bring about positive changes in job satisfaction and in turn impact the organizational performance in positive manner. However, the findings of the present study indicate that there is a still substantial scope for improvement in various aspects of HRD in the organization as well as factors influencing job satisfaction.

Abdul, (2012) conducted a study on "A study on Innovative HRD practices I Boiler Auxiliaries plant of Bhel, Ranipet". The Objectives of the study were; to understand and identify the innovative HRD practices prevailing in the organization, to analyze the opinion of employees in various HR Divisions about HRD policies, HRD implementation, HRD issues and barriers.

A survey was conducted on the employees working in various divisions of HRD department and Notable innovative HRD practices were found in the organization. They are training/work based learning, HRD planning, performance review, communication and management and professional Development.

Anderson, (2006) conducted a study on "Towards Theorizing Human Resource Development in South Africa: A critical analysis and the development of a tool to facilitate improved understanding and Practice." The primary objectives of this study was to generate pathways to understanding Human Resources Development (HRD) by developing a tool which enables and enhances a shared and common understanding of HRD in South Africa (SA). This research concluded that HRD constitutes the backbone on positioning human resources as a strategic business partner. In this study there was significant insight for both HRD scholars and practitioners. The research had demonstrated that the socio-economic-political context in which HRD resides is strategically important. HRD is sometimes regarded with some hostility by competitors because of its inherent combinative complexity, yet it is difficult to deliberately copy it for precisely the same reason. For HRD scholars and practitioners, this research had given insight on how to understand their profession within this complexity, so that their organizations were encouraged to thrive, without having to unravel and codify the myriad causal effects at play in the dynamics of the organization and the country at large. The research had shown the need for HRD scholars and practitioners to link HRD thoughts and practices to business strategy. In summary, if this research opens the door wider for other HRD scholars and practitioners to enter the room of contributing to the clarification of HRD thought and practice, and improving its scholarly value and utility in global, competitive world, it will have serve a productive purpose. Saraswoti, (2010) under took a study on "HRD Climate: An Empirical study." The major objectivity of the study was to achieve the goal of the organization and ensuring optimization of human resources. The study is aimed at assessing the extent of developmental climate prevailing in manufacturing and software organization in India and also comparative analysis. For the purpose of the study, primary data is collected from 100 employees of various software

and manufacturing organization through a structured questionnaire. The study revealed that the three variables: General climate, HRD mechanism and OCTAPAC culture are better in software organization compared to manufacturing organization. From the comparative analysis, it is concluded that there is a significant difference in the HRD climate of software and manufacturing organization.

Agrawal, (2005) conducted a study on "A study of the impact of HRD practices and measures to resolve pertinent challenging issue of HRD in Commercial Bank of India. The Study found that all the commercial banks have introduced HRD for their employees and the employees did consider HRD inevitable, the HRD practices and measures were highly viewed by the bank employees as essential for achieving organizational goals as also for developing careers of bank employees and the familiarity of HRD philosophy, practices and measures and resolving the pertinent challenges were found with very high degree of the agreement of the bank employee but the perceptions of their agreement did not show any genuine different between the public sector and private sector bank employees. Against the above three broader conclusions though no differences were found between the levels '0' agreement/expectations from the HRD mechanisms between the public sector and private sector bank employees. The higher level of satisfaction could be noticed among the private sector bank employees from the HRD mechanisms as compared to the level of satisfaction amongst the public sector bank employees. Thus, the levels of satisfaction between the public sector and private sector bank employees differed significantly. Moreover, there has been no relationship of any kind (positive or negative) noticed between the levels of expectations and the level of satisfaction from the HRD mechanisms. The researcher liked to conclude that a well groomed, updated and awarded employee in an organization is just like a close circuit hidden camera; HRD is very good and useful if it is practiced in right direction, and the designed results from HRD are possible when organization is sincere and employees co-operative.

Srimannarayan, (2009) undertook a study of "HRD climate in Manufacturing Sector." Major findings of the study were that OCTAPACE culture has been more

prevalent that HRD mechanisms and general HRD climate. Training and performance appraisal appear to be more mature practices rather than career planning, rewards, and employee welfare. Based on the overall analysis it can be concluded that a moderate HRD climate has been prevalent in the organization surveyed. In retrospect, it appears that the organizations focus more on business rather than people. The study it is suggested that the organizations may introduce fair employee welfare programs and reward system to improve employee satisfaction levels and subsequently to gain advantage from the satisfied workers to increase productivity.

Greg (2008) conducted a study on "National HRD: a new paradigm or reinvention of the wheel?" The purpose of the study was to analyze a new research topic, national human resource development (NHRD) for neglected but critical components of economics foundation and accumulated international development and research and practices. The finding in the paper were current research on NHRD has not advanced our knowledge in economic development, human development, human resource development under different cultural contexts the HRD concept used by economists means human development (HD) the domain of HRD should not be extended to HD and HRD scholars should understand the different meaning of the same terms used in different fields determined by the contextual and historical background of the field. Lervik, Hennested, Amdam, Lunnan & Nilsen. (2005) conducted a study on "Implementing HRD Best Practices: Replication or Re-creation?" The study concluded that they have contrasted two perspectives on implementing HRD best practices as replication or as recreation. Replication implies a mechanistic process of organizational change towards a fixed, externally given end-point.

Public Service Commission on South Africa (2011) undertook a study on "Assessment of HRD practices in the public service". The study was conducted to assess HRD practices in the public service. The assessment has looked at the ways in which department identify the core departmental competencies, de-implement and report on the WSPS and compliance with skill development legislation.

It can be concluded that although there have been HRD strategies and policy frameworks in place and a greater sense of implementation of WSPS by departments many challenges still remain for HRD managers waiting to make a significant contribution to departmental performance, the interviews provided rich sessions on the complexities involved with HRD practices and assisted the PSC to gain a better understanding of the implements that must be addressed in order to ensure proper identification of core departmental competencies appropriate development and implementation of policies and programs, monitoring and reporting of WSPS and skill audits. It is on training and development interventions that are yielding fewer results on the departments strategic objectives. The concept of HRD is not the mere academic discussed on the academic sector, it is the social and institutional issues that is why the issue of proper management and development of human recourse is not limited in academic journal but also in other news media. HRD's necessity in each and every sector is noticeable with its coverage in news media. The proper addresses on the HRD by various organizations are reflected in news in Nepali scenario. Growing familiarity and concern of HRD practice is reflected in print media as the means of news. On the other hand due to the lack of HRD there is the lake of manpower in Nepali society.

Save The Children (19, May, 2012) Issuing a press statement 'after organizing training program for government officials' said the country is facing a shortage of skilled workers and their distribution, retention and high turnover as well as questions concerning motivation and willingness to serve in rural areas. According to the press statement there are just 0.29 health workers for 1000 people, significantly less than the world Health Organization's recommendation of 2.3. In 2006 the WHO had categorized Nepal as a country with a critical shortage of human resources in the health sector. (As cited by Himilayan Times)

Similarly, the poor HRD practice in Nepal too is reflected in mass media. For example *The Himalayan Times* writes, "Ministry of Health and Populations (MOHP) (2009/2010) conducted a study and showed that less than 80% of the sanctioned positions were filled in the surveyed health facilities of the country and about 10% of the staffers were not

available in the facilities during the time of the survey." ( As cited by Himilayan Times, 19, May , 2012)

Save The Children Country Director for Nepal, Hunter, Brian J. (2012) said through their HRD Program, they want to build the capacity of health mangers as well as provide them with evidence for action and call on the political leadership and the government to priorities HRH to help meet millennium Development Goals and make progress of beyond the MDGs. (Himilayan Times).

### **Related Studies in Nepalese context**

Different researchers have approached Human Resource Development practice in Nepalese PEs in different ways. A review of those approaches is important in order to develop an approach appropriate to the context of Nepal. Therefore, the major findings of these important studies are reviewed briefly.

Agrawal, (1978) undertook a study on "some observations on personnel management in Public Sector Enterprises of Nepal." The major findings of the study were personnel management in Nepal is characterized by the predomination of nepotism, source-force and interference in selection and placement of employees. The training as an investment in human resource was completely absent. (Agrawal 1978,p. 56) As told by Agrawal, the predomination of nepotism has affected the recruitment and selection in Nepalese PEs which even directly affect the HRD practice.

Chapagain, (2004) conducted a study on "Human Resource Capacity building through appreciative Inquiry Approach" the major finding of the study was positive/appreciative thought and behavior are the fundamentals of human life not only for building capacities but also attaining developmental goals(p.162). Similarly, Parajuli, (1995) conducted a study on the questions regarding training effectives. Regarding training practices one of the findings was that there used to be no participation of the supervisors who used to rate the personal traits and performance of the employee or trainee in designing curriculum(p.91).

Furthermore,



Subedi & Shrestha (2004) conducted a study on "If training is the solution what is the problem? An assessment of employee training effectiveness in Nepali organization" this study revealed different findings one of the major finding is that executives and supervisors of non-government organizations are more responsive to the problem of employee training effectiveness than managers and supervisors of government organizations(p.51). According to Subedi & Shrestha, government organizations of Nepal seem quite unfamiliar with training of employee than the non-governmental organization. PEs being the government controlled and financed enterprises, the familiarity of HRD inherent within the institution must be studied.

Thapa (1989) has expressed the opinion that the types of training being provided by the training intuitions were not appropriate. These were stereotyped conceptions of the early 1930's industrialized countries which were not at all up to date and were not according to the needs of the country(p.3).

Upadhaya (1981) conducted a study on personnel management in manufacturing public Enterprises of Nepal. This study revealed different findings. One of the finding is that personnel officers had no training in the personal field. Training is one of the major subject matter of study which is one of the mechanisms of HRD in the study of Nepalese PES.

About the training and HRD Elizabeth, Gorovitz (August 1983) conducted a study in the early 1980s on the "Employee Training current trends future challenges." This study revealed the importance of employee trainings. Basic aim of the training is to improvise the skill of the employees as one of the HRD mechanism. There have been a lot of studies of HRD mechanism in PEs in Nepali context came in the form of career development, quality of work life, training, etc. Does there is sufficient implementation of HRD in Nepalese PEs? First of all it is necessary to have conceptual clarity of HRD.

Graven et al (2000) conducted a detailed investigation of HRD and associated literature and suggested that there was a philosophical debate about whether HRD should promote performance or learning. Where HRD is considered to be part of HRM it is

concerned with performance and where it is part of adult education the emphasis is learning. They maintained that it was difficult to make a clear statement about what should be included in HRD even though it is maturing as a subject.

ALPHA Consultants & Advocates, (2010) conducted a study through SAARC HRD Center on "Effectiveness of HRD for developing SMEs in south Asia". The study indicates the following shortcoming of public policies in Nepal: a) Lack of female participation and job marketing techniques for increasing the skill development via vocational institutes. Which are also limited b) Inadequate institutional mechanism and research and development activities for technology transfer in the SME sector in Nepal c) Lack of technology assessment mechanism related to the purchase of hardware or the contractual agreements for supply of technology d) Lack of adaption to the use of imported technology to avoid the negative effects on employment, lack of networking amongst firms and institutions of learning and research e) need to develop adaptive skills via innovative activities and linking it with research in the academia.

Similarly, Bania, (Dec. 2004) conducted a study on "Human Resource Development Practice in Nepalese Business Organization: A case study of Manufacturing Enterprises in Pokhara". This study revealed different findings. The major findings of the study were as: Training is the only development opportunity provided for employees to develop their knowledge, skills, and abilities. Both on-the-job and off-job training are made available to the employees. On-the-job training is offered to technical staff working in the field of production or other technical field Off-the-job training is provided for employees working in other functional aspects of management-finance, marketing, administration, and human resource management. Accounting, productivity improvement, store management, salesmanship, and marketing management are the most common areas of training offered to the employees. Majority of training provided to the employees is of short-term type of less than two weeks duration. A few firms have offered mid-term on-the job training of 2-4 weeks. No training of more than four weeks duration was reported to be provided. Employees opined that short-term training does not keep much significance in skill enhancement.

Training need is identified by informal inquiry with employees. The practice of conducting formal need assessment survey is non-existent in the firms surveyed. The average annual investment in HRD is Rs. 8055 that is quite low in the organizations having 64 employees on average the average investment per employee per year is only Rs 120. None of the firms allocate budget for human resource development programs. The positive consequences of providing development opportunities to employees are improved performance, increased productivity, enhanced loyalty towards organizations and increased motivation among employees and negative consequences are demand for increment in salary, additional incentives and facilities, promotion, and demonstration of over confidence in work, and tendency to leave job.

Regmi & Adhikari UNDP, (2007/2008), conducted a study through local initiatives for Biodiversity, Research and Development on "Human Development Report Fighting Climate Change: Human Solidarity in a divided world, country case study, Nepal." The conclusion & Recommendation of the study was that the capacity building is an important aspect in implementing project and programs at national as well as community level. The dynamic nature of the topics and their scientific technical complexity require continuous exposure and transfer of skill and knowledge to the individual responsible in the government for leading the work. Capacity building for different levels of stakeholders is vital if Nepal is to play an effective role and contribute in the global efforts to address climate change.

In direct or indirect, there are various studies are conducted in the field of HRD practice, nature and culture in Nepalese context including various organizations and institutions. HRD is the ongoing process so there is the relevance of further studies on this sector. The study of HRD in Asian context is not new rather there have been various studies of HRD in India. HRD studies in public sector enterprises in India too is not new, rather a lot of research has been made on this sectors.

### **Research - Gap**

Qualified and skilful human resources are the assets of public sector enterprises like the other organizations. If the human resources are well trained and experienced, they may be

proved as human assets of the organization. Without competent human resources the organizations cannot be run properly and successfully. Hence, this study also focuses on the psychological response of the employees about HRD training and management development and performance and potential appraisal as well as career development practices used by PES in Nepal. The PE's employees render various types of services to implement the government policies and fulfill the objectives of the Nation. The effective training and management development as well as performance and potential appraisal mechanism has been very important issue for the human resource development in this sector. In my detailed literature review, I found that in the changing speed of information technology too, we are unknown about HRD practices scenario in public sector organization, whether there is HRD practices or not, whether these practices are effective or not, due to the lack of adequate study in this sector.

The review of relevant literature has significantly contributed to enhance the fundamental understanding and knowledge, which is required to make the study meaningful and purposive. Many researches have been done on human resources of public sector enterprises of Nepal but there is several lacking on human resources development practices in these sectors. Human resource development refers to a major functional area of organizations management and the nature of function is basic. To fulfill the gap between job entry of human resources and getting quality development practices happening public sector enterprises, human resource performance in terms of human resource development practices are also our research concern. Research has made all efforts to diagnose right development practices of human resource leads towards greater motivation and better performance of overall organization to achieve stated organizational goals.

The sample taken for the research purpose covers all areas of public sector enterprises. During analysis and interpretations, nature of study being qualitative different themes, opinions variables, their relationship/influence all tested with the help of research questions, research objectives, in depth interviews observation, questionnaires and

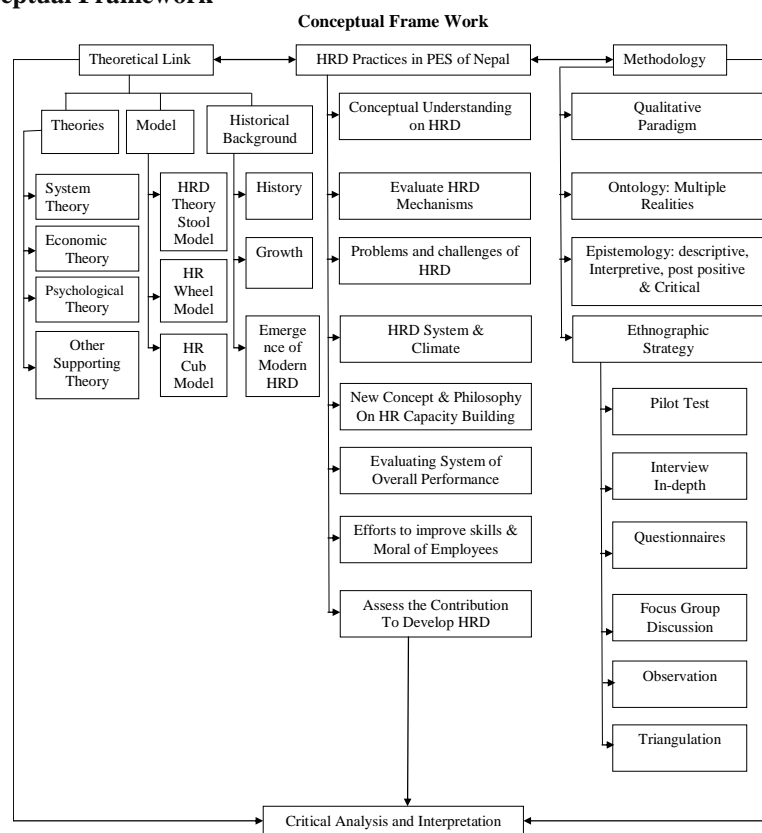
different tests. The research objectives and questions are the vital components of the research investigation which helps to point out the specific areas of theory.

Basically, this research work is different from previous research studies. In this research human resource development practices being followed by the different six sector public enterprises is our prime concern but under proper management of human resources all other areas like selection, motivation, retentions even have been duly analyzed to justify the significance of this report. In conclusion, we can say that there is no sufficient study in this area from the part of government and other sectors. Hence, to fulfill this gap, it is essential to study the scenario of HRD practices in this sector.

### Conceptual Framework

The overall conceptual framework of the study is given in detail figure. This conceptual framework clarifies the overall structure of the thesis.

**Figure 2.9 Conceptual Framework**



### **Concluding Remarks**

It is the challenges to the public sector enterprises to address the above theme. Many employees even management is not fully aware of HRD concept importance and its objectives. The literature review indicates that unclear policy and endeavor for HRD. The evaluation and assess the current HRD programs and its effectiveness was also unclear in Nepalese organization. The employees selection procedure for HRD is not transparent. In this study researcher tries to investigate the major problems and their casual factors towards HRD and compare and contrast the significant and effectiveness of HRD practices among employees in different selected organization.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **Introduction**

Research methodology is the main task through which we achieve our research objectives. Therefore, the methodology is called heart or life-blood of the research work. In this section, the tools and techniques of the study are presented. In this study researcher had applied qualitative method of research design according to the nature of research topic. Research methodology high-lights the implementation process of research which generates the data and analyze it for the finding of the study (Dangal 2008). Kothari,( 2004) argued that research methodology is a way to systematically solve the research problem. According to him the scope of research methodology is wider than that of research methods (p.8).

#### **Research philosophy**

Philosophy is defined as “the love, study, or pursuit of wisdom, truth, or knowledge” (Philosophy, 2010). It describes perceptions, beliefs, assumptions and the nature of reality and truth. The philosophical parameters of the research were Epistemology, Ontology and Methodology. In order to conduct and /or evaluate qualitative research, it is, therefore important to know what these assumptions were. The most pertinent philosophical assumptions were those which relate to the underlying epistemology which guides the research. ‘Epistemology’ refers to the assumptions about knowledge and how can it be obtained (Hirschheim, 1992). What knowledge is derived? What can be known? It is the theoretical assumption about ‘Epistemology’. Ontology refers to the assumptions about the nature of reality. What is there? What do you know? What is the nature of reality? These are the ontological questions. All research whether qualitative or quantitative is based on these underlying assumptions about what constitutes ‘valid’ research and which research methods are appropriate.

“Ontology concerns the ideas about the existence of and relationship between people, society and the world in general. Ontological assumptions embrace all theories and methodological positions” (Eriksson & Kovalainen, 2008, p.13).

The concurrent question is the question of philosophy. This is the question of the relationship between the ‘who’ and ‘what’ the answer to this question depends on the answer to the ontological question. The answers depend on above two questions in methodology. It is the question of ‘how’?

### **Philosophical Assumptions**

The research title “Human Resource Development Practices in Public Sector Enterprises” is basically related to the human resource capacity and productivity. According to the nature of study and research objectives as well as on the basis of used methodology, the ontology was multiple realities. Reality is socially constructed and subjective. It concerns "how we can see our world". Epistemology concerns “how we think about our world.” The epistemological assumptions of this research were descriptive, interpretive, post-positive and critical.

### **Journey of Research**

I set out an adventurous journey to explore the contemporary HRD familiarity, practice and implementation in major PEs in Nepal with the exploration of its problems, challenges and effectiveness. Initially, I identified the effectiveness of HRD theory and philosophy through literature review as a part of my study. While reviewing literature, I collected national and international reports, journals, books, and various publications. After a thorough study of the HRD concepts, literature and its implementation in different countries, I designed a concept of my research to show the application of HRD concept and practice in Nepali context especially being focused on the PEs. Then, I designed a thematic concept and conducted pre-study assessment for the ensuring the relevance of research topic and research questions.

For asserting the efficacy of research, I purposively chose representatives of multiple sectorized PEs, including financial sector: Rastriya Banijya Bank Ltd., Public



utility sector: Nepal Telecom Ltd., Service sector: Civil Aviation Authority, Social sector: Janak Education Material Center Ltd., Trading sector: Nepal Oil Corporation Ltd, and Industrial sector: Herbs Production and Processing Co. Ltd. During the course of data collection through the direct and in depth interviews, all of them appreciated the idea and concept to study the contemporary HRD practice, concept and familiarity about it in PEs. I was warmly welcomed by the related respondents of PEs. Similarly, I concerned with various people from different sectors like professor, entrepreneur, free lancer experts, government officers and even the employees of various organizations as well as with the decision level officials from Nepal Rastra Bank, Ministry of Finance, Ministry of Tourism, and Ministry of social welfare, Public service commission, Nepal administrative staff college etc. They advised me to take the matter into more depth then I internalized their suggestions and developed my research proposal as per their suggestion and my own vision.

Then, I presented my proposal to the Singhanian University Rajasthan and the research committee accepted it with some comments. With the proper processes like entrance examination, I was admitted for PhD program. After the six months classes and completion of course work, I attempted the exam with 400 full marks and finally, the process reached on the submission of the research paper through this writing, I completed. The frequent suggestion, guidelines and proper co-operation of my supervisor led the work to completion of my research journey.

### **Qualitative Research Study**

It is concerned with the experiences, feelings and opinions of individual producing subjective data. It describes social phenomena as they occur naturally. No attempt is made to manipulate the situation under study as is the case with experimental quantitative research. Understanding of a situation is gained through a holistic perspective. Qualitative data are used to develop concepts and theories that help us to understand the social world. This is an inductive approach to the development of theory. Qualitative data are collected through direct encounters with individuals, through one to one interviews or group interviews or by observation. Data collection is time consuming.

The intensive and time consuming nature of data collection necessitates the use of small samples. purposive sampling techniques are used in this method.

Qualitative sampling techniques are concerned with seeking information from specific groups and subgroups in the population. Criteria used to assess reliability and validity differs from those used in quantitative research. A review of textbooks reveals a variety of terms used to describe the nature of qualitative research. Hancock, (2002) stresses that a review of textbooks reveals a variety of terms used to describe the nature of qualitative and quantitative research. Some of the common terms used in qualitative research are subjective, holistic, phenomenological, post-positivist, descriptive, naturalistic and inductive. Meanwhile the common terms used in quantitative research are objective, reductionist, scientific, positivist, experimental, contrived, and deductive. The word qualitative is not a synonym for interpretive; qualitative research may or may not be interpretive, depending upon the underlying philosophical assumptions of the researcher. It can be positivist, interpretive, or critical. Case study research can be positivist (Yin, 2002), interpretive (Walsham, 1993) or critical, or action research can be positivist (Clark, 1972, as cited by Myers, 1999).

### **Selection of Qualitative Research Method**

Why I selected qualitative research method? The answer of this question is very difficult. Even though, I had selected this qualitative research method on the basis of nature of research topic, objectives and research questions. My research topic “HRD Practices in Public Sector Enterprise” was basically related to the employees' familiarity on HRD, adopted HRD mechanisms, problems and challenges, system and culture of HRD concept & philosophy of HRD capacity building, selection & measurement system for HRD, efforts and effectiveness to improve skills and morale. Qualitative research concerned with developing explanation of social phenomena. It is concerned with finding the answers to questions which begin with why, how, in what ways, as well as it is concerned with the opinions, experiences and feelings, whereas quantitative research concerned with questions about how much, how many, how often and to what extent. Michelle (2001) says “qualitative research assumes that the researcher is an integral part

of the research process. When beginning a study, a qualitative researcher should provide an overview of his or her personal and professional perspectives and assumption” (p.2).

### **Qualitative Research Approach (Strategy of Inquiry)**

It is a simple way of thinking about conducting qualitative research work. In qualitative research, there are so many approaches identified by different authors, such as Tesch (1990) identified 28 approaches, Wolcott’s (2001) identified 19 types of approaches and Creswell (2007) recommended five approaches to qualitative inquiry..( as cited by Creswell, 2009 p.176).

### **Selection of Ethnographic Approach (Strategy of Inquiry)**

Out of these qualitative approaches, I had selected ethnographic strategy of inquiry as well as the ethnographic validity. Triangulation was also used on the basis of the requirement of study topic and objectives of the study. Wiersma (1986) states that ethnography is concerned with what people are and how they interact; furthermore, it tries to reveal what lies beneath. Recently, ethnography has also become considerably interest to linguist who sees the need to study human behavior in social context.

Ethno = people\human

Graphy = writing

Ethnography is a methodology for descriptive studies of cultures and human resource. It has a background of anthropology. In other words, the ethnographic approach to qualitative research comes largely from the field of anthropology. The emphasis in ethnography is on studying an entire culture. Originally, the idea of a culture was tied to the notion of ethnicity and geographic location (e.g., the culture of the Kathmandu Valley\the culture of HRD practices), but it has been broadened to include virtually any group or organization. That is, we can study the "culture" of a business or defined group (e.g., a Rotary Club or Public Sector Enterprise). As the ethnographic approach, this research deals with the knowledge, practice and implementation of HRD among the human resources <http://www.socialresearchmethods.net/kb/qualapp.php>.

Nurani (2008) says that the main objective of ethnographic approach is to provide a detailed description of the situation being observed and since this description becomes the basis of the interpretation of the phenomena (P. 442). The major Characteristics of this approach are:

The researcher must understand how an event is interpreted by the people in a speech community. And the observation takes place in natural setting.

The characteristic of holistic; It means seeing the data as a whole in order to get a basis for explanation about the observable facts (Wiersma, 1986 & Tuckman, 1999). It does not formulate the hypothesis prior to the research (Wiersma 1986, Tuckman 1999).

This strategy focuses the field site with people from a shared culture. The data collection methods of this strategy are used as observations, in-depth interviews and other related methods. These observations are participant & non-participant as well as comprehensive and ongoing. Interviews (formal & non-formal) are also comprehensive and ongoing. Other related methods can be used for data collection and cross verification can be used for reliability and validity test in this approach. Many types of research have been identified by researchers for conducting ethnographic research (LeCompte & Schensul, 1999, Myers, 1999, Willis, Jost & Nilakant2007).

In ethnographic research, the researcher uses a variety of methods and techniques to ensure the integrity of data. (Fitterman, 1998. p. 32) says that the identified methods and techniques will have to be adopted to fit in with the environment or problem. According to Maxwell, (2005) triangulation is the collection of data using a variety of methods. LeCompte & Schensul (1999, p.131) further define triangulation as “confirming or cross- checking the accuracy of data obtained from one source with data collected from other, different sources.” According to Fetterman (1998) triangulation is basic in ethnographic research and it is the heart of ethnographic validity. Adopted from: <http://upetd.up.ac.za/thesis/available/etd-09272009-54654/unrestricted/02chapters3-4.pdf>

### **Area of Study**

This study was primarily covered to organize public sector enterprise situated in Katmandu valley including a few from the periphery. These PEs are involved in fulfillment of basic needs of the Nepalese peoples and achievement of individual, organizational and developmental goals of the nation. This study was referred to the opinions, practices and experienced of different PEs employees and free lancing professionals and government officials within the country, who were mainly involved in public sector development and HRD sector of Nepal.

Out of 36 PEs six have been mentioned in this study. From industrial sector, out of six industries, it was selected only “Herbs Production and Processing Company Ltd”. From trading sector, out of six corporation, it was selected “Nepal Oil Corporation Ltd”. From Service Sector, out of seven company, it was selected “Civil Aviation Authority Nepal”. Meanwhile, from social sector out of five organization, it was selected “Janak Education Materials Centre Ltd and from public utility sector out of three company, it was selected “Nepal Telecom Ltd”. From financial sector out of eight financial organizations, it was selected “Rastriya Banijya Bank Ltd as per purposive sampling for the study. The summary of each sector are given below in analysis part for general information purpose.

### **Research Design**

Research design is an overall plan of research work. It is a predetermined course of action. Research design, simply means measures for collecting, organizing, analyzing, interpreting and reporting data in research (Best & Kahn, 2007, Creswell, 2003). Research design exhibits different models for researching and procedures associated with it (Creswell 2006, as cited by Dangal, 2008 ). Meanwhile, (Wolf & Pant, .2002) argued that Research design means an overall framework or plan for the collection and analysis of data (P, 74). Really a good research design guides the researcher in formulating, implementing, and controlling the study. Such research design can produce the answers to the proposed research questions (P.74.). Kerlinger (1986) says that, “Research design

is the plan, structure, and strategy of investigation conceived so as to obtain answers to research questions and to control variance” (p. 275).

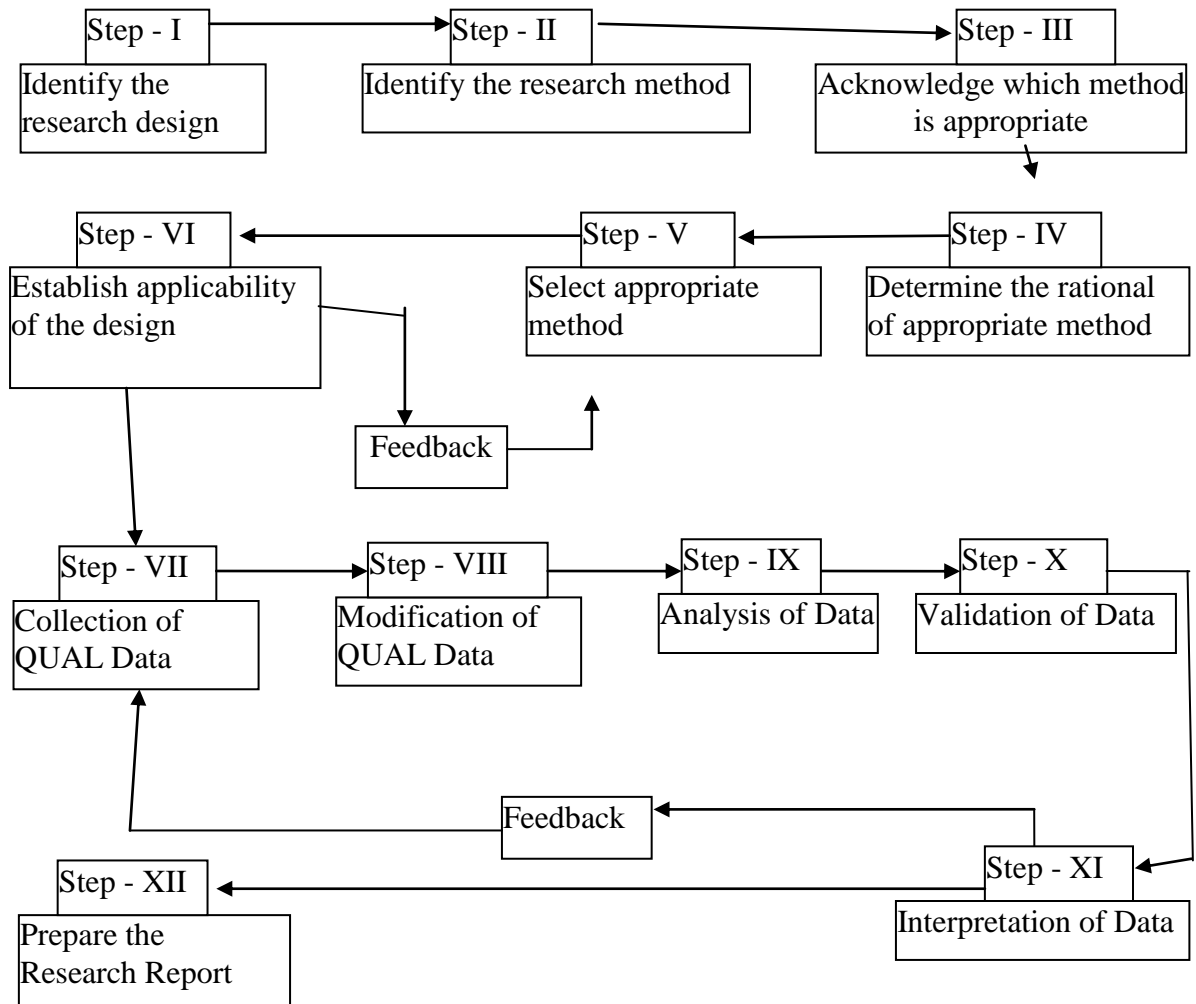
This study on human resource development in PEs of Nepal is based on the qualitative research design. It provides an accurate description of the related elements, face to face filled in questionnaires, in-depth interview, observation, annual report & online data base was used to get information. It is a fact finding activity and is also used to assess the opinions and behaviors of the concerned individual, group or community according to requirement of research design.

A research design is a detailed plan that guides and focuses the research (Hussy & Hussey, 1997) and essentially represents the overall configuration of the work (Easterby smith et al, 1991). Perhaps the most apt definition is that offered by Yin (1994.p.19) who describes it as: “An action plan for getting from here to here, where here may be defined as the initial set of questions to be answered, and here are some set of conclusions (answers) about those questions. Between here and there may be found a number of major steps, including the collection and analysis of relevant data” (as cited by Nolan, Ciara, 2004).

After studying the arguments of different writers, we can confidently say that research design is a pre-determined course of research work. It is the master plan specifying the methods and procedures for collecting, analyzing and validating the needed information and facts. It consists of five basic elements:-selection of problem, methods of study, data gathering, data analysis and report writing. Research design is just like a building construction plan prepared by architect and the strategy of the army. An architect makes a design before construction of a building. An army prepared a strategy before launching attack. Research is designed before its formal operation. A good research design may be the following. In this research, the researcher had followed the following research design.

### Qualitative Research Design

Figure 3.1 Research Design



### Sources of Information

In order to conduct the study successfully & efficiently both primary and secondary data are needed and it should be analyzed in research study. Primary data was collected through in-depth interviews, questionnaires, focus group discussion (FGD), observation and case study method.

In these methods, researcher met the respondents personally and asked questions and received the required information from them according to requirement of methods. Such type of information is accurate, reliable and fresh. Secondary data were also used in

research study. The secondary sources of data were: 1. Publications of ministries and government department as well as research reports. 2. Annual reports of PEs, journals, periodicals, etc. 3. Findings of conferences and related books, published thesis and unpublished journals within and outside the nations on HRD , HRD climate HRD mechanisms, programs and functions 4. Rules & regulations of the concerned PEs 5. Electronic media and other related sources. 6. Policy and Endeavour of concerned PEs were used as information source.

### **Selection of Purposive Sampling**

Purposive sampling is one of the most common sampling strategies, group participants according to pre selected criteria relevant to a particular research question. Sample sizes, which may or may not be fixed prior to data collection, depend on the resources and time available, as well as the study's objectives. Purposive sample sizes are often determined on the basis of theoretical saturation (the point in data collection when new data no longer brings additional insights to the research questions). Purposive sampling is, therefore, most successful when data review and analysis are done in conjunction with datacollection. (<http://www.fhi360.org/NR/rdonlyres/etl7vogszehu5s4stpzb3tyqlpp7roiv4waq37elpbyei3tgmc4ty6dunbccfzxtaj2rvbaubzmz4f/>)

The research term for qualitative sampling is purposeful (Cresswell, 2011, P.207). He further says that in purposive sampling, researchers intentionally select individuals and sites to learn or understand the central phenomenon (P.207). The key assumption underlying this type of sampling is that, with sound judgment or expertise and an appropriate strategy, one can carefully choose the elements to be included in the sample (Pant, 2012, P.199).

### **Sampling Design**

As a qualitative researcher, I was not responsible for selecting the sampling method until I meet the saturation. When, I reached the saturation and sampling was made easily as stated the following. From the large number of (in study area's) population some special number was selected through random, block or stratified for purposive sampling and observed time to time and asked in detail for required information. These sampling



processes were not based on chance but these were used according to expert's judgment to select conveyance purposive sampling. There are 36 fully government owned PEs who have been working in six different sectors in Nepal. These PEs were the total population of the study, out of 36 PEs six PEs have been mentioned in this study as purposive sampling from different sector.

In this research, five categories of human resources were selected for collecting information from different sector including public sector enterprise. They were officer level staff of public sector enterprises, free lancing experts, government officials and non-officer level employees of the organization.

**Table 3.1 Number of Respondents vs Types of PEs**

Name Of PEs	Sector of PEs	Total No.PEs	Sampling No of PEs	No of Respondents
Rastriya Banijya Bank Ltd	Financial Sector	8	1	19
Nepal Telecom Ltd	Public Utility Sector	3	1	18
Civil Aviation Authority	Service Sector	7	1	17
Janak Education Material Centre Ltd	Social Sector	5	1	18
Nepal Oil Corporation Ltd	Trading Sector	6	1	17
Herbs Production And Processing Co.Ltd	Industrial Sector	7	1	15
Free lancing experts and Government Officials				11
Total No of Respondents				115

In this study, 115 interviewees have been selected from different sectors on the basis of purposive sampling. This type of sampling is one of the non-probability sampling method. The sampling was fully representative of the overall organization.

**Table 3.2 Percentage of Sampling PEs vs. Sector wise Percentage of Respondents.**

Sector	Number of Organization	Number of Sampling PES	% of Sampling PEs	Number of Respondents	Sector wise % Of Respondents
Financial Sector	8	1	12.5	19	16.52
Public Utility Sector	3	1	33.33	18	15.65
Service Sector	7	1	14.28	17	14.78
Social Sector	5	1	20	18	15.65
Trading Sector	6	1	16.67	17	14.78
Industrial Sector	7	1	14.28	15	13.04
Others				11	9.56
Total	36	6	17	115	

The study covered the 17% Public sector enterprises all over the country. The lowest sampling from industrial sector was 13.04% and highest sampling from financial sector was 16.52%. The sampling size in qualitative study was most appropriate.

### **Data Collection Tools and Techniques**

The following tools and techniques were applied for data collection purpose. These were in-depth interview, open ended questionnaire method, focus group discussion (FGD), observation, case study and document analysis. Triangulation was also used for verification of validity and trustworthiness.

### **Modification of data**

Data processing and modification have been done. Editing, coding, classification and tabulation of required information were prepared in analytical matrix.

### **Tools of Analysis**

The following tools and techniques were applied. In order to describe the various characteristics and dimension of qualitative data, different methods were used such as the field visit, questionnaires, evoking the cases, interpretation of data was on the basis of theme, sub-theme and patterns as well as percentage and ratio analysis were used to verify the accuracy of theme analysis. When data is analyzed by theme, it is called thematic analysis. Similarly, triangulation was used to cross verify of the data. The discussion was based on the major and sub themes of the research. To show the variation about the HRD familiarity, practice and implementation within different PEs percentage & ratio analysis as well as other tools were used and analyzed qualitatively. The analysis was supported by extra materials such as tables, ranges, charts and diagrams according to the requirement.

### **Qualitative Analysis**

The analysis of qualitative data was more complicated and complex process. The research analyzes of the data produced by the program of interviews, observation, case study and conclusion of focus group discussions. The collection and analysis of data was an ongoing and simultaneous process. Despite the fact that the collection and analysis of data was a concurrent activity, a period of more concentrated and in-depth analysis took place when the researcher left the field (O'Donnel & Cummins, 1999, as cited by Nolan, Ciara 2004). The qualitative data are analyzed perpetually by the write up and coding of

field work notes. The qualitative data transcripts into themes, patterns and categories and were analyzed.

### **Presentation of Data**

The acquired data should be easily understandable and capable of interpretation. The primary work is to condense and simplify them in such a way that irrelevant data are removed and the important features stand out prominently. The appropriate method will be the classification and tabulation of the data. The classified data can be analyzed in tabular form for the sake of effectiveness. The presentation of data is the basic for the organization and classification needed for further analysis. Different data require different methods of presentation and analysis. This study was adopted mostly the data presentation and analysis through figures and tables, chart and graphs are interpreted qualitatively.

### **Trustworthiness and Authenticity of the Data**

It is utmost important to describe the trustworthiness and the authenticity of the methods used to carry out the study. Authenticity is the criteria that judge the process and the outcomes of the inquiry (Lincoln & Guba 1985). For the trustworthiness and authenticity of the data, researcher followed the Lincoln methods such as credibility, transferability, dependability, conformability and authenticity. Trustworthiness in interpretive/naturalistic research ensures that the data collected and the process by which the data were analyzed is truthful and accurate (Lincoln & Guba, 1985). All the collected data are comparable with internal validity. The results are credible and believable. It represents credibility. Participants are the only one chief judge and the participants can legally judge the credibility of the results.

Meanwhile, the data are comparable with external validity. The results are transferred to other contexts. It represents transferability. The data are comparable with reliability. The data obtained are dependable. Dependability achieves through auditing. The data are comparable with objectivity. It represents conformability. The results are conformed by others. Conformability achieves through auditing. The researcher believe that all the

collected data are authentic. It represents ontological authenticity. I am confident that the research process is logical, traceable and clearly documented. No single 'true' or 'correct' interpretation in the naturalistic paradigm. The results are responsible for making the judgment in different context. The other researcher takes "devil's advocate" role with respect to the results.

Throughout the study the researcher described his own personal perspectives and influence in HRD educative authenticity. Throughout the study, the researcher provided the perspective of many different levels and categories of employees, experts, authors, officials and free-lancing people and scholars towards HRD, its mechanisms and HRD climate, system and efforts. Fairness is most integral part in qualitative study.

Fairness addresses the equal disseminating ideas and perspectives. In research study the views of many experts, authors, and scholars have been presented with equality for the authenticity of the study. Catalytic authenticity is verified by stimulating some form of action. The researcher is aware of the fact that without validation of the data the trustworthiness and authenticity cannot be considered. In the research field, the validation of data could not be ignored. The data are valid and legally acceptable.

*According to Cho & Trent (2006) traditionally, validity in qualitative research involved determining the degree to which researchers' claims about knowledge corresponded to the reality (or research participants' construction of reality) being studied.*

The authors note that recent trends have shown the emergence of two quite different approaches to the validity question within the literature on qualitative research. The authors categorize and label these 'transactional' validity and 'transformational' validity. While useful, the authors assert that neither approach is sufficient to meet the current needs of the field. Issues related to validity in qualitative research have been addressed for more than half a century. Recently, concerns about validity in qualitative research have been increased. This is true internationally (see e.g. Bradbury & Reason, 2001; Seale, 1999, as cited by Cho & Trent 2006).

We define transactional validity in qualitative research as an interactive process between the researcher, the researched, and the collected data that is aimed at achieving a relatively higher level of accuracy and consensus by means of revisiting facts, feelings, experiences, and values or beliefs collected and interpreted. The role and use of transactional validity in qualitative research varies to the extent the researcher believes it achieves a level of certainty.

On the other hand, we define transformational validity in qualitative research as a progressive, emancipator process leading toward social change that is to be achieved by the research endeavor itself. Such a process in qualitative research, as a critical element in changing the existing social condition of the researched, involves a deeper, self-reflective, empathetic understanding of the researcher while working with the researched (as cited by Cho & Trent p. 321- 322). Data validation checks that data are valid, sensible, reasonable, and secure before they are processed.

### **Ethical Principles**

Research ethics means moral principles and standards of research. According to Oxford Learner Dictionary, “Science of morals, moral principles, and whole fields of moral science” is the ethic. Usually “it involves all standards of behavior” (Sharma, 1995, p. 412). Researcher should have a certain ethic and he/she must follow ethical principles in his research work. According to Dale, “Ethics refer to a set of moral principles which should play a very significant role in guiding the conduct of managers and employees in the operation of any enterprise.” The terms ‘ethics’ comes from Greek word ‘ethos, meaning, character, guiding, beliefs, standards, or ideals that pervade a group, community or people ( as cited by Lm Prasad 2009, p.161). According to him, as a field of study, ethics is that branch of philosophy which is concerned with moral human character and conduct. It prescribes moral principles that define what ought to be (p.161). Royse (1991, p. 240-243) lists a few of the following ethical guidelines that were fully adhered to the research:

1. All subjects involved in the research were volunteers.

2. Sufficient information about the study was provided to ensure that risks and benefits were understood.
3. No volunteers were compensated for participation in the study.
4. Participants could have withdrawn at any time if they so wished.
5. All literature sources of information were acknowledged.
6. The researcher ensured freedom of opinions, respect and nondiscrimination.

Keeping all these moral and ethical principles into the consideration, the researcher has conducted the research on the contemporary HRD practices of major PEs in Nepal. This research is mainly centered on the HRD practice, understanding of the concept, its familiarity among the employees and management's philosophy, HRD mechanisms, problems and challenges and effectiveness of HRD in major PEs of Nepal. As a qualitative research design, it presupposes the multiple realities since there is a variation of respondents' assumptions with regard to the HRD understanding, practice and management philosophy towards it.

## **CHAPTER FOUR**

### **ANALYSIS, INTERPRETATION AND DISCUSSION**

This analysis, assessment, interpretation and discussion chapter is classified into different sub-heads. The first part is included to financial sector, the second part is included to social sector, the third part is included to public utility sector, meanwhile the fourth part is included to service sector, and likewise, the trading sector covers the fifth part and finally analysis of the industrial sector in the sixth part of the study.

The main purpose of this chapter is to analyze the reality of HRD practices in selected public sector enterprises of Nepal, considering existing HRD policy and endeavor, familiarity on HRD concept, importance and philosophy of management towards employees, assess the existing human resource development mechanisms practices, investigate the major problems and their causal factors, solution and recommendation to the development of HRD programs. This chapter also includes the analysis of strengths and weaknesses of selected public sector enterprises on the basis of activity and their achievements.

This analysis is done on the basis of major themes developed for analysis purpose through thoughts, opinions, answers, information and facts obtained from higher officer level research participant of the concerned public sector enterprises of Nepal and free lancing experts of different sectors. After the thorough review and study of concerned literature of the subject matter and in-depth interview, open-ended questionnaires, observation and collected information and facts with research participants. I consolidated and transcribed all the collected data and information into themes, tables and figures.

Before exploring the reality of the human resource development practices in PEs of Nepal, it is essential to know the problem situation raised for this study. The average monthly expenditure for the employees working in the public sector enterprises is very high. But the productivity of the enterprises has been found to be very low in comparison with the number of employees and their productivity of private sector organization. Qualified human resources have been found working in this sector. Even then, why such



situation has been occurred? To explore the answer of this question is very difficult. According to annual performance review of public enterprises of Nepal (2011), it is crystal clear that most of employees involved in this sector have not been succeeded to perform their competency, effectiveness and creativity while performing their own duty as per the changing scenario of modern society and technology. In this situation, it is assumed that there may be something lacking in the field of HRD. Hence, It is essential to know the casual factors of the situation and effectiveness of HRD program adopted by the organizations under study. Harbison and Myers (1964) connect HRD with developmental economics as they regard "HRD is a process of increasing the knowledge, the skills and capacities of all the people in the society" (P.2). They focus on the high level manpower and its full utilization (as cited by Swanson & Holton III, 2008).

It is also essential to know the existing HRD culture and environment. It includes management philosophy towards the people working in the organization, employee's personality, working environment, management and employees relationship, employees outlook at the office, attitude, regularity, discipline, happiness, satisfaction and family background. It is also said that the concept of capacity development has not been developed in the employees as well as management as a whole in this sector. In this research study, the five categories of human resources were selected for collecting information from different areas of public sector enterprises. They were officer level and non-officer level employees of the public sector enterprises, government officials, free lancing experts, and related people of the concerned area. Basically from overall public sector enterprises, some PE's have been selected for the study purpose on the basis of qualitative sampling method' for triangulation purpose different techniques were used for data collection which helped to cross verification of data. The overall public sector enterprises have been classified by the government in six sectors. The study and analysis for each sector has been done in this research work.

Out of 36 PEs six PEs has been selected and mentioned in this study as per purposive sampling. From financial sector out of eight financial organizations, "Rastriya

Banijya Bank Limited" has been selected. From social sector out of five organizations, "Janak Education Material Centre Limited" has been selected. From public utility sector out of three companies, "Nepal Telecom Ltd" has been selected. Meanwhile, from service sector out of seven public sector enterprises, "Civil Aviation Authority of Nepal" has been selected. And from trading sector, out of six trading organization, "Nepal Oil Corporation Limited" has been selected. Similarly, out of seven industries "Herbs Production and Processing Company Ltd" has been selected from industrial sector as purposive sample. The detail analysis, interpretation and discussion of human resource development of selected organization of each sector has been presented below:

## **Part I**

### **Rastriya Banijya Bank Ltd**

#### **Background**

Rastriya Banijya Bank Limited is a leading Commercial Bank of Nepal. It was established on January 23, 1966 (2022 magh 10). It is one of the pioneer banks in the country with the history of nearly a half century long banking services to the Nepalese people. At the beginning, it was constituted under Rastriya Banijya Bank Act 2021 with the full ownership of the government of Nepal. Presently, the bank has been operating and running under Bank Act and Financial institute Act and company Act 2063. The bank licensed by central bank as an 'A' class commercial bank of Nepal. It has made a glorious history by accepting deposit, granting loan and providing banking and other agency services to the business organization and Nepalese people as a modern and strong financial institute of the country. It has 141 branches, 10 counters, 8 branchless banking and 50 above ATMs all over the country. The main objective of this bank is to provide services to financial, trading and agricultural sector through banking transaction. ([www.rbb.com.np](http://www.rbb.com.np)). The major function of this bank is accepting deposits, granting loan and agency services to the people and institutions in the country. There are two types of human resources involved in this sector such as top level management and functioning staff. The top level management is directly appointed by the Government of Nepal, whereas the functioning staffs of the enterprises are appointed by the management. The functioning staffs operate day to day function of the enterprises.

## Present Activities and Future Plan

Present activities and future plan of the bank are to accept deposit through banking service and provide loan to the productive sector. The long term vision and future plan of the bank is to develop itself as the largest and modern model bank. The main aim of the bank is to mechanization and development of new services, to enhance customer oriented services, to enhance positive net worth of the bank, to improve banking system, procedure and banking process. To provide innovative banking services for the economic development of the country as well as provide new banking services to the Nepalese people, such as branchless banking, cash deposit machine services, e-banking, mobile pay, SMS banking, ATM services etc.

## Performance Achievement

Rastriya Banijya Bank has earned a profit of Rs1909.882 and Rs1759.3 million in the year 2009/10 and 2010/011 respectively. This bank has been showing gradual improvements in its shareholders fund as well as in other financial indicators after the bank entered into management contract under the world Bank Assisted Financial Sector Reform Program in 2003 (Ministry of Finance , Performance Review, 2011,2012).

**Table 4.1 Improvement in Non-Performing Loan and Capital Fund**

Mid-July	Non-Performing Loan in (%)	Negative Capital Fund (Rs. Billions)
2003	60.15	22.39
2004	57.64	21.
2005	50.7	20.
2006	37	18.59
2007	27.6	17.21
2008	21.65	15.5
2009	15.64	13.48
2010	9.81	9.84
2011	10.92	10.45
2012	10.85	10.34

*Source:- Nepal Rastra Bank*

Under the restructuring program of Rastriya Banijya Bank Limited, there has been significant improvement in the non-performing loan ratio from as high as 60.15 percent to 10.85 percent by mid-january,2012. There has been a notable progress in the negative capital fund of the bank after the implementation of the financial sector reform program. There has been a significant improvement in negative capital fund from as high 22.39 percent in 2003 to 10.34 percent by mid-january2012. Apart from this, significant improvement in human resource management with right -sizing of staff prior to this reform program, RBBL had 5522 employees, which has now been reduced to 2555. In addition to this bank has computerized most of their branches (Ministry of Finance, Economic Survey, 2011/2012).

**Table 4.2 Banking Transaction and Financial Status of Bank**

(Rs in Crore)

Particular	2065	2066	2067	2068	2069	2070	Remarks
Capital Fund	(1550)	(1196)	(995)	(856)	(312)		
Deposit	5833	6816	6862	7394	8778		
Increase%	15.59	16.85	.67	7.75	18.72		
Granting Loan	2752	3160	3569	3257	3677		
Increase%	12.28	14.82	12.94	3.27	12.9		
Investment	1456	1564	1299	1533	2650		
Increase%	14.37	7.56	(16.94)	(18.01)	72.86		
Profit position	177	203	201	172	118		
Idle Loan%	21	15	9.81	10.92	10.85		
Number of Branches	127	128	128	128	134	141	

Source:- Seventh Annual Report, 2068/2069

## **HRD Policy and Endeavour**

*According to Jerry Gillet and Seteven Egglend (2002), a policy statement should answer questions regarding implementation of release time for training, tuition reimbursement, eligibility requirements, and standards of employee participation.*

Bank has made a human resource management and development policy and strategy to achieve the overall organizational goals which are as follows: To enhance skills and capacity of the existing old employees who has been working for many years, to select and recruit in regular basis to the new employees who are capable in modern education and technology and to develop human resource for making the banking service dynamic and more attractive through mixing existing long experience with innovative new knowledge (Sixth Annual Report, 2067/068).

Other human resource strategy of the bank are : to review the existing manpower positions, to amendment of the employees rules and regulations, to terminate some existing old employees and recruit new innovative employees in vacant posts, to limit the total number of employees to 2600, to adopt the policy of reward and punishment on the basis of work performance, to improve employees motivation and retention, to select employees through open competition and to promote through internal competition and performance evaluations. Similarly, to give continuity to the reward and punishment system for the capacity enhancement and the overall development of the productivity, providing the competitive banking services, and to enhance the skill of the employees (Sixth Annual Report, 2067/068).

For this purpose, bank emphasizes and conducts the regular training programs. Bank has adopted the policy to participate the employees in various conference and training in inland and foreign different countries based on job nature (Sixth Annual Report, 2067/068).

**How the employees understand HRD and how is philosophy of management towards employees in the organization?**

## Conceptual Understanding on HRD

*Human resource development (HRD) is an organized learning experience provided by employers within a specified period of time to bring about the possibility of performance improvement and/or personal growth (Nadler, 1989).*

The question was asked to some senior officers to know the conceptual clarity of the employees on HRD and management philosophy towards employees and their views were as follow

### **HRD culture and philosophy of management**

*The bank is confident about the progress and prosperity depends on knowledge, skill, and motivation of human resource affiliated to the organization. To make the dynamism and attractive banking service management has adopted the following policy and strategy towards HRD(6th- Annual Report,2067/2068).*

These are: to enhance skill and capacity of the existing old employees, to select and recruit in regular basis to the new employees who are capable in modern education and technology, to develop HRD through mixing banking experience and innovative new knowledge and to provide the competitive banking service and enhance the skill of the employees, bank will conduct training program in regular basis.

*A senior officer of RBB expressed his views that HRD culture in banking sector organization should be favorable. It is yet to be understood by the top management that congenial HRD culture is extremely important in the organization ( Interview, October 17,2012).*

A senior professor and chief of a constituent campus of Tribhuvan University argued that HRD culture and philosophy of management should be favorable in banking sector organization to create conducive work environment and development and utilization of human assets for organizational growth.(Field Note Oct 15, 2012).

An optimal level of development climate is essential for facilitating HRD activities (Rao & Abraham,1986).

"This can be clarified by the tendencies, such as treating employees as the most important resources, developing them as the job of every manager, believing in the

capability of them, communicating openly, encouraging for risk taking and experimentation, making efforts to help them recognize their strengths and weaknesses, creating a general climate of trust, collaboration and autonomy, supportive personnel policies, and supportive HRD practices" (Rao & Abraham, 1986, as cited by Shrimannarian, 2009).

*An officer of Rastriya Banijya Bank Ltd expresses his views that HRD culture in public sector bank is of more democratic than private sector bank. He further clarified that HRD culture in banking sector should be favorable for the employees. OCTAPAC culture should be adopted for better performance of the organization as a whole ( Field Note, 17 Oct 2012).*

The HRD plan and policy is properly implemented to create conducive work environment, to prepare competent, Qualified and skillful human resource to achieve individual as well as organizational goals. If the organizations implement the HRD plan and programmes timely and properly, they can be able to improve the productivity of the employees.

Various studies reveal that the HRD environment contributes to the organization's overall health and self-reviewing capabilities which in turn increase the capabilities of individual, dyads, team and the entire organizations. After studying the above opinions, the philosophy of management towards HRD climate is not yet clear. The assumptions of the top management of the people working in the public sector organization should be clearly spelled out.

### **Perception towards HRD**

*A higher level officer of Rastriya Banijya Bank limited argued that human resource development is the framework for helping employees and stakeholders to develop their knowledge, skills, attitude and abilities. He further stated that HRD in banking sector is serving a customer effectively and efficiently for achieving the organizational goals ( Field Survey, October 5, 2012).*

Another higher level officer of RBBL stated that

*HRD as a process of improving organizational system, work process team and individual performance. It helps to prepare competent, qualified and skillful human resource for achieving individual and organizational goals (Field Note, Oct 5 2012).*

According to classical economist Adam Smith (1776) HRD as a resource for the wealth of nation. Meanwhile Marquardt (2002,2005) stress that modern HRD should be adopted in a manner that ensures benefits of globalization to workers on an even basis. Similarly, Bierema and D, Abundo (2003) stress for "socially conscious" HRD which involves promoting ethical and socially responsible management and leadership, as cited by ALPHA Consultants and Advocates (2011). After studying the above ideas, we are aware of that there will be reflected two things. The first is growing influence on organizations of business ethics and corporate social responsibility and secondly the influence of a humanist perspective in learning and HRD.

*Meanwhile, a free-lancing expert agreed that HRD acts as a process of improving work process, organizational system, culture, climate and individual performance. It helps to prepare competent, qualified and skillful human resource. HRD program helps to increase the learning capacity of the employees in the organization. The word HRD in banking sector is familiar, but attitude should be changed (Field Note, October 7, 2012).*

Another senior officer of RBBL states that "make employees responsible for job and make productive in job is known as Human Resource Development" in public sector banks ( Field Note, Oct 6 2012). Likewise an officer of finance department said that HRD is a way for developing HRD culture in the organization (Field Note, October 7,2012).

After studying the above ideas of the top level officials of financial sector enterprises who represent the overall employees of the concerned organization, we can conclude that HRD is a framework for helping employees and stakeholders and it is also a way to utilize competencies, enhance human power for positive changes and way for developing culture and living in dynamic system and human performance. The ideas are unable to



address the morality and discipline factors of the employees in the organization. In modern age of globalization morality and discipline should be clearly spelled out with HRD concept. In conclusion, it is clear that the employees of RBBL understand HRD as a framework for helping employees and stakeholders to develop their competency and enhance human power for positive change. Likewise, Harbison and Myers (1964) stress that "HRD is the process of increasing knowledge, skills and capacities of all the people in the society".

*Singh 2010) says that " HRD is the framework for helping employees, developing their personal and organizational skills, knowledge and abilities so that the organization and individual employees can accomplish their goals."*

Harbison(1964) expresses his view that HRD as a process, it is not a complete meaning.HRD is not only a process, it is a system also. Singh defined HRD as framework, it is not only a framework. It is the overall human capital of the organization. Even then, these both definitions are supported by development theory, economic theory, psychology theory and system theory.

*A senior government official of Ministry of Finance expresses his view that 'in the context of country like Nepal, human resource is of crucial importance and it should be clearly defined in the interest of organization. If the HRD concept is not clearly spelled out, the organization cannot run properly. He argued that HRD as a process of improving organizational system, work process, team and individual performance. The conceptual clarity of HRD among the employees in banking sector is familiar. But, they are suffering from morale and motivation (Field Note, OCT, 9, 2012).*

*A higher level official of the government of Nepal, office of the auditor's general argued that HRD is a process of enhancing human resource capacity building system for successful achievement of the organizational goals (Field Note, Oct 11, 2012).*

An officer of RBBL argued that "cooping strategy has to be able to respond towards change" is the appropriate meaning of human resource capacity building. It may be synonymous of HRD concept (Field Note, Oct 17, 2012).

*Another officer of Nepal Bank Ltd agreed this view that HRD is known as Human Resource Capacity Development. It means development of competencies and human power for increasing productivity in banking industries (Field Note, Oct 18, 2012).*

,The goals achieved with the help of HRD mechanisms, such as training and development, organizational development, performance and potential appraisal, career planning and development and reward and punishment management. It is further stated that human resource capacity building program is a way for developing competencies and human power for increasing productivity and positive change in the behavior of the employees. A manager who properly adopted HRD policy and practices in PEs has far better performance and output so as to meet organizational goals and overall development of the nation. But the non-officer level employees are not fully satisfied with the existing system adopted by the organization.

### ***Understanding on HRD Sub- System***

Most of the senior official of HR department of RBBL understand that 'Training is educating and empowering employees as well as manager or top level official for better performance on their job'. The officials state that performance appraisal helps to understand the strengths and weaknesses of the employees. Training and management development is linked with career development and performance appraisal of the employees in the organization. It is understood that performance appraisal is an evaluation of jobs to know the work performance of the employees. Quality of work life programs generally focuses on the working environment in the organization, employee's welfare program adopted by banking sector in order to maintain their work commitment, morale and motivation, such as holiday facilities, insurance facilities, health and medical facilities, children education facilities, housing loan facilities etc (FGD, Oct 5, 2012).

*Meanwhile, a senior officer of Nepal Bank Ltd stated that training helps to upgrade and develop employees for better performance in the organization. But fairly T & D needs assessment should be applied in the right time at right place and select to the right person for training and development in the public sector banks. Periodic assessment of the training needs should be made in the organization. Performance appraisal system is adopted in banking sector only for promotion purpose not for quality of work. Promotion is generally based on potential to handle future roles and responsibilities. Potential appraisal helps to find the right person for the future managerial vacancies (Field Note, Oct 7, 2012).*

### ***Different authors' and writers' opinion on HRD mechanism***

According to Flippo (1984) “Training is the act of increasing the knowledge and skills in an employee for doing a particular job”(as cited by Agrawal 2005). Meanwhile DeCenzo and Robbins(2002) states that “training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job” (as cited by Agrawal, 2005). Whereas Cascio, wayne (1998) argued that “performance evaluation is a review of the job- relevant strengths and weaknesses of an individual or a team in an organization.”

### **Concluding Remarks**

This study examines the employees' understanding on HRD and management philosophy towards employees as well as the appropriateness of the conceptual clarity of HRD and its mechanism among different department of RBBL of Nepal. It tries to address the issue that the concept, importance and mechanisms of HRD are familiar among employees or not. Based on the field surveys, questionnaires, direct interactions and in-depth interview with the employees and stakeholders and keeping their assumptions into the consideration, the research found that all the employees of the RBBL are aware of the concept and importance of HRD in some extent. Most of the employees and even the management take HRD as training, so there is not proper understanding of HRD mechanism. Similarly, due to the less favorable philosophy of

management toward employees, HRD is not in proper clarity among employees of different departments. The HRD applied departments are comparatively better than other who has less applied it. Keeping all these evidences into the consideration, the research found that for the effective, goal oriented and productive work, there must be favorable climate of HRD, employees' familiarity with it and improvisation of management philosophy towards employees.

### **What are existng HRD mechanisms practiced by PEs in Nepal for human resource development?**

#### **HRD Mechanism Practice**

Focus Group Discussion was conducted in RBBL head office complex on 17 October 2012 about HRD practices, which concluded that generally training and management development, career planning and development, performance and potential appraisal, employees welfare, organizational development, reward and punishment, and employees counseling mechanisms are the key variables adopted in banking sector for HRD purpose (Field Note, 17 Oct 2012). The HRD mechanisms practiced by bank is given below

#### ***Training and Management Development Mechanism***

##### **Need assessment**

*A senior officer of RBBL said that training needs regularly assessed at his bank by human resource department and outside consultants. But the need assessment is not systematically carried out. Top level management and the responsible officials interfere the need assessment. Need assessment is done on the basis of management interest and providing opportunities (Field Note, Oct 18, 2012).*

After studying various literature, we understood that purpose of need assessment is to determine actual training needs. For determining the training needs four level of analysis should be made. These are organizational analysis, demographic analysis, operation analysis and individual analysis (Goldstein & Ford, 2002, as cited by Casio & Nambudiri, 2010).

The organizational analysis includes analysis of organizational objectives, resources, and allocation of resources. Whereas demographic analysis consists analysis of sub- group, such as older workers, women, or managers of different departments, age, gender and management level. Operational analysis includes specific behavior, such as what an employee must do in order to perform job effectively. It requires a careful examination of the work to be performed after training. Likewise individual analysis consists knowledge, skills attitudes of the individual.

### **Program Conduct**

Rastriya Banijya Bank Limited emphasizes and conducts regular training programs for the manpower development purposes. Bank has adopted the policy to participate the employees in various conference and training in inland and different foreign countries based on nature and opportunities prevail (Six Annual Report 2067/068).

Rastriya Banijya Bank Limited Training Centre is responsible for providing regular need based short term training ranging from 2-15 days to RBB employees to orient, upgrade and enhance their skills, knowledge, and attitude. As human resource is one of the most important and critical ingredients in every organization. The development of human resource is indispensable for survival and advancement of the organization. During the year under review, RBB Training Centre conducted regular training programmes including induction training for the staff of RBB in different fields of specialization. The training programs conducted covered banking, computer software, finance, administration, auditing, accounting, auditing standards, tax laws and planning, technical training in addition to the induction training. The training programs involved in-service or refresher courses, induction as well as other many courses as per the request and requirement. The fiscal year wise total number of training provided by the RBBL Training Centre in Nepal and total participants are given below

**Table 4.3 The Training Trend**

No of Year	No of training	No of participants	No of weeks
2062\2063	18	652	8
2063\2064	25	803	8
2064\2065	13	426	<b>31</b>
2065\2066	15	380	18
2o66\2o67	117	2659	125
2o67\2068	122	2731	130
2068\2069	64	2836	135
2069\2070	46	3246	155

Source:- Rastriya Banijya Bank, Training Centre, Thapathali

Rastriya banijya bank limited employees have been benefitted by foreign training also. It has been providing foreign training to its employees for the banking capacity building of the employees. The statement of foreign training and study and course title is given below from 2005 to 2012.

**Table 4.4 Employees Benefitted by Foreign Training**

Course	2005	2006	2007	2008	2010	2012	Total
Loan Investment	4	5	5	2	5	5	26
Treasury	2	3	2	1	3	3	14
Skill Development	1	1	3	2	2	2	11
Loan Recovery	2	3	2	1	3	3	14
Miscellaneous	3	3	3	1	3	3	16
Total	12	15	15	7	16	16	81

Source:RBBL, Head Office,HR Department(12,Dec.2013)

A survey on training and management development practices consistently have found some characteristics of effective training practices are top management commitment to T&D and accept it as a part of corporate culture. Training is tied to

business strategy & objectives, organizational environments are feedback rich and commitment to invest the necessary resources (As cited by Casio & Nambudiri 2010 P.279-280).

*An HRD expert and chartered accountant of RBBL states that top level management philosophy and commitment towards the training and management development in public sector bank is very poor (Field Note, 21 Oct ,2012).*

### **Program Evaluation**

According to Agrawal (2005), the evaluation of training is generally based on reaction and learning criteria. Behavior and results criteria are not generally used to evaluate training effectiveness in Nepal.

*A senior officer of Bank said that there is a big question mark about the effectiveness of training provided by their training centre (Field Note 17, February,2013).*

The training evaluation criteria should be developed to evaluate the training effectiveness. The evaluation is done in traditional way.

### **Performance and Potential Appraisal Mechanism**

*There are two types of performance appraisal systems that are practiced in Rastriya Banijya Bank. These are formal and informal. Formal performance appraisal system is a set system. It is an ongoing process. In this process, evaluation is done at periodic intervals and compare actual performance with standard performance. Informal performance appraisal system is not a set criteria. It is used by the senior supervisor or manager informally. In this practice, they review and judge the actual performance of subordinates on the basis of their perception and impressions. If they think necessary, they provide suggestions or guide the subordinates for improvement (Field Note, Oct 19,2012).*

The bank has adopted the performance appraisal policy only for promotion purpose. The purpose of performance appraisal is to recommend and selection base for promotion only. The Employee Service Rule supports this statement. The performance appraisal practice of the bank is given below

Performance appraisal is done at least from one level senior officer or supervisor.

Performance appraisal form is filled by the candidate ( appraise) on the basis of Shrawan first to Ashad end performance each year. For the performance evaluation purpose the following supervisor, reviewer and review committee is in existence in the bank.

**Table 4.5 Performance Evaluators**

Level of Employees	Supervisor	Reviewer	Review Committee
Main manager and officer above him	One level senior officer	CEO	CEO,GM, Chief HR
Branch manager	Manager, Branch Management Department	GM	Chief HR, Chief, Branch management Dept. Chief loan
Other employee of the branch	Branch Chief	Main Manager, Branch management Dept	Chief,HR Chief Branch management Dept. Chief loan
Other employee of the head office	Concern main manager/Senior manager/Manager	Concern Department Chief	GM, Chief HR, Concern Dept .Chief

*Source:-Employees Service Rule, 2061*

The performance appraisal form is divided into three parts. Description of work performance, achievement, leave, reward and punishment is included in part A. It is filled by concerned employee within 15th of Shrawan each year and submitted to the supervisor. Meanwhile, evaluation of the work performance level is included in part B. The work performance level is evaluated by the supervisor and review officer. Likewise, evaluation of the review committee is included in part C. The initial evaluation of the work performance level is done by the concerned supervisor and awards marks and forwards to review officer with necessary comments within time specified in the Employees Service Rule 2060. After obtaining the evaluation document, the evaluation is made by the review officer and based on part A awards marks and submits to HR



department within 15th of Bhadra each year. The HR department is responsible for final evaluation of the employees work performance. Final evaluation is done by the review committee within 15th of Ashwin each year. The apportionment of evaluation marks is given as follows

1. Supervisor 60 marks
2. Review officer 20marks
3. Review committee 20 marks

### **Rating Scale for Allocating Marks**

A rating scale is used for allocating marks. The officer level's rating scale is given as follows

**Table 4.6 Rating Scale**

Appraiser	Outstanding	Excellent	Good	Simple	Low
Immediate Supervisor	6	4.8	3.6	2.4	1.2
Reviewer	2	1.6	1.2	0.8	0.4
Review Committee	2	1.6	1.2	0.8	0.4

*Source :- Employees Service Rule, 2061*

A checklist is used by supervisor and reviewer for giving marks. The marks are given on the basis of following parameters:

The performance appraisal is done on the basis of theme and employees status. The performance of the employee is evaluated by using rating scales on the basis of the following work performance standards checklist.

### **Job dependency**

An employee who is regular, punctual, and performance is high , gets high marks. An employee who wisely perform the job and take over the risk without the help of supervisor, is treated with higher job dependency.

### **Time management and work planning**

An employee who determines the objectives and prepare plan daily and weekly basis and performs the job and selects the priority sector and determines the working hour without helping his supervisor, is regarded as time and work planner as such assumed good performer.

### **Customer Services**

An employee who fairly behaves with his clients. He Provides service quickly and promptly by managing difficult situation emerged during office period or office premises can provide better customer services.

### **Inter-personal Role**

An employee who put good relation with supervisor, friends and related stakeholders - and take advice and suggestions from his superior and subordinates to perform his duties is regarded capable of putting inter personal role for better performances.

### **Human Resource Management and Development**

An employee who promptly solves the individual and team problems through discussion, evaluates the junior employee's work performance and gives suggestions for improvement, regular and effective work performance is regarded realization of significance of human capital in organization. The performance appraisal consists at the bank in appraising non-supervisory employees for their current performance and suggest to improve them and all other types of employees appraising future potential for promotion purpose only. It also includes evaluation of human traits. The appraisals do not address performance achievement of the bank. Generally, it is done at the end of each year.

### **Career Planning and Development Mechanism**

RBBL has adopted career development policy and formally determined career path A senior officer of HR department stated that generally in banking sector there is not collective endeavour for career planning and development ( Field note, May7, 2013). Swanson and Holton (2001) stated, "career development theories that describe adult

career development are important contributors to HRD practice because they describe adult progression through work rules - a primary venue for HRD practice."

So far the regulatory provision concerns the career path which is clearly spelled out in this bank.

*An employee in the bank strives to reach the position of CEO as career goal. In the absence of career goal and collective endeavor, the career development cannot be achieved. Career planning and development is a collective endeavor of employee, manager and the organization as a whole (Fred & Peggy 1992).*

The management commitment about career development is exhibited in seventh annual report of fiscal year 2068/2069. According to this report, career development opportunity is implemented by the bank based on work performance. It has been providing various career development opportunities through further study abroad, training and promotion. Promotion has been made through internal competition and performance evaluation (Annual Report 2068/2069).

### ***Formal Study and Training***

An employee, who is brilliant and selected for scholarship scheme through open competition or internal competition, or nomination, is provided study leave up to three years for his career development. He is provided full salary during study period. A person who has completed three years of service as a permanent employee, can get study leave opportunity for his career development. The employee should make service agreement with the bank for a specified period before going to study. The employee promised to serve certain year after completion of the study (Employee Service Rule, 2061 ).

### ***Promotion system***

The bank rule has a provision to promote in the vacant positions to its employees in accordance with the recommendation of recruitment and selection committee. Promotion of the employees is done by the bank through performance evaluation, internal competition and special provision. A person who becomes potential

candidate after the completion of the following years of experience as a permanent employee in the bank can be eligible candidate:

1. Assistant level to assistant -3 years
2. Assistant level to officer -4 years
3. Officer level to officer level -3 years

*In case of female employee, one year rebate is provided in the above experience requirements. In addition to the above experience, minimum educational requirements are to be fulfilled (field Note, May 9,2013).*

### **Promotion Through Performance Evaluation**

The recruitment and selection committee recommends the names of those employee who get highest marks in their work performance. The apportionment of the performance appraisal marks are given below:

- |   |          |
|---|----------|
| 1. Performance evaluation                 | 50 marks |
| 2. Seniority                              | 20 marks |
| 3. Work experience in remote area         | 15 marks |
| 4. Educational qualification and training | 15 marks |

### **Promotion through Special Provision**

The bank has adopted the promotion policy and practice through special provision. In this system, a person who has been working for the last 10 years in the same post as a permanent employee can get promotion. Such type of system is adopted to upgrade of the assistant level staff (Employee Service Rule, 2061).

### **Promotion Through Internal Competition**

According to employees service rule( 2061), bank has a provision to promote its employees on the basis of internal competition and qualification. Written test, practical test and interview are taken for selection. A person, who obtained highest marks from written test and interview, can get promotion. Internal competition is based on three criteria such as written test, practical test and interview. An employee who passed the

written exam, he will be qualified for practical test and interview. The criteria for internal competition is made and recommended by the selection and promotion committee and approval has been made by the acting committee. The full marks of the written exam and practical test is eighty percent and remaining twenty percent for interview.

### ***Succession planning***

Generally bank has adopted a management development training program and plan as a succession planning. Bank has a plan to provide management development training to its all capable lower level employees each year. It helps to the employees for managerial capacity building. Succession planning is a part of career development of the employees.

### **Employee Welfare and quality of work life**

*Employees welfare program and quality of work life is gradually increasing and adopted by the banks in order to maintain their work commitment, morale and motivation are holiday facilities, insurance facilities, health and medical facilities, children education facilities, housing loan facilities etc (FGD, Oct 5, 2012).*

Quality of work life (QWL) activities focuses mainly on the working environment within the organization ( Rao ,2009). It is originated from the concept of open socio technical system designed in the 1970s that helps to ensure autonomy in work and interdependence. (Adhikari& Gautam2010). According to employees service rules and regulation (2061) bank has a provision to provide favorable working environment, financial and physical facilities as well as job security, sick leave , insurance and treatment expenses to the employees. It provides job satisfaction, humanization, individualization and autonomy in work. The Rastriya Banijya Bank has been playing different roles to implement QWL initiatives. It has formulated policy and rules and regulation and is working in accordance with the rules and regulations. The rules and regulations adopted trade union which bargains with bank in order to reach an agreement in different employees welfare programs and quality of work life. Trade union is important to maintain QWL situation in the bank. The bank is playing many roles for safeguarding the interest of its workers and employees. According to Hackman and Suttle

(1997), QWL refers to industrial democracy, increased worker participation in corporate decision making ( As cited by Adhikari & Gautam 2010).

### **Reward System**

To increase the overall productivity of the bank, reward system is implemented. It is based on work performance. RBBL has adopted work performance based reward system to motivate the employee in the bank. Rewarding employee performance and behavior is an important part of HRD (Rao, 2009). Rewarding system encourages the employee for positive attitude and thinking . It enhances skill for better performance in the organization.

*An employee whose performance is very high, is rewarded as best performer awarded by the CEO on the occasion of annual meeting with equal amount of six month salary each year. Such type of reward is provided in accordance with committee decision ( Field Note, Oct13, 2012).*

The branch manager gets above 90 percent marks in his performance, he is rewarded with cash and appreciation certificate. Meanwhile, an employee who has been working continuously for the last 20 years, is rewarded with 60 gram silver with appreciation certificate. Likewise, an employee who has been working continuously for the last 25 years, is awarded by appreciation certificate with long term service medal (Employee Service Rule, 2061). Bank has a practice for rewarding 0.2 percent of total employees each year based on performance evaluation each year.

### **Concluding Remarks**

Generally training and management development, career planning and development, performance and potential appraisal, employees welfare, organizational development , reward and punishment, and employees counseling mechanisms are the key variables adopted in banking sector for HRD purpose. The training need is regularly assessed by the bank. But need assessment is not systematically carried out. Need assessment should be done according to the requirement of the organization. RBB training centre regularly conducted training programs in different fields of specialization, such as banking computer, administration and management, accounting and tax laws and planning and

international financial reporting system etc. The training programs involved in-service or refresher courses. The training centre organized maximum training program in the fiscal year 2066/2067 and 2067/2068 during previous eight fiscal years. Meanwhile, in the previous six years, 81 employees have been benefitted by foreign training in different courses. Out of them 26 employees were benefitted by loan investment courses. The evaluation of training is generally based on reaction and learning criteria. The bank has promoted to its employees for their career development. Promotion of the employees is done by the bank through performance evaluation, internal competition and special provision. Performance evaluation is done only for promotion purpose. There are two types of performance appraisal systems that are practiced in Rastriya Banijya Bank. These are formal and informal. Formal performance appraisal system is a set system. It is an ongoing process. In this process, evaluation is done at periodic intervals and compares actual performance with standard performance. Informal performance appraisal system is not a set criteria. It is used by the senior supervisor or manager informally. In this practice they review and judge the actual performance of subordinates on the basis of their perception and impressions. If they think necessary they provide suggestions or guide the subordinates for improvement. Employee's welfare program and quality of work life is gradually increasing and adopted by the banks in order to maintain their work commitment morale and motivation. To increase the overall productivity of the bank, reward system is implemented. It is based on work performance. RBB has adopted work performance based on reward system to motivate the employee in the bank.

What are major problems and their casual factors towards HRD practice in PEs of Nepal?

### **Problems and challenges**

We can conclude from the interviews, questionnaires and FGD that human resource management and development in the bank is not that much effective and satisfactory. It calls for amendment of existing HR service rules and regulations in a scientific and transparent manner. Performance evaluation indicator is not developed properly to make scientific, result oriented and systematic evaluation of the employee's performance. Performance based incentive system is not yet implemented. It is the

challenge to the bank by reviewing previous decisions, working procedures and amendment of existing rules and regulations related to indicator of performance evaluation, career development and reward and punishment management (Focus Group Discussion, May 15,2013). It is found in the continuous field observation and in-depth interviews with different categories of the officer level employees of the bank that job description is not yet prepared with detailed specification of the employees work performance, right, duty and responsibility. The other problems and challenges were lack of effective leadership with higher level management, lack of sufficient HRD culture, weak corporate governance and Trade Union interference in HRD activities. Meanwhile, the bank is unable to produce competent, motivated ,qualified and skillful human resource from the existing policy and program adopted. Lack of preparing effective curriculum for training and development which can successfully face the present and future challenges of the bank. Likewise, bank is unable to prepare succession planning, continuous motivation and evaluation of employees performance. In accordance with the requirement of the bank the number of qualified employees should be increased by providing study opportunities to the existing employees in the related subject like information technology, chartered accountancy, business administration, computer science etc. The other major problems were

### ***Overstaffing***

A senior human resource officer said that bank has overstaffing. Presently, 2600 employees working in the bank. Bank is endeavoring to reduce the number of employees. For this purpose, bank has been providing optional retirement opportunity to its employees (Field Note, May 17, 2013). It is criticized for excess human resource at all levels and departments in the bank. Bank is suffering from overstaffing problem. To solve this problem, bank has been providing optional retirement opportunity to its employees. Most of the senior staff are technically incompetent. It is the huge problem to the bank.



### ***Trade Union Management***

In some cases, trade union creates more problems. The bank is suffering from trade union's intervention in different activities. The activities of trade union should be creative and positive to the development and extension of the individual and organizational activities as a whole. Trade union is important for the industrial and organizational democracy. The activities of the trade union should be centrally focused on their professional right and interest. The bank is unable to manage trade union. It is the big problem of HRD.

### ***Political intervention***

Political intervention in public sector bank is gradually increasing. It is the big problem to the bank. Politicians and concerned parties are interfering in selection and recruitment, transfer and promotion process. They involved in various human resource management and development activities .

### ***Skill and Attitude***

Most of the employees of the bank are qualified. They have sufficient knowledge related to banking function and activities. They are able to implement plan and policy. But, there is a lacking of skill and attitude of the bank employees.

*According to a senior officer of bank, it cannot be succeeded without the change of attitude of the employees (Field Note 25 June 2013).*

Lack of discipline and low productivity are the weakness of HRD in public sector bank. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. It is the major problem of South Asian countries. The organizational structure should be revised to enhance the effectiveness of HRD mechanisms in the current national situation. The attitude of the employees towards their duties is not absolutely positive, should be changed.

### ***Lack of transference***

*A senior officer of administration department said that implementation part of policies and strategies of HRD is slow and not transparent which are always affected by external factors. Partially, though process of HRD is satisfactory, the*

*implementation part and transparency of it is always questionable (Field Note,10 June 2013).*

All activities should be communicated from upper level to lower level and vice versa.

Every HRD activity is not transparent in the bank should be improved.

### **Lack of discipline**

Most of the employees violate the discipline. They did not accept the chain of command of the top management and administrator within the organization premises. They are directed by their trade union and professional organizations which directly affect the human resource development. They are not loyal to their senior. It is the main problem to maintain discipline among the employees.

### ***Lack of proper recruitment and selection***

Recruitment and selection is the major problem and casual factor towards HRD. Right man in the right place should be recruited first in the organization. Recruitment and selection has been regarded as the most important factor of human resource management and development unless the right type of people is hired. HRD plans, policies and systems would not be so much good. Flippo says recruitment is both 'positive' and 'negative' activity (Flippo,Edwin 1980 ,P.31,as cited by Mamoria). According to a senior officer of human resource department states that recruitment and selection practice in his bank is defective. Employees should be properly selected to right person at right place in the right number at right time. But employees are selected in his bank haphazardly according to the recommendation of politician (Field Note,02,November 2013). If wrong person is selected, it cannot be developed properly.

### ***Lack of Timely Amendment of Rules and Regulations***

The management is unable to the amendment of existing rules and regulation. Timely amendment of rules and regulation facilitates human resource development. Performance appraisal and career development mechanism is used in the traditional way. It should be transparent and modernized; performance appraisal should meet the career goal of the employees.

### **Concluding Remarks**

It is found in the continuous field observation and in-depth interviews with different categories of the officer level employees of the bank that job description is not yet prepared with detailed specification of the employees' work performance, right, duty and responsibility. Bank is suffering from overstaffing problem. To solve this problem, bank has been providing optional retirement opportunity to its employees. Professional organization creates more problems in some cases. Politicians and concerned parties are interfering in selection and recruitment, transfer and promotion process. They involved in various human resource management and development activities. There is a lacking of skill and attitude of the bank employees. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. The HRD activities are not transparent. Most of the employees violate the discipline. Employees are selected haphazardly according to the recommendation of politician. If wrong person is selected, it cannot be developed properly.

How to assess the effectiveness of HRD practices in PEs of Nepal?

### **Effectiveness of HRD Practice**

#### ***Improvement in Non-performing Loan and Capital Fund***

Under the restructuring program of Rastriya Banijya Bank Limited, there has been a significant improvement in the non-performing loan ratio from as high as 60.15 percent 2003 to 10.85 percent by mid-January, 2012. There has been a notable progress in the negative capital fund of the bank after the implementation of the financial sector reform program. There has been a significant improvement in negative capital fund from as high 22.39 percent in 2003 to 10.34 percent by mid-January 2012 (Ministry of Finance, Economic Survey, 2011/2012).

#### ***Improvement in reducing Number of Staff***

Apart from this non-performing loan and capital fund, significant improvement in human resource management with right-sizing of staff prior to this reform program, RBBL had 5522 employees, which has now been reduced to 2555. In addition to this

bank has computerized most of their branches (Ministry of Finance, Economic Survey, 2011/2012). It indicates that the human resource development in technical sector such as computer training is more effective in this bank.

### ***Improvement in Profit Margin***

Rastrita Baniyya Bank has earned a profit of Rs1909.882 and Rs1759.3 million in the year 2009/10 and 2010/011 respectively. This bank has been showing gradual improvements in its shareholders fund as well as in other financial indicators after the bank entered into management contract under the World Bank Assisted Financial Sector Reform Program in 2003 (Ministry of Finance , Economic Survey, 2011,2012).

### ***Improvement in Extension of Branches***

The bank has a policy to provide quick banking services through its branches all over the country. To achieve this goal the branches of bank has extended all over the country. The bank had 127 branches in 2003 it has reached 141 in 2012 (Ministry of Finance, Annual Performance Review2012).

### ***Duty Performed***

The effectiveness of HRD practice is measured basically in this organization by the effectiveness of the duty performed by employee (Field Observation,14,January 2013). Most of the employees of the bank and its branch perform the duty quickly and efficiently.

### ***Implementation of Policy and Strategy***

HRM department head said that major HRD policy and strategy adopted by his organization are training, right man right job, promotion and export counseling are the policy statement of the organization. But implementation part is very weak and nominal (Field Interview,13 August,2013). It indicates that employees should be aware of the policy implementation parts.

### ***Success on Strategies Formation***

According to a senior officer "Some of the strategies are highly measured strength and they are performing better results. Some of them are not performing so much satisfactory results so far" According to him, if HRD is effective in the organization, it is able to achieve the following listed output in human resources. In his organization, all the following listed output is achieved such as successful planning, conflict management and change, environmental adaptation.

### ***Increase Job Satisfaction***

Researcher took an interview with different officer on job satisfaction. Almost all employees were satisfied from financial incentive and benefit provided. But they said career planning and development has remained a neglected aspect in their organization ( Field Interview, 5, September 2012). It indicates that all employees are satisfied in their job in term of financial incentive. But career development part is even lacking in the organization.

### ***Job Description and Performance Evaluation***

A senior officer said that job description in this bank is already set criteria. Performance appraisal is done on the basis of job description. An employee whose performance is very high, he/she obtained various opportunities from the bank. It facilitates to effectiveness of the organization (Field Note, December11, 2012).

### **Concluding Remarks**

Improvement has been made in non-performing loan and capital fund since 2003. There has been a notable progress in the negative capital fund of the bank after the implementation of the financial sector reform program. The bank has computerized most of their branches. It indicates that the human resource development in technical sector such as computer training is more effective in this bank. This bank has been showing gradual improvements in its shareholders fund and profit margin. The branches of bank has extended all over the country. Most of the employees of the bank and its branch performs the duty quickly and efficiently. The HRD policy and strategy of the bank is

clearly spelled out. Some of the strategies are measured highly strong and they are performing better results. All employees are satisfied with their job in terms of financial incentive. But career development part is even lacking in the organization. Performance appraisal is done on the basis of job description.

## **Part II-**

### **Janak Education Material Centre Limited**

#### **Background**

Janak Education Materials Center Ltd. is one of the wings of Government of Nepal, Ministry of Education and Sports. It was established on 2035AD. This centre produces text books in English medium for boarding schools of Nepal also. On the other hand, this centre has also adopted the policies of co publishing of books in association with private publishers. This centre has given more attention for producing quality textbooks at a low price as far as possible so that the textbooks will be within the reach of all students. For quality printing, this centre has already introduced highly sophisticated offset and multicolor printing Offset Machine (Silwal, R.C.). According to him education is known as the backbone of development for a country. Education leads people from darkness to light, ignorance to knowledge and negative to positive thinking. Education is relative thing to time and society. 'Education for all' is the goal of Government of Nepal. For better education, policies of government, standard textbooks, trained teachers, good environment and healthy students are needed. <http://www.janakedu.com.np/director%27s%20message.htm>

*A senior officer said that almost 769 staffs are involved to accomplish the mission of this centre. 115 of them are officer level staff, 507 petty staff and 147 daily wages (Field Note, January3, 2013).*

#### **Present Activities and Future Plan**

The major activities of the centre are producing standard textbooks, supplementary books and distributing the books from grade 1 to 10 in all parts of Nepal in the same price. The future plan of this centre is also production, publication, sales and distribution of the books as well as educational materials on the basis of requirement for the school

and other exercise materials in the country. The main aim of this centre is to print and produce quality books and other materials by the recently established educational security press. To fulfill this mission, centre has a plan to purchase modern Web Machine and other related Machine and Equipment recently and sale old Haris A and B and HMT A and B immediately.

### **Performance Achievement**

Goal and achievement of books and materials production and selling & distribution with percentage in units

**Table 4.7 Performance Achievement**

S.N.	F.Y	Goal of production	Actual production progress with opening stock	Percentage of production progress	Actual selling & distribution progress	Percentage of selling and distribution
1	2003/004	16343858	17695218	108.87	16568963	93.64
2	2004/005	21891979	22254079	101.65	19841050	89.16
3	2005/006	21087525	21338610	101.19	18844196	88.31
4	2006/007	21000000	21958402	104.56	20732705	94.42
5	2007/008	22480000	21665961	96.38	18914597	87.30
6	2008/009	24100000	34880941	144.73	26918664	77.17
7	2009/010	29829000	26621376	89.25	23316447	87.59
8	2010/011	24485000	19359377	79.07	18558236	95.86
9	2011/012	21383000	16764961	78.40	15962162	95.21
10	2012/013	19531000	15807094	80.93	14137819	89.44

(Source: planning Department of Janak Education Material Centre Limited, Sanuthimi, Bhaktapur , 2069)

### **Policy and Endeavour**

A senior officer of Human Resource Department said "We do not have any set policies for HR development. However, after each performance evaluation every year, a development plan is made for the required individual to help him/her in development". He further said that the management is not positive towards HRD policy (Field Note, January 11, 2013).

### **Conceptual Understanding on HRD**

In this section, it has been studied that the philosophy of management towards human resource development, employees perception on HRD concept and importance. Perception on HRD culture and mechanisms practiced by the organization is also studied in this part. Whether these are properly understood or not among the concern stakeholders in the organization. Armstrong and Baron (2002) say that human resource development is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance.

### ***Perception on HRD***

*A senior official of the JEMC says that HRD programmed helps to increase the learning capacity of the employees. He further states that HRD is a way for developing HRD culture in the organization (Field Note, Oct 17, 2012).*

HRD is not only a way to develop culture, it is a way to utilize competencies, it is a way to enhance human power for positive change, it is a way for living in dynamic system and human performance. It is needed to prepare competent, qualified and skillful human resources in the organization.

*Most of the senior staffs of the JEMC argued that HRD as a process of improving organizational system, work process, team and individual performance. They further stated that HRD is familiar for seeking success to find and create more success. Development of competencies and human power for increasing productivity can be most appropriate meaning of HRD. They claimed that creating*



*positions and filling them up through a selection, recruitment and promotion is known as HRD in PEs of Nepal (Field Note, Nov 11, 2012).*

Most of the senior officers of Janak Education Material Centre agreed that (from FGD) human resource development is the holistic development of management. It includes, increase the learning capacity, uplift the ability and improve the overall organizational culture, system, work process and performance (Field Note, November 21, 2012).

According to Swanson (1987), HRD is a process of improving organization's performance through the capabilities of its personnel. HRD includes activities dealing with work design, aptitude, expertise and motivation (As cited by Swanson & Holton, 2nd Edition). Likewise, Smith (1990) expresses his view that HRD is the process of determining the optimum methods of developing and improving the human resources of an organization (As cited by Swanson & Holton, 2nd Edition).

After studying the above ideas we are aware that HRD acts as a medium of developing human competency, improving culture and system and changes the human behavior for positive thinking. If the organization prepares the plan and policies timely and they are implemented successfully. HRD proved itself as a holistic development mechanism. Various studies revealed that HRD is familiar in social sector for seeking success to find and create more success.

### ***HRD culture and Philosophy of Management***

*A chief executive officer said that when the center was profit the employees took the facilities equal to twenty five month each year without Dashai expenses. Nowadays, this organization is in bankrupt condition. It is unable to provide salary in certain period of time to its employees because of the shortage of fund (Field Note 21, March 2013).*

Most of the fixed assets are deposited in the bank as a collator for loan. All three hundred thirty two ropanies of Center's land is the name of Rastriya Banijya Bank and Citizen Investment Trust as bank guarantee (Kantipur National Daily, 23, Dec. 2013).

A senior officer said that at the previous profit maximization period also, the management philosophy towards its employees capacity building program was not seen positive. Why was such situation created at that time? It is the main question of centre (Field Note 20 Dec 2013). The answer of this question is that the philosophy of management towards its employee's development was always negative for many years. The managing director was appointed by the recommendation of political party. He appointed political cadres as employees in contract basis without proper qualification and experience. They can not act properly in the organization.

JEMC has not even bother to mention anything about its employees in its any annual report or policy statements. It is less likely to treat them as human assets. Human resource should be developed continuously in the organization. Every organization develops human resource for the benefit and extension of the organization (Observation and Analysis of Annual Performance Review, 2012).

A chief account officer of JEMC Limited expressed separate views:

*He stated that all the members of the management committee are disqualified. They have not any vision, mission and mechanism to develop HRD program. They are appointed by the recommendation of the political party. They have done the work as per activist of the party. How can the HRD culture be developed in the organization (Field Note, May 27, 2013).*

The JEMC annual planning program agreed this statement and clarified that the working culture of the employees should be improved immediately otherwise the organization cannot run properly(JEMC Plan,2068/2069).

### ***Perception of HRD mechanism***

*Researcher conducted a focus group discussion among the officer level employees of JEMC on 13 january 2013 to know the employees' perception towards HRD mechanism. The focus group discussion concluded that HRD mechanism is known as HRD training and management development, performance and potential appraisal, career planning and development, employees welfare and quality of work life, organizational development, reward management, implementation,*

*evaluation, reporting and feedback of HRD and corrective action (FGD 13 January, 2013).*

The FGD indicates that all the officer level employees are aware of HRD mechanisms.

### **Concluding Remarks**

Most of the senior staffs of the JEMC aware that HRD as a process of improving organizational system, work process, team and individual performance. They further stated that HRD is familiar for seeking success to find and create more success. Development of Competencies and human power for increasing productivity can be most appropriate meaning of HRD. They claimed that creating positions and filling them up through a selection, recruitment and promotion is known as HRD in PEs of Nepal. After studying the various employee perception towards HRD, it is found that it acts as a medium of developing human competency, improving culture and system and changes the human behavior for positive thinking. It indicates that all the employees are aware of the meaning and concept of HRD. But, they are not fully aware of the concept and purpose of HRD mechanisms. The philosophy of management towards its employees development was always negative for many years. JEMC has not even bother to mention anything about its employees in its any annual report or policy statements. It is less likely to treat them as human assets. The management committee has no any vision, mission and goal to develop HRD in the organization. Most of the employees understood HRD mechanism as a training.

### **HRD Mechanisms Practice**

The legal provision and actual practice of HRD mechanism in Janak education materials centre is given here after the observation and in-depth interview with the concern employees. The HRD mechanisms practiced by the organization are:

#### ***Training and Development***

The Janak education material centre is conscious in strengthening the capacity of its staffs, it has been providing opportunities to participate in different training and

management development activities and programs partially in nominal basis, organized by national and international organizations and institutions every year.

### **Need Assessment**

A senior officer of JEMC said that training needs is not regularly assessed at his Centre by human resource department. The need assessment is not systematically carried out. Top level management and the responsible officials interfere the need assessment. Need assessment is done on the basis of management interest (Field Note, December 11, 2012). Need assessment is almost defective in the organization. After studying various literature, we understood that the purpose of need assessment is to determine actual training needs.

*According to.(Goldstein.& Ford2002) for determining the training needs four level analysis should be made. These are organizational analysis, demographic analysis, operation analysis and individual analysis (as cited by Casio and Nambudiri, 2010).*

Training needs surveys and performance analysis to identify actual training needs. According to another senior officer, this centre does not give much attention to training and development need assessment (Field Note, 7,January 2013). Without need assessment training program cannot be conducted in the organization.

### **Program Conduct**

Lack of sufficient budget and favorable HRD policy, JEMC has not been organizing training program itself for many years. It has no separate HRD department with full authority. Human resource department has been involving in general administration activities only. Training has remained an area of less priority in this centre. The program budget has not been allocated adequate in this organization. Management considers training as employees facilities. The training is not regarded as an investment for the organizational development. Even then, JEMC has been providing training, seminar ,conference, workshop participation opportunities to its employees conducted by different organizations as well as government sectors in nominal basis in Nepal and aboard is given below in table 8. It is not appropriate for this large organization.

**Table 4.8 Year wise subject and total participant**

Subject	060/061	061/062	062/063	063/064	064/065	065/066	066/067	067/068	068/069	069/070	Total	Remarks
Office management	2	1	-	-	30	-	-	-	-	-	33	
Computer	14	6	1	-	-	-	-	1	-	-	22	
Skill development	4	1	1	-	-	-	-	-	-	-	6	
Productivity improvement	12	-	-	-	-	-	-	-	-	-	12	
Accounting	1	-	4	-	-	-	2	-	-	-	7	
Printing	-	-	-	6	-	-	-	-	-	-	6	
Paper testing	-	-	-	-	-	2	-	-	-	-	2	
E-GP Capacity development	-	-	-	-	-	-	-	-	2	-	2	
Law	-	-	-	-	-	-	-	-	-	2	2	
Miscellaneous	2	1	1	1	-	-	-	-	-	-	5	
Total	35	9	7	7	30	2	2	1	2	2	97	

Source: JEMC Office, Sanuthimi

The above table shows that Janak Education Material Centre has provided training opportunities to only 97 employees during ten years. It indicates that the management of the centre is not positive to the extension and development of the organization for many years. Human capital is the most valuable assets. It should be maintained and developed perpetually in the organization. Without competent human resource, the organization cannot run properly. The vision, mission and goal should be clearly spelled out by the management. The philosophy of management towards employee's development should be always positive.

*A senior officer said that the members of the management committee and the executive director have been appointed by the government are disqualified. They are appointed by the recommendation of political party whether they are qualified or not (Field Note, 27, December 2013).*

The government policy is very weak for the recruitment and selection of the top level employees and members of management committee.

## **Program Evaluation**

The evaluation part is very weak in JEMC. They have not conducted any types of training program for the last ten years, how to evaluate it. Training should be evaluated to know the cost benefit return from training investment. In Nepal, most of the PEs applied reaction and learning evaluation method. JEMC has not applied any method to evaluate the training effectiveness.

*A senior officer said that the government of Nepal realized the importance of continuing education for JEMC employees, but neglected to built training budget under the annual program budget(Field Note 21 July 2013).*

## **Performance and Potential Appraisal**

Performance appraisal is done for the review of employee's performance on the job and review potential for future responsibilities in the organization. According to Agrawal (2005), performance appraisal focuses on removing barriers to better performance and productivity. It identifies performance deficiencies and actions to rectify such deficiencies. Performance appraisal is designed by the Janak Education Material Centre Ltd. to achieve the employees promotional goal. According to Employee Service Rule, an employee whose performance is more excellent, obtained 40 marks against his performance . The process of Performance Appraisal is given as under. First of all, appraisee fills the performance appraisal form up to 15th of Ashad every year. If appraisee didn't fill the form, his performance is not appraised. The allocation of marks is given below:

1. Supervisor: 25 marks
2. Reviewer: 10 marks
3. Review committee: 5 marks
4. Total performance evaluation marks: 40

The form filled by the concern employee every year on the basis of the work performance of Ist Shrawan to 31st Ashad . This form is sent to immediate boss with signature within 15 of Shrawan indicating performance statement of the last fiscal year. After receiving the form supervisor filled his evaluation statement and sent to reviewer with signature

within the time specified by the employees service rules and regulation 2057. Meanwhile, reviewer filled his evaluation statement in the form and sent to the review committee within 7th Ashwin every year.

After receiving the PA form review committee completes the necessary procedure and sent to recruitment and selection committee as soon as possible. According to employee service rule 2057, supervisor should be one level senior from the concern employee as well as reviewer should be one level senior from the supervisor. This is the PA practice of the JEMCL.

The immediate supervisor can provide maximum 25 marks from his part. The immediate supervisor provides the following marks to the employee on the basis of the following statement:

- |  |                 |
|--|-----------------|
| a. Knowledge and skill of subject matter | maximum 5 marks |
| b. Leadership quality                    | maximum 5 marks |
| c. Capacity of decision making           | maximum 5marks  |
| d. Character morality, ethics            | maximum 5 marks |
| e. possible capacity for promotion       | maximum 5 marks |

The reviewer can provide maximum 10 marks from his part. The rating scale is used for allocating the marks given by the reviewer is given below:

**Table 4.9 Rating Scale**

		Marks				Remarks
S.N.	Qualities	2	1	0.5	0.25	
1	knowledge and skill of subject matter					
2	Leadership quality					
3	Decision making capacity					
4	Character(Honesty)					
5	Qualified for promotion					
Total		10 marks				

The review committee can provide maximum 5 marks. The rating scale is used for allocating the marks given by the review committee is given below:

**Table 4.10 Review Committee Rating Scale**

S.N.	Qualities	Marks				Remarks
		1	0.75	0.50	0.25	
1	Knowledge and skill of subject matter					
2	Leadership quality					
3	Capacity of Decision making					
4	Character(Honesty,morality)					
5	Qualified for Promotion					
Total		5 marks				

*Source: Employee service rules and regulation, Janak education material centre Ltd.*

### ***Career Planning and Development***

Swanson and Holton (2001) also recognized CD as an "area of practice" within HRD, saying they "tend to think that CD is being overlooked as a contributor to HRD"(As cited by Upton, Matthew Gelen ).

Organization has been providing some opportunities to the employees for their career planning and development. The main career development opportunities are as follows:

### **Formal Study and Training**

Centre has a provision to provide study leave to the permanent employee up to three years during the service period. It has a practice to provide study leave after completion of the ten years experience as a permanent employee and select for study in accordance with committee decision. The employee should be done service agreement before going to study. It should be included in the agreement that the employee promised to serve the following period after completion of the study (Employee Service Rule, 2057).



- |                                |                           |
|--------------------------------|---------------------------|
| 1. Six month to one year study | - minimum 2 years service |
| 2. Above one year study        | - minimum 5 years service |

### **Need Assessment**

There is no proper need assessment system. Priority has been given to the permanent employee in the organization. Need assessment is done by the managing director itself (Employee service rules and regulation, 2057).

But every employee who is going to study leave and training he should be done agreement with the organization.

### **Promotion System**

Centre has adopted the promotion system to promote its employees. There are two types of system used by the centre. These are performance evaluation promotion and special promotion.

Promotion through Performance Evaluation.

Employees are promoted in accordance with the recommendation of recruitment and selection committee. The committee recommends to the employees based on work performance. The allocation of marks are given below:

- |                              |           |
|------------------------------|-----------|
| 1. Performance evaluation    | 40 marks. |
| 2. Seniority                 | 30 marks. |
| 3. Educational qualification | 20 marks  |
| 4. Training                  | 10 marks  |

The committee recommends first to those employee who gets the highest marks against the above evaluation. A person who gets highest marks, he is recommended for promotion.

*According to administrative chief any employee who gets the highest marks will be recommended by the recruitment and selection committee for promotion. And acting committee appoints him/her based on employees service rules (Field Note, October 5, 2012).*

### Promotion through Special Provision

A person who has been working for the last fifteen years in the same post and he/she want to take optional retirement from his/her post or he/she is in the process of compulsory retirement is promoted. Such type of system adopted from level two to level seven only. In other words, such type of promotion has been done to those employees who have been going to process on compulsory retirement or application has been given for optional retirement to the organization. For this purpose, special post will be created for promotion case and the post is automatically cancelled in case of retirement. Out of above, any employee who has been working for fifteen years, his contribution is appreciable and he/she is more experienced and able to do work in promoted post. He/She will be promoted in accordance with the recommendation of recruitment and selection committee. Such type of promotion is done only one time in a total service period.

### ***Employees Welfare and Quality of Work Life***

According to Agrawal (2005), welfare of employees indicates physical welfare, mental welfare, moral and emotional well-being of an individual. It refers to taking care of the well-being of employees by employers, trade unions government and voluntary agencies (pp.151).

*A senior officer of JEMCL said that it includes so many types of services, facilities and amenities provided for the betterment of the employees in the organization. It helps to enable the employee and his family to boost up life. But such type of program is not satisfied with his organization. Employees welfare concept is always lacking in his organization (Field interview 14, August 2012).*

Employees welfare is essential for the socio-economic development of the country.

Agrawal says that quality of work life is the quality of relationships between employees and the total working environment of an organization. According to him the major components include autonomy, recognition belonging, progress, development and external rewards.

*Another senior officer of administration department agreed these components and said that to some extent, it is used in the JEMCL. It should be further improved in the public sector organization (Field Note, 17, August 2012).*

### **Reward System**

Any employee who has been doing any remarkable work, or special work which directly benefitted to the organization or enhance reputation of the organization, he is rewarded giving reason by the managing director. The reward is as follows (Employee service rule, 2057).

Enhance five grade in his present salary

Lump sum Rs5000 cash prize is provided

Out of above, any employee who has been working as a permanent for fifteen years or fifteen year service period has been completed, he is rewarded giving "Kadar Patra" or "Service Prize" or "Cash Prize". In other words, an employee whose performance is very high and he has done a remarkable work, that helps to enhance the organizational reputation and helps to the extension and development of the organization. He is rewarded by the managing director with five grade salary increment or cash prize up to Rs 5000 for encouraging him (Employee Service Rule, 2057).

### **Concluding Remarks**

In this organization, most of the HRD activities were not practiced smoothly. The training needs is not regularly assessed. The need assessment is not systematically carried out. Need assessment is almost defective in the organization. Lack of sufficient budget and favorable HRD policy, JEMC has not been organizing training program itself for many years. It has no separate HRD department with full authority. JEMC has been providing training, seminar, conference, workshop participation opportunities to its employees conducted by different organization as well as government sector in nominal basis. Janak Education Material Centre has provided training opportunities to only 97 employees for ten years. Performance appraisal is designed by the Janak Education Material Centre Ltd only to achieve the employees promotional goal not for employees

career development. According to Employee Service Rule, an employee whose performance is more excellent, obtained 40 full marks against his performance. JEMC has a provision to provide career development opportunities to its employees such as formal study and training leave up to three years with salary, promotion through performance evaluation, promotion through special provision. But career development opportunities is not properly applied in the JEMC. Employees' welfare and quality of work life is even lacking and rewarding system is not transparent.

### **Problems and challenges**

There were major problems and challenges behind HRD, JEMCL lacked competency among different field of work. According to in-depth interview, focus group discussion and direction interaction among management and senior employees the major HRD problems and challenges in their organization were lack of proper planning in recruitment and selection, unsystematic performance appraisal system, lack of clear planning and development, overstaffing, political influence and intervention, over load to lower staff, unclear vision and goal, nepotism and favoritism, lack of supervision and monitoring, lack of favorable work environment, lack of trade union management, lack of skill and attitude, lack of transparency, lack of compliance with employees rules and regulation, lack of favorable HRD culture and climate etc. Likewise, according to senior officer of JEMCL, the challenges of HRD are qualitative improvement and up-gradation of existing human resources capacities, adaptation of modern technologies and equipment handling through existing human resources, production of capable manpower to handling modern technologies and equipment, retention of qualified inspectors and plan for recruitment and replacement addressing the problem of growing retirements in vital areas, maintenance of printer machine, etc. The detail HRD problems are given below:

#### ***Lack of Compliance with Policy Statement and Rules***

I have observed the implementation parts of policy statements and rules related to HRD and the internal control mechanism was not fully satisfied.

*According to a senior officer of administration department " the monitoring system of HRD as well as other activities of JEMCL was not very frequently and*

*quarterly reporting system was not implemented properly" (Field Note, 25,DEC 2012).*

HRD policy and management philosophy towards employees are exhibited in its policy statement. Human resource management, HR policies, employees rules, recruitment process, etc are exhibited in employees rules but not compliance properly in practice.

### ***Lack of Proper Recruitment and Selection***

Recruitment and selection has been regarded as the most important factor of human resource management and development, unless the right type of people are hired HRD plans, policies and systems would not be so much good. Flippo says recruitment is both 'positive' and 'negative' activity (Flippo,Edwin B. 1980 , P.31,as cited by Mamoria).

*According to a senior officer of human resource department states that recruitment and selection practice in his organization is defective. Employees should be properly selected to the right person at the right place. But employees is selected in his organization haphazardly according to the recommendation of politician (Field Interview, 22, Dec 2013).*

### ***Unsystematic and Ineffective PA System***

*According to a senior officer of administration department of JEMCL " performance appraisal in this organization has remained unsystematic and ineffective. The system has not motivated employees towards higher performance. It is not used for development of employees. It is used only for promotion purpose and control their behavior. Employees counseling is lacking to improve employee performance" (Field interview, 24 Dec 2013) .*

Potential appraisal is also lacking in this organization. The implementation part of performance appraisal is not effective and objective. Performance appraisal in this organization lacks transparency. The performance standards are not properly communicated to employees.

### ***Lack of Career Planning and Development***

*A senior officer of planning department said that career planning is always neglected aspect in her organization. There was no systematic career planning. Career goals are also unclear. Formal career information, education counseling to employees are lacking (Field Note 11 January 2014).*

There are very few career development opportunities for employees. Nepalese PEs like JEMCL offers jobs, not for career to employees. Individual career development efforts are lacking. Career oriented performance appraisals are lacking. There is no feedback system about their career development efforts.

### ***Lack of Succession Planning***

In Nepalese PEs like JEMCL there was lack of succession planning to aid career planning, training and development planning, and performance appraisal planning. Employee's promotion system is not transparent and the "source- force-syndrome" is pronounced.

### ***Luke-warm Top Management Philosophy***

*According to a senior account officer of JEMCL HRD is in least priority of management. Management thinks HRD as an employee incentive rather than a competency building exercise. Management commitment and support at all levels is slightly warm for HRD. HRD activities is always lacking in this organization (Field Interview, 10 January 2013).*

In this organization manager and top level officials do not give sufficient time for HRD planning, policy making, and implementation parts.

### ***Skill and Attitude:***

*A senior officer of JEMCL said that most of the employees of the JEMCL are qualified. They have sufficient knowledge related to publishing function and activities. They are able to implement plan and policy. But, there is the lacking of skill and attitude of the centre employees. According to a senior officer of JEMCL it can not be successes without the change of attitude of the employees (Field Note, 23 February, 2013).*

Lack of discipline and low productivity are the weakness of HRD in public sector publishing house. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. It is the major problem of centre. The organizational structure should be revised to enhance the effectiveness of HRD mechanisms in the current national situation.

### ***Lack of Transparency***

A senior officer said that program, policy and strategy is not transparent in his organization (Field Note 23, December 2012).

Another senior officer of administration department said that implementation part of policies and strategies of HRD is slow and not transparent always affected by external factors. Partially, though process of HRD is satisfactory, the implementation part and transparency of it is always questionable (Field Note, 24 February 2013).

### ***Lack of Discipline***

A senior account officer said that most of the lower level employees violate the discipline. They did not accept the chain of command of the top management and administrator within the organization premises. They are directed by their trade union and professional organization which directly affect the human resource development (Field Note, 24 Feb 2013).

### ***Political Appointment***

One of the major causes to go loss of profitable organization is direct political appointment of managing director of every new-comer minister. The appointment is done on the basis of political support whether he is qualified or not. Unqualified management cannot give vision to develop HRD program in the organization (Kantipur National daily, 23 Dec. 2013).

### ***Defective Recruitment and Selection to Staff***

The recruitment and selection practice is defective in centre. The attitude of unnecessary recruitment and selection of employees without need assessment is another cause to go loss of profitable organization which directly affect to the human resource

development activities. Without adequate budget, the HRD program cannot be implemented. Hence, unnecessary recruitment and selection of the employees is a major burden to the organization (Kantipur National Daily, 23 Dec 2013).

*A senior officer supports this statement, he further said that without proper plan and need assessment, recruitment and selection practice is defective. Defective selection of the employees hamper the implementation of HRD practice in the organization (Field Note, 24 Dec. 2013).*

### ***Cause to losses***

Another problem towards HRD is also the cause of loss in the organization. The organization has been ongoing to loss for many years. There are no career development opportunities to the employees because of loss. Without adequate profit and positive financial position, adequate training program cannot be organized and implemented. Employees promotion policy is idle and not implemented. The employees will be sad and cannot perform the duty properly in the organization.

*According to a senior officer the center is going to loss from the following causes such as nepotism and favoritism to appointment general manager, political appointment of GM and recruitment of unnecessary employees in the organization, agent commission is given to high rate to sell the books, payment of free distribution of books from the government is not full settlement timely, selling price of the books is not increased based on cost price, JEMC has made a political appointment centre from every new comer government and unqualified person politically appointed as a GM, to print out unnecessary quantity of books, yearly increase the stock of the books because of the wrong estimation, to give the printing work of the centre to the private sector is the main cause of loss of the organization (Field Note, 14 Dec 2013).*

Every person makes an entry in the service for future career not only for job. Career development is one of the major HRD mechanism. Without positive financial position HRD program cannot be implemented properly.



### ***Overstaffing in Non-technical Sector***

According to audit report fiscal year 2069\70, there are five hundred permanent and two hundred fifty contract and daily wages employees working in the centre. Technical staffs are less than requirement. Non technical staffs are more than requirement. More than twenty five percent non-technical staffs are idle or work less in the organization. Over staffing is a major problem of HRD implementation.

### **Concluding Remarks**

The problems and challenges behind HRD lack of competency among different field of work. The major HRD problems and challenges in their organization were unsystematic performance appraisal system, lack of clear planning and development, overstaffing, political influence and intervention, over load to lower staff, unclear vision and goal, nepotism and favoritism, lack of supervision and monitoring, lack of favorable work environment, lack of trade union management, lack of skill and attitude, lack of transparency, lack of compliance with employees rules and regulation, lack of favorable HRD culture and climate etc. HRD policy and management philosophy towards employees, employees rules, recruitment process etc are exhibited in employees rules but not compliance properly in practice. The performance appraisal system in this organization has remained unsystematic and ineffective. The system has not motivated employees towards higher performance. There was lack of succession planning to aid career planning, training and development planning. In this organization manager and top level officials do not give sufficient time for HRD planning, policy making, and implementation parts. There is the lacking of skill and attitude among the employees. HRD is least priority of management. Management thinks HRD as an employee's incentive. Employee's promotion system is not transparent and the "source- force- syndrome" is pronounced. Most of the lower level employees violate the discipline. They are directed by politician. The CEO and employee's appointment is done on the basis of political support whether he is qualified or not. The organization has been ongoing to loss for many years. There is no career development opportunity to the employees because of loss. Employee's promotion policy is idle and not implemented. More than twenty five

percent non-technical staffs are idle or workless in the organization. It is the cause of losses of the organization.

### **Effectiveness of HRD practices**

The management of JEMC has always neglected HRD practice for many years. During 10 years only, 97 employees were benefitted by training opportunities in different subjects. Performance appraisal is done only for promotion purpose. It has not met the career opportunities of the employees. They have no policy and strategy to develop HRD program in the organization. The organization has been going to loss for many years. There is no career development plan and policy to the employees because of the cause of loss. Without adequate profit and positive financial position adequate training program cannot be organized and implemented. Employees' promotion policy will be idle and not implemented. The employees will be sad and cannot perform the duty properly in the organization.

*According to senior officer of administration department the advertisement for employees promotion has been stopped for the last six years (field Note, 27, December 2013).*

Some indicators which measure the effectiveness of HRD are given below:

#### ***Compliance with Policy Statement and Rules***

There is no compliance with policy statement and rules in terms of human resource development such as training and development, career development performance evaluation, rewards and punishment etc. The organization is going to financial crises. It is the main cause to be unable for selling price adjustment of the books in changing scenario and based on cost price. It is the lacking of the management vision to update the employees in marketing research in changing situation. It indicates that HRD practice and knowledge of HRD mechanism is absolutely poor and not effective in the centre. The employees are unable and incompetent to implement policy statement and rules.

### ***Improvement in Profitability***

According to annual performance review of Public Enterprises the net loss of JEMC is going to be gradually increasing. The net loss for the fiscal year 2009/010, is Rs 907/ lakh, 2010/011 Rs945/ lakh and in fiscal year 011/012 Rs1285/ lakh respectively. It shows that the performance of JEMC is not effective. The employees' development programs are not implemented properly and effectively. The improvement of profitability is negative.

### ***Improve Competency***

Employees are not competent to perform their duty well. They are not competent to solve any problems in the organization. They are not able to extend the development of the organization. They are unable to make proper plan and policy to enhance employees' competency in the organization. It indicates that HRD program adopted by the organization are not able to improve competency of the employees. Existing performance appraisal system cannot help to improve competency of the employees in the day ahead.

### ***Increase Job Satisfaction***

In-depth interview indicates that most of the employees are not satisfied in their job.

*A senior officer said that the quality of work life is unfavorable. The working environment is not so good. The superior did not trust the junior's work performance. They have no any skill development opportunities provided by the organization frequently (Field Note, 7, November 2013).*

Job related training cannot be provided, it should be provided continuously. Career development opportunities are limited. The promotion is done three to four years interval in the organization. Effective HRD program facilitates employees' job satisfaction .

### ***Facilitate Career Development***

Effective HRD program facilitates career development opportunities in the organization. According to Rishipal(2000) most of the people want to know the

possibilities for their growth of the career opportunities. Because managers and supervisors have information about the growth plan of the company, it is their responsibility to transmit information to their subordinates and to assist them in planning their careers within the organization".

*A senior planning officer said that in her organization the responsible officer does not transmit information to their subordinates and cannot assist them in planning their career(Field Note ,13 May ,2013).*

It indicates that the career development mechanism is not effective practice in this organization.

### ***Duty Performed***

The effectiveness of HRD practice is measured basically by the effectiveness of the duty performed by an employee.

*A senior officer of planning department said that most of the employees of the centre cannot perform the duty quickly and efficiently. They are not competent in their duty. They have no training and skill development opportunities, they have no career development opportunities. How to do work effectively? (Field Note 13,July 2013).*

Without competent human resource, the organizational work cannot be performed effectively and successfully. Cost and management accounting and marketing training should be provided basically to the concerned employees. Employees are not competent to perform their duty well.

### ***Favorable HRD Culture and Philosophy of Management***

The HRD culture, climate and philosophy of management towards employees should be always favorable for the effective implementation of HRD. In this organization all these three things are not positive.

*A senior officer of administration department argued that "for successful implementation of its mandated functions and for meeting its obligations as per legislation, centre makes earnest efforts to develop the skill of the persons engaged*

*in management of JEMC but politician interferes them"(Field Note, 3,January,2014)*

It indicates that management is unable to implement HRD policy statement and rules effectively.

### **Concluding Remarks**

During last 10 years only 97 employees were benefitted by training opportunities in different subjects. The management of JEMC has always neglected HRD practice for many years. The management is not autonomous to perform the duty effectively. The member of management committee including CEO is appointed by the recommendation of political party. They were accountable to political party not for organization. In such a situation, the employees were sad and cannot perform the duty properly in the organization. There was partially compliance with policy statement and rules in terms of human resource development such as training and development, career development, performance evaluation, rewards and punishment system. It indicates that HRD practice and knowledge of HRD mechanism is absolutely poor and not effective in the centre. The net loss of JEMC is going to be gradually increasing. It shows that the performance of JEMC is not effective. They are unable to make proper plan and policy to enhance employees' competency in the organization. In-depth interview indicates that most of the employees are not satisfied in their job. The existing HRD program fails to facilitate career development opportunities in the organization. The HRD culture and philosophy of management should be always favorable for the effective implementation of HRD mechanisms.

### **Part III-**

#### **Nepal Doorsanchar Company Limited ( Nepal Telecom Ltd)**

##### **Background**

Nepal Doorsanchar Company Limited is the government ownership leading and the largest tele communication company of Nepal. It is officially called Nepal Doorsanchar Company Limited(NDCL).It was called Nepal Telecommunication Corporation (NTC). Previously, it had monopoly in telecommunication services in Nepal. It was converted to public limited company on April 14, 2004. It has sold around 10% of its share to local market and company's employees in 2008 ([http://en.wikipedia.org/wiki/main\\_page](http://en.wikipedia.org/wiki/main_page) . Review date 9 may,2012).

##### **Objectives**

The main objective of Nepal Telecom is to create favorable environment for the development and operation of telecommunication services which are reliable and affordable to all the inhabitants of Nepal at reasonable cost in collaboration with the private sector in order to support social and economic development of the country. To fulfill the above main objective the specific objectives of the NTC are as follows: ( Adopted from Ten Year Master Plan 2011-2020 AD)

For universal access both in urban and rural areas, arrangement shall be made in such a way that at least basic telecommunication services are available within a shouting distance even in sparsely populated areas.

Arrangement will be made for providing on demand telecommunication services in the urban areas and provision will be made for corporate telecommunication services to industrial and commercial sector of enterprises.

The opportunity will be gradually provided and extended to rural subscribers like the urban consumers opportunity availing services from different service providers. Network capability will be enhanced to support efficient utilization of information and communication technology (Adopted from Ten Year Master plan(2011-2020 AD).

### **Vision Mission and the Goal**

The vision of NTC is to remain a market leader in information and technology sector in the country while extending reliable and cost effective services to all (NTC Annual Report 2067/068). Meanwhile the mission, as a progressive customer spirited and consumer responsive entity, is committed to providing nation-wide reliable telecommunication services to serve as an impetus to the social, political and economic development of country (Annual Report 2067/068). The goal of its is to provide cost effective telecommunication services to every nook and corner of the country (4th Annual Report). The vision, mission, and the goal of NTC are very well and clear. But the policy and endeavor should be properly implemented to achieve the above organizational goal.

### **Present Activity and Future Plan**

Nepal Telecom Limited is working to enhance capacity for sustainable development of the company. The future plan of the company is to expansion of GSM Mobile line by 2000000 and expansion of CDMA Line by 350000 (Annual Performance Review, 2012).

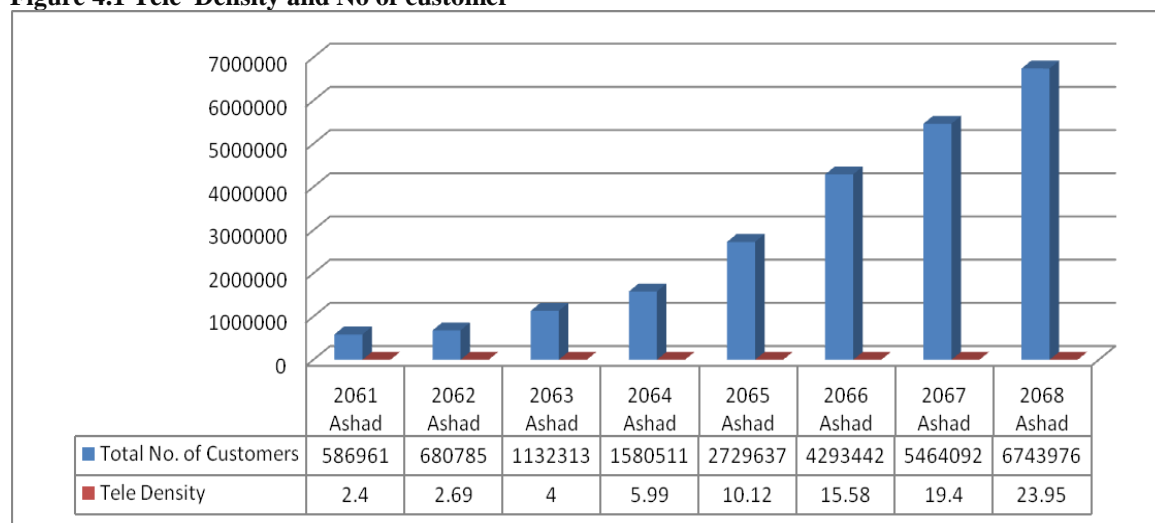
### **Performance Achievement**

Nepal Telecom has succeeded to achieve its business goal. The company has contributed to the extension of 49 percent Telecom service of the total telecom extension of the country. More than 72 lakh 69 thousands of people are affiliated to Telecom networking service in the country up to Marg 2068.

Extensive network and quality of Telecom service is comparatively higher than competitive company. The company has been succeeded in Telecom market through the adaptation of modern technology, transparent service fees, and quality service. Increase in services on the basis of customer is given in the following table ( 4th Annual Report 2067/068):

**Table 4.11 Services based on customer**

Services	2061 Ashad	2062 Ashad	2063 Ashad	2064 Ashad	2065 Ashad	2066 Ashad	2067 Ashad	2068 Ashad
Basic Telephone	4,08,417	4,53,475	4,85,997	5,09,873	5,32,391	5,62,162	5,83,542	6,03,291
GSM Mobile	1,78,544	2,27,310	6,22,737	9,09,483	17,17,230	30,09,932	39,60,293	51,21,518
CDMA	-	-	23,579	1,61,155	4,80,016	7,21,318	9,20,257	10,19,167
Internet	-	-	-	15,674	40,009	98,981	2,80,692	11,33,876
Total No. of Customers	5,86,961	6,80,785	11,32,313	15,80,511	27,29,637	42,93,442	54,64,092	67,43,976
Tele Density %	2.4	2.69	4.0	5.99	10.12	15.58	19.40	23.95

**Figure 4.1 Tele Density and No of customer**

Basic Telephone Service of the company is increased 23.42% in 2068 compares with the F.Y 2066/067. The total no of customers has reached approximately 67 lakh 44 thousands in Ashad 2068. Out of them, GSM Mobile is increased approximately 11 lakh 61 thousands, CDMA approximately 99 thousands and PSTN telephone line approximately 20 thousands is distributed. The density of the overall telecom service up to F.Y. 2066/067 was 47.27 percent. Out of them, the density of Nepal telecom was covered 23.95 percent. Out of total NTC density, PSTN service density 2.14 percent,



GSM Mobile service and CDMA service density is 18.19 percent and 3.62 percent respectively.

### Economic Activity and Achievement

The comparative financial progress and achievement of Fiscal Year 2063\064 to fiscal Year 2067\2068 B.S. of the company is given bellow:-

**Table 4.12 Comparative Financial Progress and Achievement**

S.N	Particulars	Base	FY 2063/64	FY 2064/65	FY 2065/66	FY 2066/67	FY 2067/68
<b>Based on Income Statement</b>							
1	Total Income	Rs. Thousand	14751624	17889310	22257714	2721068	29869161
2	Personnel Cost	Rs. Thousand	1764934	2204296	3580212	34470150	4507205
3	Maintenance & Operation Cost	Rs. Thousand	797398	1219002	1688480	2070868	2191434
4	Depreciation	Rs. Thousand	1366504	1486129	1681293	4455465	3285512
5	Other Cost	Rs. Thousand	2839466	2108427	1673739	2806490	3475371
6	Total Cost	Rs. Thousand	6768302	7017854	8623724	12779973	13459522
7	Profit Before Tax	Rs. Thousand	7983322	10871456	13633990	14441095	16389639
8	Profit After Tax	Rs. Thousand	5652688	7942902	10178025	10775154	12120299
<b>Based on Balance Sheet</b>							
1	Total Shareholders Equity	Rs. Thousand	26794281	35343894	41629022	47149599	53873887
2	Total Capital Employed	Rs. Thousand	27985961	35343894	46280626	52504647	61079904
<b>Major Financial Indicators</b>							
1	Net Profit Ratio	Percent (%)	38.32	44.40	45.72	39.58	40.61
2	EBITDA Margin	Percent (%)	63.78	69.53	69	69.62	44.12
3	Return on Capital Employed	Percent (%)	21.88	25.12	24.94	21.82	21.34
4	Return on Shareholders Equity	Percent (%)	22.40	25.57	26.44	24.27	23.99
5	Book Value Per Share	Rs.	178.63	235.63	277.53	314.33	359.29
6	No. of Share	Thousand	150000	150000	150000	150000	150000
7	EPS	Rs.	37.68	52.95	67.53	71.83	80.80

**Table 4.13 Comparative Financial Progress and Achievement**

S.N	Particulars	Base	FY 2066/67	FY 2067/68	Difference from Previous Year
1	Total Income	Rs. Thousand	27221068	29849161	9.65 %
2	Net Profit	Rs. Thousand	10775154	12120299	12.48 %

Source :- Annual Report 2067/068

The company has succeeded to increase its total income by 9.65 percent and net profit by 12.48 percent in fiscal year 2067/068. The table shows that the performance of the company is higher in previous five years. The total income of the company was Rs 29, 86,9161 thousands and the company succeeded to earn net profit of Rs 12, 12,0299 thousands in the said fiscal year. After analyzing the above statement, it is sure that the company has higher profitability ratio. Meanwhile, the total expenditure of the company was Rs 13459522 thousands in the said fiscal year. Out of total expenditure 30.75 percent was increased in employees expenditure, 5.82 percent repair and operating expenditure and 23.83 percent other expenditure. But the depreciation expenditure is decreased by 26.25 percent in that year.

## **HRD Policy and Endeavour**

### ***Policy of Human Resources Development***

For successful implementation of its mandated functions and for meeting its obligations as per legislation, NTA will make earnest efforts to develop the skill of the persons engaged in management of telecommunication sector, including its own, So that an attractive market place is created for promoting investment and competition which is mainly driven by the skills of its staff and for the effectiveness of its policies and procedures (adopted from Ten Year Master Plan, 2011-2020 A.D.)  
<http://www.n.3ta.gov.np/articleimage/file>.

NTC is confidence and clearly spelled out its policy statement that specialized and knowledge intensive, human resource issues become prominent. While working out a strategy for human resource development, it will be necessary not only to focus on IT education per se but also on how the general education system can be used effectively by

integrating IT components and resources. The power of the internet can be used effectively to complement the conventional education system, because a person with basic literacy is able to use the internet. It would be worthwhile to devise a means that complements focused IT education and the general education system to hasten the development of both sectors.

One obvious way in which information and communications' technologies can contribute to the general education sector is through distance learning. This is separate from other aspects of pedagogy that could benefit significantly from new development in information technologies. Distance learning initiatives in Nepal are so far limited to the use of radio. The paper on human resource development examines the technical possibility of using internet technologies for implementing distance learning activities. Introducing internet technologies should enhance the delivery of education in science and technology-which is traditionally weak.

<http://www.amic.org.sg/ict/external/awards/99153fr.pdf> Review date, may, 16, 2012

Providing focused IT education is of immense significance. It is important to encourage academic institutions to introduce IT courses at various levels. Some sort of control mechanism should also be in place to maintain quality in IT education. This is important for the opportunities unleashed by the IT revolution in terms of the high-value job creation connected with software development. Without quality manpower at par with international standards, our efforts to position ourselves in the mainstream IT revolution will not be successful.

Considering the increasing trend on the part of develop countries to outsource IT activities to areas with relative comparative advantage, it is necessary for Nepal to take steps to develop human resources to meet the global IT demand and to support the development of the sector within the country. we should, however, refrain from the idea of developing every educational and academic institution related to IT within the country. That would not be feasible in the foreseeable future and would require substantial capital. it will also be unrealistic to depend on exports alone and to compete globally if we fail to create a competitive environment within the country, such efforts will only result in low-

value job creation. Software prices continue to be one of the impediments to both human resource development and software development initiatives for Nepal. This has resulted in unscrupulous practices and has given rise to some instance of infringement of intellectual property rights. Thus, one solution could be differential pricing based on 'Visioning,' as recommended by the renowned IT expert, Professor Varian.

(This statement adopted from information and Communication Technology-Policy and Strategy for Nepal 2000/2001, p6)

<http://www.amic.org.sg/ict/external/awards/99153fr.pdf>

According to Jerry Gillet and Seteven Egglund (2002), a policy statement should answer questions regarding implementation of release time for training, tuition reimbursement, eligibility requirements, and standards of employee participation. An HRD policy should also include a statement regarding the purposes and long-range outcomes of participation. Attainable learning objectives and corresponding time frame, organizational structure, authority and funding sources, provision periodic review and revision, utilization of needs assessment data, and record keeping procedures need to be addressed as well.

### **Conceptual Understanding on HRD**

#### ***Perception on HRD Concept***

Some of the NTC officials concluded in the focus group discussion (FGD) that:

*HRD is a combination of human resource development mechanisms. All the HRD mechanisms like management development, training and development, career planning and development, performance and potential appraisal, reward management, motivation and retention, safety and timely promotion, employees' welfare, quality of work life and counseling should be properly implemented in the right time for the achievement of individual and organization goals (Field Note , FGD November 3, 2012).*

In Nepal, most of the PEs operate HRD activities through traditional way most be rectified. There is no learning culture in the organization. HRD should be based on present and future job and requirement of the organization.

Rodrigues and Chincholkar (2005) argue that HRD is the process of improving, molding and changing skills, knowledge, creative abilities, aptitude, attitude, values, commitment, etc., based on present and future job and organizational requirements (Rodrigues & Chincholkar, 2005).

*A senior officer and head of general administration division, Nepal Telecom argued that HRD creates conducive work environment and full utilization of human assets for organizational growth. He further said that HRD prepares a competent, qualified and skillful human resource to achieve individual as well as organizational goals. If the organizations implement the HRD plan and programmed timely and properly they can be able to improve the productivity of the employees (Field Note, Oct 15, 2012).*

Armstrong and Baron (2002) say that "human resource development is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance". An officer of HRD department argued that increase in the capacity or skills of working human resources in PEs is the most appropriate meaning of HRD. HRD in public utility sector of Nepal is to develop human resource for suitable job. The words of HRD and its activities are familiar among the employees (Field Note, Nov 21, 2012).

Likewise, Chalofsky (1992) expresses his views "HRD is the study and practice of increasing the learning capacity of individuals, groups, collectives and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness" (as cited by Swanson Richard). A free lancing expert agreed that the words of HRD and its importance are familiar among the NTC employees. They are understood about the concept and importance of HRD (Field Note, January 5, 2013).

In Nepalese PEs like NTC, there is no learning and curing culture among the employees. How do they learn HRD mechanism? Learning and curing culture should be developed in each and every organization in Nepal for better understanding on HRD

concept, theories and its mechanisms. HRD is not to develop suitable job only. It is a human dimension of management. It will help to human power for positive change and attitude which help for living in dynamic system.

### ***Importance of HRD***

Most of the senior officer concluded in a focus group discussion that HRD is the most important requirement for any dynamic organization. There can be no organization without HRD practices. Unique HRD practices make the organization unique and successful (FGD, 11, December 2013).

### ***HRD Culture and Philosophy of Management***

*The development of human capital and extension of their capacity is the long term policy and strategy of the company. The company is confidence to the progress and prosperity depends on knowledge, skill, and motivation of human resource affiliated to the organization (NDCL 4th Annual Report, 2067/2068).*

Nepal Telecom is committed to:

Ensuring the development of qualitative human resource capacity as needed so that adequate knowledge and local expertise is available for the operation and development of the sector.

Being instrumental in raising consumer awareness for the cost, quality and reliability of services and also for making education choice of available services including ICT utilization (adopted from Ten Year Master Plan (2011-2020 AD) .

<http://www.nta.gov.np/articleimages/file>

The attitude of the top management towards employees are quite often reflected in their annual reports, policy statements and chairman speech every year (Rao, 2009). The annual report, policy statement and ten year master plan of the NTC has clearly spelled out the positive philosophy of management towards its employees. It is most likely to treat them as human assets. There is a separate HRD department in addition to the personnel department as well as separate training centre is established and run by the NTC (Field Observation, 11 January, 2013).

But, most of the senior officers concluded in a focus group discussion that policy statement and philosophy of management towards employees is limited in documents only. The policy implementation parts in the organization is very poor (FGD,13 January,2013).The learning and curing culture among employees, even management is very weak. OCTAPAC culture is partially applied in the organization.

### ***Familiarity on HRD Sub- System***

Focus group discussion had been conducted in NTC head office complex on 21 December 2012 on HRD sub- system the FGD concluded that generally training and management development , career planning and development, performance and potential appraisal, employees welfare and quality of work life and reward mechanisms are adopted in public utility sector for the HRD purpose (Field Note, 21, December 2012).

Most of the senior officer of NTC is aware of the system and sub -system of HRD. But their attitude has not changed. They think training department as a HRD department.

*According to Rao (2009), it must be remembered that training departments should not be confused with HRD departments. A good training manager need not make a good HRD manager (p.271).*

### **Concluding Remarks**

On the basis of above opinion and analysis of the various views and opinions as well as in-depth interviews with research participants, we have concluded that this study examined the employees' understanding on HRD among the various departments of Nepal Telecommunication Corporation with the review of relevant literature, such as HRD concept and importance, HRD mechanisms, philosophy of management towards employees and HRD theory and related studies that provides strong evidence about the understanding on HRD related theories and concepts. It has clarified the practice of HRD in different department of Nepal Telecom with regard to the concept of HRD is familiar among employees or not as well as what about the proper application of HRD. Keeping the field surveys, questionnaires and direct interactions and in-depth interviews with the employees and their assumptions into the consideration, the study revealed that

all the employees of the Nepalese PEs like NTC are aware of the concept of HRD to some extent but most of the employees and even the management takes HRD as a mere means of training. They are not aware of the proper HRD culture and HRD mechanism in one hand, and on the other hand, due to the unfavorable philosophy of management toward its employees in policy implementation part, HRD is not in proper practice in most of the department. Furthermore, the result shows that the partially HRD applied departments are comparatively better than other who have less applied it. Keeping all these evidences into the consideration, the research concludes that for the effective goal oriented and productive work, there must be favorable climate of HRD as well as employees' familiarity with it and improvisation of management philosophy towards its employees.

### **HRD Mechanism Practice**

#### ***Training and Development***

##### **Need Assessment**

A senior officer of NTC said that training needs regularly assessed at his company by human resource development department and outside consultants. But the need assessment is not systematically carried out. Top level management and the responsible officials interfere the need assessment. Need assessment is done on the basis of management interest and nepotism and favoritism (Field Note, November 3, 2012). Another officer supports this statement and he claims that most of the organizations lack comprehensive human resource development plan about need assessment. It is determined based on supervisor's recommendations (Field Note, November 9, 2012).

*Training needs regularly to assess and determine actual training needs. For determining the training needs, generally four level of analysis should be made, such as organizational analysis, demographic analysis, operation analysis and individual analysis. (Goldstein & Ford, 2002 as cited by Casio & Nambudiri 2010).*

But this principle is not perfectly applied in NTC. It has adopted the policy of performance analysis to identify training needs.



### Program Conduct

Nepal Doorsanchar training centre(NDTC) is responsible for providing need based short-term training ranging from 2-15 days to NTC employees to upgrade and enhance their skill, knowledge, and attitude. During the year under review, NTC conducted on-the-job and of-the-job training programs including induction training for the staffs of NTC in different field of specialization. The training programs conducted covered Information Technology, Computer Software, Administration, Accounting, Finance, Sanitation and Plumbing, Mechanical Engineering, Electronic Engineering in addition to the induction training (Adopted from Annual Report, 2067/068).

The training programs involved induction, inservices, or refresher course as well as custom design courses as per the request and the requirement. Telecom Training Centre generally offered the following training wings: such as Network, Information Technology, Management, Finance, Marketing, Power, Switching, and Transmission. NTC applied mix training methods, such as on-the-job and of-the-job. Fiscal year wise comparison of trainings and trainees are given below:

**Table 4.14 Comparison of Trainings and Trainees**

Year	No of Training	No of trainees	Man week
2062/063	58	1075	2714
2063/064	68	1570	3517
2064/065	123	2572	3607
2065/066	134	2493	3406
2066/067	147	2561	2677

*Source: Telecom Training Centre*

Fiscal year wise comparison of training budget and expenses are:

**Table 4.15 Fiscal year wise comparison of training budget and expenses**

(in Rs.000)

Year	Training Approved Budget	Total Training Expenses
2062/063	7500	7013
2063/064	13150	12668
2064/065	26990	25902
2065/066	25000	22481
2066/067	32200	23372

*Source:-Telecom Training Centre*

### **Program Evaluation**

According to Hamblin there are four levels of evaluation and they are reaction, learning, job behavior and functioning (as cited by Rishipal, 2000 p.706). According to senior officers of NTC, they applied generally learning and reaction evaluation method (Field Note, 5 December 2012). Assessment of achievement carried out the post training examination (achievement evaluation) of participants based on the predesigned questionnaire. According to a senior officer of training academy, at the end of the training the participants were found to be able to concern subject matter (Field Note 17, January 2013). The participants expressed their satisfaction over the training.

### **Performance and Potential Appraisal**

Performance appraisal is used to understand the difficulties or weaknesses of the employees and encourage them to remove all these hindrances. It is also used to identify their strength and weakness. Potential appraisal is necessary in the organization to find out the capability of the employees to perform new roles and responsibilities in a continuous manner. Tripathi (2003) claim that potential represents latent qualities. It is manifested while performing jobs. It is concerned with identifying the career advancements, possibilities and potential for higher level responsibilities.

The Public Service Commission of Nepal has prescribed 'General Principles' for performance and potential appraisal of employees in public enterprises (Agrawal, 2005). The performance appraisal system for NTC's employees has been specified by the employees service rules. The performance appraisal is done as follows:

A performance appraisal form has already been set and prescribed. A total of 40 marks was allotted for performance evaluation. They are divided as follows:

**Table 4.16 Marks Allocation**

Evaluation	Marks
Immediate Supervisor	20 marks
Reviewer	12 marks
Review committee	8 marks
Total marks	40 marks

A rating scale is used for allocating marks for officer level 6 to 12. The rating scale is given as follows:-

Appraiser	More Excellent	Excellent	Simple	Low
Immediate Supervisor	5	3.75	2.5	1.25
Reviewer	3	2.5	1.5	0.75
Review Committee	1	0.75	0.50	0.25

A rating scale is used for allocating marks for assistant level .The rating scale is given as follows:-

**Table 4.17 Rating Scale**

Appraiser	More Excellent	Excellent	Simple	Low
Immediate Supervisor	5	3.75	2.5	1.25
Reviewer	3	2.5	1.5	0.75
Review Committee	0.8	0.60	0.40	0.20

A checklist is used by supervisor and reviewer for giving marks. The marks are equally divided among them :-

1. Total result of the job performed
2. Capacity for discussion and negotiation
3. Total cost of the job performed
4. Total time taken for job performed
5. Total quality of the job performed

The review committee uses personal traits for giving marks. Traits differ according to class of employee. For level 10 and level 11 officer, they are:

1. Capacity to analyze business plan policy and strategy
2. Capacity to discussion and presentation

3. Use of judgment, decision making capacity and evaluation
4. Leadership and organizational capacities
5. Professional sensitivity (honesty, confidentiality etc.) (Employees Service Rule
6. 2061 B.S.)Capacity of customer oriented management
7. Technology to develop employees at work
8. Capacity to effective utilization of resources
9. For level 6,7,8 to level 9 officer, they are:
10. knowledge and skill of subject matter
11. Inter personal nature and communication skill
12. Use of wisdom , decision making capacity
13. capacity of work presser behave
14. Leadership and organized capacity
15. Creativity, capacity of customer oriented management
16. Honesty and secrecy
17. Effective utilization of resources

### ***Career Development Practice***

Generally, career development includes formal education, career-oriented performance appraisal, career -oriented training and development, counseling by managers, job rotation, mentoring opportunities, promotion and transfer opportunity, etc. (Dessler,G.2004). NTC has been providing two types of opportunity to its employees for career development purpose. They are generally related with formal education and promotion.

### **Formal Education**

According to employee service rule Company has been providing study leave to the permanent employees. It has a practice to select study leave through open competition or inter-department competition. But the priority is given to those employees who were unable to get the opportunity to study and get training in previous years. During study period, the company provides study leave with full salary. A person who has completed five years of service as a permanent employee, get study leave for his career

development. The company provides study leave up to three years. The company has a provision to extend additional three years study leave to the needy person. The employee should sign contract paper for continued service before going to study as a promise to serve after completion of the study. The additional matter should be included in the form other than the study leave application descriptions. These are selected subject matter, approved university, institution or training academy and other supporting materials for the study leave.

### **Promotion and Transfer**

The company has adopted promotion and transfer system for the development of employee's career in the organization. Promotion and transfer are the integral parts of employees' careers. Traditionally promotion refers to advancement to positions of increased responsibility, more pay and job satisfaction (as cited by Dessler, 2004). Most of the employees in PEs look forward to promotions. NTC promotes its employee in accordance with the recommendation of 'Recruitment and Selection Committee'. Generally, company adopted the internal promotion system and special promotion system. The promotion practice adopted by NTC is given below:

### **Promotion through Internal Evaluation**

For internal promotion system minimum four years of job experience is to be completed to become potential candidate. Such type of promotion is done on the basis of the evaluation of working capacity of the employees (Employees service rule, 2061). The basis of evaluation is given below :

**Table 4.18 Evaluation criteria up to level seven officers**

Performance evaluation	40 marks
Experience in remote area	20 marks
Qualification	12 marks
Seniority	24 marks
Office chief	4 marks

**Table 4.19 Evaluation criteria for level eight to above officers**

Performance evaluation	25 marks
Presentation	15marks
Experience in geographical region	20 marks
Qualification	12 marks
Seniority	24 marks
Office chief	4 marks

### **Promotion through Special Provision**

A person who has been working for the last ten years in the same post as a permanent employee is promoted. Such type of system is adopted up to level seven officers.

Meanwhile, employee who has been working for the last eight years in the same post as a permanent employee with adequate qualification is promoted. This type of criteria is adopted up to level nine officers. Such type of promotion is done at the end of Ashad and Poush two times in every fiscal year. But, the promotion through special provision is stopped in the following condition:

1. Less than 60 percent marks (are obtained) in performance evaluation
2. Involved in manipulation and frauds to the company's property

### **Authority for Deciding Promotion**

Nepal Telecom has a practice of forming committee for promotion and selection purpose. The committee acts as an authority for deciding promotion of the employees. The committee consists of 4 members. The formation of promotion and selection committee is given below (Employees Service Rule, 2061):

**Table 4.20 Promotion Selection Committee**

Managing director	- Chairman
Senior officer of the company (nominated by the committee)	-Member
An experienced renowned person (Nominated by the committee)	-Member
Deputy managing director administration	-Member

### **Eligibility for Promotion**

According to employees service rule and document analysis, there were some provision and criteria for promotion. The main requisites to be eligible for promotion were the service period in the lower level as prescribed by the employees' service rule (2061 p.25). Another requisite was he/she should not have received any punishment withholding promotion (Employees service rule 2061,p.28). The third requisite was possession of required qualification. The minimum service years required for promotion are given in the following:

Minimum service years required in existing position for promotion

Employees	Service years
Mail Employees	4 years
Female Employees	3years

*Source: Employees Service Rule, 2061*

### ***Employee Welfare and Quality of Work Life***

According to Rao (2010) "employees at lower levels in the organization usually perform relatively monotonous task and have fewer opportunities for promotion or change" Such type of employees are provided some welfare benefit. The welfare benefit differs on the basis of nature of organization. NTC has adopted some welfare programs for the benefit of its employees, such as life insurance facilities, medical treatment facilities, employee's children scholarship facilities, salary upgrade facilities up to fifth level, and physical disability facilities etc. The employees accident insurance provided up to two lakh. Life insurance facility is provided up to eight lakh for each permanent employee. The NTC bears up to sixty five percent premium for periodic life insurance facilities every year. The medical treatment facility is provided up to five lakh to the employee who is suffering from any type of dangerous diseases like cancer etc. Meanwhile, employee's children who obtained highest marks in SLC is provided scholarship up to three thousands per month for two years for two person. The employees dress facility is provided up to nine thousands each employee every year (Employees Service Rule, 2061). There are two ways for looking and clarifying the meaning of quality of work life.

One way equates QWL with a set of objective organizational conditions and practices eg. promotion- from -within policies, democratic supervision, employee involvement, safety, security and self working conditions. The other way equates QWL with employees' perceptions that they are safe and relatively well satisfied, they have reasonable work life balance, and they are able to grow and develop as human beings ( as cited by Casio & Nambudiri, p.24-25). Similarly, a senior officer of human resource department of NTC argued that QWL in his organization is partially applied in a traditional way (Field Note,9 January 2013). NTC is a financially sound public sector enterprise. A better QWL help to supports to fulfill technical and social requirements of job in the organization. Meanwhile, a chief of HRD department expresses his views that QWL is applied in his organization to some extent. He further clarified that there is no working democracy, no worker participation in corporate decision making (Field Interview,5 February 2013). QWL enhances employees' dignity through job satisfaction. It ensures job security, adequate facilities and benefits to the employees. QWL provides healthy working conditions and enhance capacity for better performance in the organization.

### ***Rewards***

According to Rao, rewarding employees performance and behavior is an important part of HRD. Rewarding helps to encourage the acquisition and application of positive attitudes and skills. It includes appreciation certificate, salary increment, bonuses, special privileges, travel and tour facilities etc. Any employee whose performance was very high than the standard, he was rewarded from the head of organization with cash and certificate. Some were rewarded with grade plus as salary increment.

NTC has adopted the reward system to encourage the employees for their work performance. An employee whose performance is very high, he gets cash prize Rs one lakh or five grade is increased in accordance with the recommendation of the reward recommendation committee. Such type of prize is given up to 10 person employees every year (NTC Employee Service Rule, 2061). It is also in practice that the government of Nepal awarded any type of medal to any NTC employee, who gets lump sum money from the company against the medal. In addition to the above condition, it is



also in practice that the incentive 4.5 percent of net profit is being distributed to the employee as a bonus (field Note, 7 January 2013). Reward system helps to enhance capacity, encourage employees for better performance and retention. It helps to morale and motivation in the organization.

### **Concluding Remarks:**

The key variables adopted in Telecommunication sector for HRD purpose are training and management development, career planning and development, performance and potential appraisal, employees welfare, quality of work life, organizational development, reward and punishment, and employees counseling. The training need is regularly assessed by the NTC. But need assessment is not systematically carried out. Need assessment should be done according to the requirement of the organization. NTC training centre regularly conducted training programs in different fields of specialization, such as Information Technology, Computer Software, Administration, Accounting, Finance, Sanitation and Plumbing, Mechanical Engineering, Electronic Engineering in addition to the induction training etc (Adopted from Annual Report, 2067/068). The training programs involved in-service or refresher courses. The training centre organized maximum training program in the fiscal year 2066/2067 during previous five fiscal years. Meanwhile, during previous five years 10271 employees has been benefitted in different courses. Out of them, 2572 employees were benefitted in the fiscal year 2064/2065.

The evaluation of training is generally based on reaction and learning criteria. The NTC has promoted to its employees based on employees rule for their career development. Promotion of the employees is done by the NTC through performance evaluation, internal competition and special provision. Performance evaluation is done only for promotion purpose. There are two types of performance appraisal systems practiced in Nepal Doorsanchar Company. These are formal and informal. Formal performance appraisal system is a set system. It is an ongoing process. In this process evaluation is done at periodic intervals and compare actual performance with standard performance. Informal performance appraisal system is not a set criteria. It is used by the

senior supervisor or manager informally. In this practice, they review and judge the actual performance of subordinates on the basis of their perception and impressions. If they think necessary they provide suggestions or guide the subordinates for improvement. Employees welfare program and quality of work life is gradually increasing and adopted by the company in order to maintain their work commitment, morale and motivation. A better QWL helps to support to fulfill technical and social requirements of job in the organization. NTC has adopted some welfare programs for the benefit of its employees, such as life insurance facilities, medical treatment facilities, employee's children scholarship facilities, salary upgrade facilities upto fifth level, and physical disability facilities etc. The employees' accident insurance provided up to two lakh. Life insurance facility is provided up to eight lakh for every permanent employee. The NTC supports up to sixty five percent premiums for periodic life insurance facilities every year. The medical treatment facility is provided up to five lakh to the employee who is suffering from any type of dangerous diseases like cancer etc. To increase the overall productivity of the company, reward system is implemented. It is based on work performance. NTC has adopted work performance based on reward system to motivate the employee in the company. NTC has adopted the reward system to encourage the employees for their work performance. An employee whose performance is very high, get cash prize Rs one lakh.

### **Problems and challenges**

The major problem behind this was the lacking of competency in different field of work. In addition to this, the selection, recruitment and appointment is not fair. According to a senior officer of HRD department and field observation, it is found that temporary, contract and daily wages based employees were recruited haphazardly without competition and later pressure was made to make those employees to permanent positions (Field Note, May 28,2013).

The major HRD problems and challenges in NTC were as follows:

### ***Overstaffing***

The study revealed that NTC has been suffering from overstaffing problem for many years like other organization. It is a big problem in the PEs of Nepal. It is directly affected by political intervention. Overstaffing was a major hindrance of human resource development and work performance in the organization. Overstaffing creates a conflict among employees. The political units, politicians and trade unions were involved for overstaffing the corporation.

### ***Political Intervention and Influence***

A senior officer of NTC said that the political intervention is rapidly increasing in selection, recruitment, placement, promotion and transfer of human resources in the organization. The regulatory provision has been made to appoint the employees in the company by open competition to keep them out of non-professional impact by providing autonomy in administrative and economic decision making process. But this provision is not implemented properly (Field Note, June 3, 2013).

### ***Trade Union Management***

Establishment of trade union was a major problem and management of it was challenge in the organization. There were other five separate political organizations in corporate in the company. These unions raised different issues related to the increment in the facilities of the employees that were very higher rather than the increase in the work performance. The another issue related to terms and facilities of the employees had got priority rather than the issues related to policy, strategy and working plan for the improvement of the capacity of employees and company as a whole (NTC Head Office, HR Department, 5 July, 2013). Really, it is also said that trade union and professional political unit were not only hindrance to the organization. Trade union has been working in creative activities for the development of competencies of the employees and enhancement of the capacity of the organization and achieving the developmental goals of the nation.

### ***Lack of Skill and Attitude***

Employees have adequate knowledge about HRD and its importance. But skill and attitude is lacking. The main purpose of doing performance appraisal in this organization is the promotion of employees. According to a senior officer of NTC Training Centre, existing PA system is not used as a basis for reward management. It is not used as a basis for identification of training and development needs. Career oriented performance appraisal was lacking. Feedbacks were not given to employees about their performance standard and their career development efforts. But attitude of top management on HRD was positive. Implementation parts are always questionable.

### ***Lack of Transparency***

Transparency is also lacking in utility sector. An officer said "the performance evaluation marks is not communicated to employees" (Field Note, 21 July 2013). The performance appraisal is kept secret and not discussed with the employees. Better it should be transparent and feedback be discussed among them. The opportunity should be provided to improve their performance. It should be open among employees to the possible extent.

### ***Lack of Compliance with Policy Statement and Rules***

It was observed that implementation parts of policy statements and rules related to HRD and the internal control mechanism were not fully satisfied. According to a senior officer of administration department "the monitoring system of HRD as well as other activities of NTC was not very frequent and quarterly reporting system was not implemented properly" (Field Note, 5 January 2013). HRD policy and management philosophy towards employees are exhibited in its annual report and administrative manual, only for public purpose. Human resource management, HR policies, employee's rules, recruitment process, etc is exhibited in employee's rules but not compliance properly in practice.

### ***Lack of Proper Recruitment and Selection***

Recruitment and selection has been regarded as the most important factor of human resource management and development, unless the right type of people are hired, HRD plans, policies and systems would not be so much good. Flippo says recruitment is both 'positive' and 'negative' activity (Flippo, 1980 ,P.31,as cited by Memoria). According to a senior officer of human resource department states that recruitment and selection practice in his organization is defective. Employees should be properly selected to the right person at the right place. But employees are selected in his organization haphazardly according to the recommendation of politician (Field Interview,7 January 2013).

### ***Lack of Discipline***

A senior HR officer argued that most of the lower level employees violate the discipline (Field Note, 17January2013). They did not accept the chain of command of the top management and administrator within the organization premises. They are directed by their trade union and professional organization which directly affects the human resource development.

### **Concluding Remarks**

The temporary, contract and daily wages based employees were recruited haphazardly without competition and later pressure was made to make those employees permanent. It enhances overstaffing in the company. Overstaffing was a major hindrance of human resource development and work performance in the organization. The political intervention is rapidly increasing in selection, recruitment, placement, development, promotion and transfer of human resources at the NTC. Establishment of trade union was a major problem and Management of it was a challenge. Employees have adequate knowledge about HRD and its importance. But skill and attitude is lacking. Career oriented performance appraisal was lacking. Feedbacks were not given to employees about their performance standard and their career development efforts. Transparency is also lacking in utility sector. The performance evaluation marks were not communicated to employees. The monitoring system of HRD was not implemented

properly. In some cases employee's rules, policy statement is not compliance properly in practice. The recruitment and selection practice in this organization is defective. Employees should be properly selected to the right person at right place in right time. Most of the lower level employees violate the discipline. It is the main problem of the company.

### **Effectiveness of HRD Practice**

Generally, the HRD in NTC is more effective than other organization. NTC has a separate training center and separate training unit for the development of HRD. Some effectiveness measuring indicator is given below:

#### ***Increase the Profit Margin***

As per the record of different fiscal year of NTC, the number of human resource working in this organization was higher. While analyzing the per staff contribution on the basis of operating profit are seen positive. The productivity level is seen higher in comparison to the number of employees in other selected PEs. of Nepal. The net profit ratio is gradually increasing. In fiscal year 2063/064 the percentage of net profit ratio was 38.32. In fiscal year 2064/065 it reached 44.40 percent. Meanwhile in fiscal year 065/066, it reached in 45.72 percent. Likewise, in fiscal year 2066/067, it reached in 39.58 percent and fiscal year 2067/068, it reached 40.61 percent. It indicates that the performance of human resource is very effective in this organization. The human resource development mechanisms are applied effectively.

#### ***Provided and Extended Telecommunication Services***

NTC has succeeded to achieve its service and business goals. It has contributed to the extension of 49 percent telecom service of the total extension of the country. According to annual report 2067\2068 more than 72 lakh 69 thousands of people are affiliated to telecom networking service in the country up to Marg 2068 (Annual Report 2067\2068).

### ***Quality of Work***

The quality of Telecom service is comparatively higher than competitive company. It has been succeeded in Telecom market through the adaptation of HRD mechanism, modern technology, transparent service fees, and quality service. The Nepal Telecom training centre is more effective than previous (Field Note,27,September,2013).

### ***Duty Performed:***

The effectiveness of HRD practice is measured basically in this organization by the effectiveness of the duty performed by employee(Field Observation,14,January 2013). The duty performed by the telecom staff was more effective than competitive company. All the employees are loyal to their duty. It indicates that the HRD practice in this company is more effective.

### ***Implementation of Policy and Strategy***

HRM department head said that major HRD policy and strategy adopted by his organization are training; right man right job, promotion and expert counseling are the policy statement of the organization. But implementation part is very weak and nominal (Field Interview,13 August,2013). The formation of policy and strategy is very well in this company. The strategy implementation part is even lacking in this organization.

### ***Increase in Total Income***

The company has succeeded to increased its total income by 9.65 percent and net profit 12.48 percent in fiscal year 2067\2068. The comparative financial progress and achievement table shows that the performance of the company is higher in previous five years. The total income of the company was Rs.2986916 thousands and the company succeeded to earn net profit of Rs 12120299\thousands in the 2067\2068 fiscal year. After analyzing the income statement it is sure that the company is higher profitability ratio. It indicates that the HRD practice in NTC is more effective than other organization.

### ***Concluding Remarks***

The record of different fiscal year of NTC, the number of human resource working in this organization was higher. While analyzing the per staff contribution on the

basis of operating profit are seen positive. The productivity level is seen higher in comparison to other selected PEs of Nepal. The net profit ratio is gradually increasing for many years. It indicates that the performance of human resource is very effective in this organization. It has contributed to the extension of 49 percent telecom service of the total extension of the country. The quality of Telecom service is comparatively higher than competitive company. The duty performed by the telecom staff was more effective than competitive company. The company has succeeded to increase its total income. After analyzing the income statement, it is sure that the company has higher profitability ratio. But the policy and strategy implementation part is even lacking in the company.

## **Part- IV**

### **Civil Aviation Authority of Nepal**

#### **Background**

Aviation is the design, development, production, operation, and use of aircraft, especially heavier-than-air aircraft. The word "*Aviation*" was coined by French writer and former naval officer Gabriel La Landelle in 1863, from the verb "avier" (synonymous flying), itself derived from the Latin word "avis" ("bird") and the suffix "-ation" ([en.wikipedia.org/wiki/Aviation](http://en.wikipedia.org/wiki/Aviation)).

*The term aviation is applied to the science and practice of flight in heavier-than air craft including air planes, gliders, helicopters etc. which are different in nature, from lighter-than-air craft such as kites, balloons and airships etc (Encarta Encyclopedia,2003,as cited by Kafle, UK).*

Civil Aviation Authority of Nepal (CAAN) was established as an autonomous regulatory body on 31 December 1998 under Civil Aviation Act, 1996. CAAN has been set up with the objective of making aviation safe, regular, standard and efficient. Its prime goal is to ensure flight safety and sustainability of civil aviation. It has the responsibilities of constructing, operating and maintaining airports. Besides, it has also to equip the airports with necessary communications and navigational facilities ([www.caanepal.org.np/](http://www.caanepal.org.np/)).



### **Present Activities and Future Plan**

1. Permitting airlines operation
2. Airworthiness certification and manpower licensing/rating
3. Regulating air transport and civil aviation activities
4. Constructing, operating and maintaining airports in different place of country
5. Equipping and maintaining airports with necessary communication and navigational facilities
6. Enhance the flight safety through the adoption of safety management system
7. To make air transport increasingly safe and reliable
8. To enhance the commercial capability and institutional strengthening of the national flag carrier NAC with the inclusion of private sector
9. To expand aviation facilities both private and public domestic and international sectors
10. To construct overlay of runway, taxi way and different airport

### **Performance Achievement**

Among seven Public Enterprises under service sector, second highest operating income of Rs.2.57 billion was the Civil Aviation Authority of Nepal. The outstanding net profit under this sector was Rs360 million in previous year 2009/010 which has been increased by Rs 430 million and has reached Rs 790 million at the end of fiscal year 2010/011. In comparison to the previous year, CAAN has succeeded to obtain net profit of Rs 521 million in the fiscal year 2010/011( Annual Performance Review, 2012 Ministry of Finance).

In the Fiscal Year 2008/009, The Civil Aviation Authority had incurred loss of about Rs.599 million, whereas in the fiscal year 2009/010 the authority was able to get profit of Rs.222 million. Among them the number of seven public enterprises under service sector, 3 public enterprises have obtained loans from the government of Nepal. Among them, Civil Aviation Authority was also included (Annual performance Review 2011, Ministry of Finance).

**Table 4.21 Comparison of Projected and Actual Income***(Rs in thousand)*

Fiscal Year	Projection	Income	Percentage Increment
2063/064	1466500	1567100	6.86
2064/065	1866600	1952900	4.62
2065/066	1976100	2339300	18.38
2066/067	2274700	2444800	7.48
2067/068	3001400	2737900	-8.78
2068/069	3200400	2568100	

*Source:- Civil Aviation Report 2011/2012***Table 4.22 Comparison of Aeronautical and Non-aeronautical Income***(Rs in crore)*

Fiscal Year in B.S.	Aeronautical Income	Percentage of Income	Non-aeronautical Income	Percentage of Income	Total Income
2068/069	202.84	78.98	53.97	21.02	256.81
2067/068	216.72	79.16	57.06	20.84	273.79
2066/067	203.17	83.10	41.32	16.9	244.48
2065/066	170.81	73.02	63.12	26.98	233.93
2064/065	147.67	75.62	47.61	24.38	195.29
2063/064	133.77	85.36	22.94	14.64	156.71

*Source:-Civil Aviation Report 2011/2012***Table 4.23 Comparison of Expenditure of Last Five Fiscal Years***(In Crore)*

Fiscal Year in B.S.	Proposed Expenditure(Capital& Revenue)	Actual Expenditure(Capital & Revenue)	Variance	Percentage
2068/069	496.98	-	-	-
2067/068	504.22	231.84	272.38	45.98
2066/067	442.41	215.11	227.3	48.62
2065/066	228.53	142.16	86.37	62.21
2064/065	173.04	87.27	85.77	50.43
2063/064	155.29	72.73	82.56	46.84

*Source:-Civil Aviation Report 2011/2012*

**Table 4.24 Income and Profit and Loss***Rs in million*

Fiscal Year	Income	Net profit/(Loss)	Cumulative Loss	Remarks
2055/056	416.75	(348.57)	(348.57)	
2056/057	911.53	(651.16)	(999.73)	
2057/058	1177.53	(649.60)	(1649.32)	
2058/059	1174.26	(300.39)	(1949.72)	
2059/060	1164.85	(249.08)	(2198.80)	
2060/061	1253.47	783.06	(1415.74)	
2061/062	1368.46	147.12	(1268.62)	
2062/063	1561.55	369.72	(898.90)	
2063/064	1567.15	138.70	(760.20)	
2064/065	1952.88	432.01	(328.18)	
2065/066	2339.31	(1250.06)	(1578.25)	
2066/067	2444.84	428.54	(1149. 71)	
2067/068	2737.86	742.58	(407.13)	
2068/069	3366.49	1090.77	683.65	
2069/070	3428.98	1078.54	1762.19	

The above table showed that despite continuous downturn from fiscal year 2055/2056 till 2059/2060, the positive profit comes back from FY2060/061. In 2065/2066, the Nepal government has decided to convert 10.25% redeemable preference share into loan and interest is charged from the initial period. At the same time, other decision has been taken place of rebate in tune of Rs.80 million to NAC. Therefore, there was very high amount of loss in the FY2065/2066. After that, the CAAN has been making the net profit every year. The CAAN has achieved the first time cumulative profit in 2068/069. The cumulative gain till F/Y 2069/070 was Rs.1762.19 million (CAAN Report, 2013).

## **HRD Policy and Endeavour**

Civil Aviation Academy is the training academy of CAAN. This academy has formulated five years strategic HRD plan. In addition, endeavors are made for uplifting the quality of trainings being provided by the academy to international level by acquiring the trainer plus associate membership from ICAO ( Civil Aviation Report, 2011/2012). The major Endeavour of CAAN is to provide the performance of CAAN in the field of infrastructure development, technological enhancement, regulatory compliances and institutional development. Their continued effort in maintaining the physical facilities, technological advancement and human resource development is targeted to build CAAN to emerge as model institution and main pillar of Nepalese economy. CAAN has also a plan to offer high level degree courses to eligible and suitable candidates on business management to enhance commercialism in civil aviation development practices.

## **Conceptual Understanding on HRD**

### ***HRD Culture and Philosophy of Management***

*A senior officer of civil aviation authority Nepal (CAAN) expressed his views that HRD culture and philosophy of management towards employees in his organization is partially favorable. It is yet to be understood to the top management that congenial HRD culture is extremely important in the organization (Interview, October 17, 2012).*

The effective development of human resources requires sound human resource management. If sound human resource management is in the organization, human resource development mechanisms can be easily applied. Several scholars have noted that managing and developing people is more difficult without management support and commitment. In this sense, the philosophy of management towards employees must be positive. Rapid development of information technology and learning habit of the people is gradually decreasing in each and every sector of organization. Without self- learning habit the development of people cannot be imagined.

*According to civil aviation report (2011), the major philosophy of CAAN management is to provide the performance of CAAN in the field of infrastructure development,*

*technological enhancement, regulatory compliances and institutional development. It indicates that the HRD culture and philosophy of management towards employees is positive. But, another senior officer said that the philosophy of management towards employees development is not absolutely positive in practice (Field Note, 7, December 2013).*

### ***Perception on HRD***

A senior officer of Civil Aviation Authority of Nepal undertakings are taking HRD as synonymous with training( Field Note, November 23, 2012). It is not only the training. But HRD is an overall development of the human resources. It is a human dimension of management. It develops competencies, leadership and overall managerial efficiencies of the employees. Human resource development is the process of helping people to acquire competencies. It uses various mechanisms to develop human competencies (Rishipal, 2011, p 24).

*The HRD mechanism may be performance appraisal, career development, organizational development, employees welfare, quality of work life, reward and punishment. These are linked with HRD. Another officer said that all the employees in CAA do not understand the importance of HRD culture and mechanisms (Field Note, 5, December 2012). The HRD culture and mechanism play a crucial role in the organization. The significance of HRD mechanism should be understood among the employees.*

Another research participant, a senior CAA official, expressed separate views: She also stated:

*"We have many lackings in human resource management and development. Performance appraisal is done only for promotion purpose. Top level management is appointed by the government ignoring qualifications and experiences. Government interference is day by day increasing. Recruitment , selection, placement, training and development and promotion system are limited in policy and law. Corporate culture is yet to be developed in the enterprises. Performance measuring system is defective. If we are strongly*

*committed to all levels specially from government and political party's side, we can make fundamental change in HRD practices. We can select human resource for learning, training and development according to needs and we can measure them according to efficiency and productivity" (Field Note, November 25, 2012).*

Hence, political support and commitment is very essential in order to achieve this goal. A free lancer said that most of the employees understood HRD as a training (Field Note, 3 January 2013). Another higher level officer of CAAN stated that HRD as a sub-system of improving organizational system, work process team and individual performance. It helps to prepare competent, qualified and skillful human resource for achieving individual and organizational goals (Field Note, Oct 5 2013). The researcher found that most of the employees understood HRD and its mechanism to some extent. They understood HRD only as a means of employees training. All the employees should be aware of the HRD culture and sub-system such as career development, performance appraisal, organizational development, employees welfare and quality of work life and reward system etc, all be tied up.

### **Concluding Remarks**

It examines the employees perception on HRD and management philosophy towards employees as well as the appropriateness of the conceptual clarity of HRD and its mechanism among different departments of Civil Aviation Authority of Nepal. It tries to address the issue that the concept, importance and mechanisms of HRD are familiar among employees or not. Based on the in-depth interview, observation, field surveys, questionnaires and direct interactions with the employees and stakeholders and keeping their assumptions into the consideration, the research found that all the employees of the CAAN are aware about the concept and importance of HRD to some extent. Most of the employees and even the management take HRD as training like the other organization, so there is not proper understanding of HRD mechanism. Similarly, due to the less favorable philosophy of management towards employees, HRD is not in proper understanding among employees of different departments such as Human Resource, Accounts,

Planning, and Administration etc. All the employees should be aware of the HRD culture and sub-system also.

### **HRD mechanism Practices**

#### ***Introduction***

Civil Aviation Sector is exclusively a technological sector, it has been providing HRD facilities to operate and practice human resources development mechanisms. According to Rao 2009, the HRD mechanisms generally adopted by the institutions were training and management development, performance and potential appraisal, feedback and performance coaching, career planning and development, reward and punishment, promotion, employees' welfare, quality of work life and human resource information system. The Civil Aviation Authority Nepal (CAAN) has been practicing the following HRD activities:

#### ***Training and Development Practices***

##### **Need Assessment**

*Need assessment system is not appropriate. Need assessment system is defective.*

*Performance evaluation is always neglected for need assessment purpose. A senior officer said that organizational analysis, demographic analysis, operation analysis and individual analysis is also neglected in need assessment purpose (Field Note, 23 July, 2013).*

Nomination has been made by the director general to the officer level employees for the participation of the study and training program has been conducted in the country, Similarly, assistant level employee has been nominated by DG or deputy DG who is nominated by DG. Nomination has been made on the basis of central committee decision( Employees service Rule,2056 B.S.).

*Employees are nominated on the basis of seniority and work efficiency as well as from the concern service sector related to the study. First priority is given to those employee who has not got the opportunity to participate in the previous T&D*

*program. Second priority is given to those employees who have a minimum of three years permanent job in the CAAN service. Third priority is given to those employees who need to train according to the nature and subject matter of the study. For this purpose, one year permanent service can be adequate ( CAAN Employee Service Rule,2056 ).*

### **Program Conducted**

Civil Aviation Authority of Nepal (CAAN) has been providing trainings to the aviation human resources in different faculties in Nepal and abroad. It has been providing training abroad on communication and navigation aid, air traffic services, and flight safety and aviation security. It has allocated budget of Rs.50 million for every fiscal year for training seminar, and workshop purpose. It is informed by the CAAN that approximately (200) two hundred employees have been getting the opportunity of training abroad and participating in workshops and seminars in the fiscal year 2011/012. For the purpose of training and development practices in Nepal, CAAN has its own training centre namely Civil Aviation Academy (CAA). CAA had established to provide quality training to develop professional human resources for aviation industry of Nepal and beyond in conformity with International Civil Aviation organization (ICAO ) provision. It is functioning as a sole institution to train manpower required for CAAN in the various disciplines like air traffic services and rescue and fire fighting services (Civil Aviation Report 2006).

*It has been providing training to the employees. It has been conducting different types of training through this Aviation Academy in the country. The academy is also engaging in the practices of training such as aviation security, radio maintenance, instructor orientation, approach control(Radar),VOR/ DME License and rating, and ATS Refresher. Till the end of 2011/012 fiscal year trainings on basic VOR/ DME, Radio communication and test equipment familiarization, Civil Aviation air regulation, pre-board passenger screening, AVSEC awareness, basic aerodrome rescue and fire- fighting have been conducted successfully (Civil Aviation Report, 2011/2012).*



Civil Aviation Authority of Nepal has conducted the following training courses still fiscal year 2011/2012.

The faculty wise distribution of training participants which was provided by CAA in Nepal from fiscal year 2008/2009 to 2011/2012 are also given below:-

**Table 4.25 Year Wise Training Participant in Nepal**

S.No.	Faculty	065/066	066/067	067/068	068/069	Total
1	ATS	92	131	124	69	416
2	Engineering	24	18	17	22	81
3	AVSEC	96	53	160	740	1049
4	ARFF	90	19	47	21	177
Total		302	221	348	852	1723
Percent						

*Source:-Civil Aviation Academy*

**Table 4.26 Number of employees benefitted by foreign training**

Number of employees benefitted by foreign training from 2064/2065 to 2069/2070

Subject/year	2064/065	065/066	066/067	067/068	068/069	069/070	Total
Training	56	94	154	195	145	151	795
Workshop	7	10	2	8	16	26	69
Seminar	2	11	10	12	8	20	63
Meeting	26	20	45	39	88	63	281
Conference	11	6	11	18	8	27	81
Total	102	141	222	272	265	287	1289

*Source: Civil Aviation Authority of Nepal, Head office*

The above table shows that foreign training is gradually increasing since fiscal year 2064/2065. There were five categories of the overall training activity identified. The highest number of staff was participated in foreign training at the fiscal year 2069/2070. It shows that the management of CAAN appears to have invested a considerable amount of money on foreign training and seminar.

### Training Opportunities in Foreign Countries

Training opportunities provided by the CAAN in foreign country is given in the following table:

**Table 4.27 Fiscal Year and percentage wise distribution of training participants**

S.N.	Fiscal year	No of Participants	Percentages
1	2064\2065	102	8
2	2065\2066	141	11
3	2066\2067	222	17
4	2067\2068	272	21
5	2068\2069	265	21
6	2069\2070	287	22
	Total	1289	100

The CAAN has been providing different types of training opportunity to its employees in different countries. The above table shows that the highest no of employees participated in foreign training in the fiscal year 2069/070 for last six year. Meanwhile the lowest number of training opportunity was provided in the fiscal year 2064/065. It indicates that the training practice in CAAN is gradually increasing in every fiscal year. Abroad training, Meeting, Study and conferences attended by CAAN human resources:- Number of employees benefitted by foreign training for 1999 to 2005 is given the following table:

**Table 4.28 Course wise distribution of training participants**

Course Title/Year	1999	2000	2001	2002	2003	2004	2005	Total
High level Degree	14	14	18	18	23	17	45	149
Study Visit	29	27	16	4	24	3	20	123
Meeting	22	11	4	14	21	16	18	106
Training/	24	43	16	12	21	15	16	147
Seminar/workshops	12	7	7	18	17	23	19	103
Conferences	1	5	2	5	4	8	3	28
Total	102	107	63	71	110	82	121	656

Source:-CAAN, Civil Aviation Report, 2006

The above table shows that foreign training trend of CAAN is fluctuating and needs assessment system is defective. There were 6 categories of the overall training activity identified up to 2005. The total number of participants were 656 attended in foreign training at the end of 2005. It shows that the management of CAAN appears to have invested a considerable amount of money on human resource development. HRD of 2005 reveals that CAAN has made considerable investment on the provision of abroad training and long/ short term courses to its employees in the field of management and operations. The highest numbers of staff were participated in foreign training in the year 2005.

### **Program Evaluation**

*Program evaluation is done on the basis of work performance. Sport evaluation is also done by asking the question about the training effectiveness to the trainees. Generally, these programs are evaluated which were conducted by the Civil Aviation Academy. A senior officer said that a separate training evaluation committee should be formulated by the CAAN for effective evaluation of the training program (Field Note, 29, December 2013).*

### **Service after Completion of Training and Study**

It is the practice in the organization that the minimum service period after completion of the study and training is stated below (CAAN Employee Service Rule, 2056).

1. One month to three month--Two years of service
2. Three month to six month-Three years of service
3. Six month to nine month-Four years of service
4. Nine month to One year- Five years of service
5. Above one year-Seven years of service

The CAA is functioning as a sole institute to train and produce skill and professional aviation human capital required for the CAAN in various disciplines. The training programs were conducted by Civil Aviation Academy at the premises of Academy.

### ***Performance Appraisal Practice***

Performance appraisal is designed by the CAAN to achieve the employees' promotional goal. According to Employee Service Rule, an employee whose performance is more excellent, obtained 40 marks against his/her performance. The process of performance appraisal is given as under. First of all, appraisee fills the performance appraisal form up to 15th of Ashad every year. If appraisee didn't fill the form, his/her performance is not appraised. The allocation of marks is given bellow:

1. Supervisor: 25 marks
2. Reviewer: 10 marks
3. Review committee: 5 marks
4. Total performance evaluation marks: 40

A rating scale is used for allocating marks for level 12 officer. The rating scale is given as follows:-

**Table 4.29 Rating scale for allocating marks**

Appraiser	Very Good	Good	Simple	Low
Immediate Supervisor	6.25	5	4	3
Reviewer	2.5	2	1.5	1
Review Committee	1	0.75	0.50	0.25

A rating scale is used for allocating marks for level 6 to 11 officers. The rating scale is given as follows:-

Appraiser	Very Good	Good	Simple	Low
Immediate Supervisor	6.25	5	4	3
Reviewer	2.5	2	1.5	1
Review Committee	0.5	0.375	0.25	0.125

A rating scale is used for allocating marks for assistant level. The rating scale is given as follows:-

Appraiser	Very Good	Good	Simple	Low
Immediate Supervisor	6.25	5	4	3
Reviewer	2.5	2	1.5	1
Review Committee	1	0.50	0.25	0.25

Firstly, immediate boss or supervisor appraised the description of work performance and achievement. He ranked in 4 levels such as : more excellent, excellent, general and low. Supervisor should clearly spell out which work is most excellent and which one is low. If any work isn't completely performed by the appraisee, appraiser should be given the reason. He clearly spelled out the endeavor of the appraisee and recommend with comments.

Secondly, evaluate the output of an individual employee or evaluate the level of work performance. Level of work performance is very important part of the performance appraisal system. Supervisor and reviewing officer evaluate the work performance level. The performance level is divided into four parts such as: overall quantity of the work performance, overall cost of the work performance, overall time of the work performance and overall quality of the work performance and rank them into four levels, such as more excellent, excellent, simple and low. Supervisor and reviewing officer provide marks on the basis of the level of work performance.

Lastly, evaluation is done by reviewing committee. Reviewing committee evaluates the personal quality and behavior based on the employees, rank and responsibilities and also provides performance evaluation marks for their promotion purpose. In case of higher level officer, working capacity is evaluated on the basis of their rank. While evaluating the personal quality and behavior, secrecy, honesty, and emotional behavior are to be evaluated. In case of middle and lower level officer, knowledge, skills, honesty, secrecy, attitudes, emotional behavior and working capacity

is evaluated and provide performance evaluation marks for their promotion purpose (Civil Aviation Authority Employee Service Rule,2056).

*A senior officer of HRD department agreed that a performance appraisal system is formal, structured system designed to measure the actual job performance of an employee against designated performance standards ( Field Note,January,5,2013).*

" Performance appraisal represents, in part, a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers" (Shahzad,Bashir & Ramay,2008,p.340, as cited by Rathnaweera R.

Rathnaweera N. Thanuja,2010).

Performance appraisal activities in CAAN take a more formal, set criteria, and not for scientific and practical. The policy, rules and practices are defective. There was significantly difference between policy and practice. According to Rao the potential of performance appraisal systems as instruments of HRD. But, it has not yet been realized in public sector organization of Nepal. The Vast majority of the employees selected for study agreed that performance appraisal system is not transparent. It should be transparent. Career development should be made through performance evaluation. Existing performance appraisal system has made performer to non-performer. It is the major problem of the organization.

### ***Career Planning and Development Practice***

Career development is "those personal improvements one undertakes to achieve a personal career plan" (Werther & Davis,1997, p377) . First of all, career plan should be made by the employees for their career development. Meanwhile, career development strategy should be prepared by the organization to provide future direction. These opportunities are few in CAAN for employees. Nepalese PEs offer jobs not career to employees.

A senior officer agreed that career development is essential to implement career plan in the organization. The formal education and promotions are the integral part of career development in the CAAN. ( Field Note,January,23,2013).

*CAAN has adopted the policy to provide regular training and study as well as promotion opportunities to the employees in accordance with requirement of CAAN. CAAN has been encouraging to its employees for their career growth. For this purpose, it has provided many opportunities, such as formal study and training inland and abroad, promotion and transfer, etc (Employee Service Rule, 2056).*

### **Formal Study**

An employee who has been selected for study and training in inland and abroad, is provided up to three years study leave with full salary. But he should be promised to serve certain years after completion of the study. He should have a minimum of three years of experience to be completed as a permanent employee to become potential candidate for the study leave.

### **Promotion system**

The CAAN rule has a provision to promote in the vacant positions to its employees in accordance with the recommendation of recruitment and selection committee. Promotion of the employees is done by the CAAN through performance evaluation, internal competition and special provision. A person who becomes potential candidate after the completion of the following years of experience as a permanent employee in the CAAN can be eligible candidate :

1. Assistant level to assistant -3 years
2. Assistant level to officer -4 years
3. Officer level to officer level -3 years

*In case of female employee, one year rebate is provided in the above experience requirements. In addition the above experience, minimum educational requirements are to be fulfilled (field Note, march 10, 2013).*

There are three types of system adopted by the CAAN for employees' promotion. These are internal competition, performance evaluation and special promotion system.

### **Promotion through Performance Evaluation**

The recruitment and selection committee recommends the names of those employee who gets the highest marks in their work performance. The apportionment of the performance appraisal marks are given below:

1. Seniority	30 marks
2. Educational qualification	15 marks
3. Work at geographical reason	12marks
4. Training	3marks
5. Performance evaluation	40 marks

### **Promotion through Internal Competition**

*According to employees service rule ( 2056,12th amendment ,2068), CAAN has a provision to promote its employees on the basis of internal competition and qualification. Written test, practical test and interview is taken for selection. A person, who obtained highest marks from written test and interview, can get promotion. Internal competition is based on three criteria. Such as written test, practical test and interview. An employee who passed the written exam, he/she will be qualified for practical test and interview. The criteria for internal competition is made and recommended by the selection and promotion committee and approval has been made by the acting committee. The full marks of the written exam and practical test is eighty percent and remaining twenty percent for interview.*

### **Promotion through Special Provision**

CAAN has a system to promote its employees as a special provision. A person who has been working for the last fifteen years as a permanent employee in the same post and obtained 80 percent average performance evaluation marks continuously for the last three years will get special promotion one time in his/her service period. For this purpose, required educational qualification will not be compulsory for promotion. Special promotion is done only one time in a year.



### ***Employee Welfare and Quality of Work Life***

*The principle of employees welfare programmes is to provide some welfare facilities to those employees who have been working at lower level in the organization usually performs relatively monotonous tasks and have fewer opportunities for promotion or change. In order to maintain their work commitment and motivation, the organization provides the same welfare programs, such as medical insurance, disability insurance, holidays, vacations, additional sick leave etc. But a senior officer of CAAN said that all types of employees whether they are lower level or higher level equally obtained employees' welfare benefit in his/her organization (Field Note, 13, March 2013).*

Meanwhile, a senior officer of civil aviation academy says that

*"quality of work life generally focus on employee needs and meeting these needs to the extent feasible, such as job enrichment programs, educational subsidies, recreational activities, health, medical benefits, open communication, equitable reward system etc. used in some extent in his/her organization" (Field Note, 13 March, 2013).*

### ***Reward System***

Rewarding good performance has a motivational value for those who are good performers (Rao, 2009). It plays an important role for the development of human resources in the organization. It is used to motivate the employees for better performance in the organization. Reward is based on work performance (Field Note, March 16, 2013). CAAN has adopted the rewards distribution system to encourage and develop to its employees for the recommendation of reward recommendation committee. Any employees whose performance is excellent and (Aanukaraniya) is awarded with cash up to Rs one lakh and certificate per year for one person as a 'Academic Service Reward' first. Any employee whose performance is excellent he/she is awarded with cash prize up to Rupees twenty thousands and certificate per year for five persons. Meanwhile, any employee whose performance is excellent is awarded five grades as salary increment per

year for ten persons. Any employee who must work a minimum of three years as a permanent staff to obtain rewards (Civil Aviation Authority Employee service Rule, 2056).

### **Concluding Remarks**

This Sector is exclusively a technological sector, it has been providing HRD facilities to operate and practice human resources development mechanisms. The HRD mechanisms generally adopted by the CAAN were training and management development, performance and potential appraisal, feedback and performance coaching, career planning and development, reward and punishment, promotion, employees welfare, quality of work life and human resource information system. In this sector need assessment system is defective. Organizational analysis, demographic analysis, operation analysis and individual analysis is also neglected in need assessment purpose. It has been providing training on communication and navigation aid, air traffic services, flight safety, and aviation security. It allocated budget of Rs.50 million for every fiscal year for training seminar, and workshop purpose. The highest no of employees participated in foreign training in the fiscal year 2069/070 B.S. during previous six year. CAAN has its own training centre namely Civil Aviation Academy (CAA). CAA had established to provide quality training to develop professional human resources for aviation industry of Nepal and beyond in conformity with International Civil Aviation organization (ICAO ) provision.

It has provided training opportunities to the 1723 employees in Nepal, for last four years. Program evaluation is done on the basis of work performance. Performance appraisal is designed by the CAAN to achieve the employees' promotional goal. Performance appraisal activities in CAAN is more formal and not scientific and practical. Career development should be made through performance evaluation. CAAN has been encouraging to its employees for their career growth. For this purpose ,it has provided many opportunities, Such as formal study and training inland and abroad, promotion and transfer, etc. In CAAN, all types of employees whether they are lower level or higher level equally obtained employees welfare benefit in this organization.

Quality of work life generally focuses on employees needs and meeting these needs to the extent feasible such as job enrichment programs, educational subsidies, recreational activities, health, medical benefits, open communication, equitable reward system etc. used to some extent in his/her organization. CAAN has adopted the rewards distribution system to encourage and develop to its employees for the recommendation of reward recommendation committee.

### **Problems and Challenges**

The core problems and challenges behind HRD in CAAN was lacking of competency among different field of work. In addition to this, lack of proper recruitment and selection system. According to in-depth interview, focus group discussion and direction interaction among management and senior employees, the major HRD problems and challenges in their organization were overstaffing, political influence and intervention, over load to lower staff, unclear vision and goal, nepotism and favoritism, lack of supervision and monitoring, lack of favorable work environment, lack of trade union management, lack of skill and attitude, lack of transparency, lack of compliance with employees' rules and regulation, lack of favorable HRD culture and climate etc. Likewise, according to senior officer of CAAN the challenges of HRD are qualitative improvement and up gradation of existing human resources capacities, adaptation of modern technologies and equipment handling through existing human resources, production of capable manpower to handling modern technologies and equipment, retention of qualified inspectors and plan for recruitment and replacement addressing the problem of growing retirements in vital areas, maintenance of professionalism in aviation business, development and adaptation domestic legislation in tandem with the provision of international convention and protocols (CAAN 11th anniversary souvenir , 2009). The detail HRD problems are :

#### ***Lack of Proper Recruitment and Selection System***

*According to a senior officer, people are not placed in the principle of right man in the right place. The interest of the person should be matched in the job. There is no*

*clear job description, trained manpower is placed in the wrong place and unfavorable work environment ( Field Note,14 January ,2013).*

### ***Lack of Proper Authority Delegation***

*According to a senior officer delegation and decentralization of authority is not properly implemented in this organization. Employees' service rule is not properly implemented in this organization (Field Note ,17 Jan 2013).*

He further said that there is no compliance of HR rules and regulation properly in term of authority delegation.

### ***Over Load to Lower Staff***

In this organization, lower staffs are always overloaded and qualified and trained manpower are always neglected. They are suffering from career development opportunities. For this purpose need analysis is very weak (Field interview, 17, January, 2013).

### ***Political Influence***

According to a senior officer, there is the tendency of the political influence that in some ways, political worker and supporter enter into the organization as employees. These employees dictate and interfere the terms for the workers making the organizational goal in jeopardy. They interfere the selection of employees for HRD (Field Note, 13,march 2013). It directly affects the need assessment for human resource development.

### ***Unclear Vision and Goal***

The organizational vision, mission and goal is unclear which directly affects the HRD practice. The way to develop the organization is to increase the productivity of the employees by adopting, new and modern organizational structure.

### ***Lack of Transparency***

Transparency is also lacking in service sector. The performance evaluation marks were not communicated to employees. The performance appraisal was not discussed with the

employees. It should be discussed among them. The opportunity should be provided to improve their performance. It should be open among employees.

### ***Trade Union Management***

Establishment of trade union was a major problem and Management of it was the challenge in the organization. There was another three separate political organizations in corporate in the CAAN. These unions raised different issues related to the increment in the facilities of the employees that were very higher rather than the increase in the work performance. The other issues related to terms and facilities of the employees had got priority rather than the issues related to policy, strategy and working plan for the improvement of the capacity of employees and company as a whole (CAAN HR Department, 15, January, 2013). But trade union and professional political unit was not only hindrance to the organization. Trade union has been working in creative activities for the development of competencies of the employees and enhancement of the capacity of the organization and achieving the individual as well as developmental goals of the nation.

### ***Nepotism and favoritism***

An officer of human resource department argues that Nepotism and favoritism are always hindrance for HRD. Reduction or complete removal of nepotism, favoritism, corruptive practices and any other discrepancies in the organization is vital (Field Note, 11, January, 2013).

### ***Lack of Favorable Work Environment***

Work environment and tasks is not match with the changing technology which directly affects the HRD in the organization. Emphasis should be given to human machine inter-phase, commitment to performance, loyalty to the organization, treating human resource as a whole and proactive approach (Field Note, 7, February, 2013).

### ***Lack of Supervision and Monitoring***

A senior officer of Civil Aviation Academy said that  
*"Continuous monitoring, proper supervision and feedback mechanism is not developed in the organization. It helps to need assessment for HRD. Without monitoring and supervision of employees performance the organizational effectiveness cannot be imagined"* (Field Note, 7, February, 2013).

### ***Lack of Favorable Management Philosophy***

A senior officer said that the HRD culture and philosophy of management towards employees in the CAAN is not absolutely conducive for the development of the employees and organization as well ( Field Note,25,August,2013). He further said that poor HRD philosophy has existed and fails to meet the requirements of HRD system framework in the organization.

### ***Lack of Skill and Favorable Attitude***

*Most of the employees of the CAAN are qualified. They have sufficient knowledge related to civil aviation function and activities. They are able to implement plan and policy. But, there is the lacking of skill and attitude of the CAAN employees. According to a senior officer of CAAN, it cannot be succeeded without the change of attitude of the employees* (Field Note, 25 August ,2013).

Lack of discipline and low productivity are the weakness of HRD in service sector. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. It is the major problem of the Asian countries. The organizational structure should be revised to enhance the effectiveness of HRD mechanisms in the current national situation. Continuous monitoring, proper supervision and feedback mechanism are not developed in the organization.

### **Concluding Remarks**

There are so many problems and challenges behind HRD in CAAN that were lacking of competency among different fields of work. In addition to this, lack of proper recruitment and selection system, lack of proper need assessment for further study and training, lack of skill and attitudes among the upper level to lower level employees.

CAAN is not absolutely conducive for the development of the employees and organization as well. Nepotism and favoritism has become always a hindrance for HRD. Work environment and tasks are not matched with the changing technology which directly affects the HRD in the organization. Establishment of trade union was a major problem and Management of it was challenge in the organization. There was another three separate political organization in corporate in the CAAN. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. Transparency is also lacking in CAAN like other sector. The organizational structure should be revised to enhance the effectiveness of HRD mechanisms in the current national situation. The performance evaluation marks were not communicated to employees, so it should be improved.

### **Effectiveness of HRD Practice**

#### ***Duty Performed***

According to a senior officer "Some of the strategies are measured highly strength and they are performing better results. Some of them are not performing so much satisfactory results so far"(Field Note, 27 May ,2013). According to him, If HRD is effective in the organization, it is able to achieve the following listed output in human resources. In his organization, all the following listed outputs are not achieved properly such as successful planning, conflict management and change, environmental adaptation.

*Mool (2009) said that "CAAN should encourage adequate decentralization, unity of command and line of responsibility clearly to its employees. Channel of communication should be free and span of control should be legitimate not wider and not too narrow without split in line with control" (CAAN Souvenir,2009 ,11th anniversary publication).*

#### ***Establishment of Employees Training Academy***

The beginning of employee's training institution is a part of the measure of effectiveness of HRD in the organization. The CAAN has a separate training academy to train its employees. It indicates that CAAN is conducting various types of training program in the country. There were broadly two types of training generally provided to the employees for skill development such as pre- service training and in-service training.

*A senior officer said that pre-service technical training and in-service technical training are provided by the CAA which was effective (Field Note, 23December 2013).*

Without establishing training institution the effectiveness of HRD cannot be imagined in the organization. Establishment of training Academy is a major indicator of evaluation of effectiveness of HRD. Trained employees perform the duty successfully and can achieve the individual as well as organizational goal.

### ***Improvement in Profit Margin***

CAAN is a self-governing government body. The main income sources of CAAN are the service charges and royalty that it gets from airport and air navigation operations. The CAAN has been making the net profit in every year since F/Y2060/2061.

*The CAAN has achieved the first time cumulative profit in 2068/069. The cumulative gain till F/Y 2069/070 was Rs.1762.19 million.(CAAN Report2013). The improvement in profit margin indicates that HRD practice in CAAN is more effective than other organization.*

### ***Improve Competency***

Employees are competent to perform their duty well most in technical sector. They are competent to solve any technical problems in the organization. The administrative staffs are also able to extend the development of the organization. They are able to make proper plan and policy to enhance employee's competency in the organization. It indicates that HRD programs adopted by the organization are able to improve competency of the employees. But, existing performance appraisal system cannot help to improve competency of the employees .The performance appraisal system is defective.

### ***Increase Job Satisfaction***

In-depth interview indicates that most of the employees are satisfied in their job .A senior officer of administration department said that the quality of work life is favorable. The working environment is so good. The superior trusts the junior's work



performance. They have adequate skill development opportunities provided by the organization frequently (Field Note, 21, December 2013). Job related trainings were provided continuously. Career development opportunities were adequate. The promotion is done frequently in the organization. Effective HRD program facilitates employees' job satisfaction. The CAAN has been providing different types of training opportunity to 1289 employees in different countries for the last six years. Meanwhile, it has been providing different types of training opportunity to 1723 employees for the last four years in Nepal through Civil Aviation Academy.

### **Concluding Remarks**

The effectiveness of HRD depends on quality of manpower. In this globalized business environment, the competent human resource is needed. Without successful preparation and practice of HRD mechanism the effectiveness of HRD cannot be imagined. In CAAN some of the strategies are measured highly strong and they are performing better results. Some of them are not performing so much satisfactory results so far. The CAAN has separate training academy to train its employees. It indicates that CAAN is conducting various types of training program in the country. Without establishing training institution, the effectiveness of HRD cannot be imagined in the organization. The CAAN has been making the net profit in every year since F/Y2060/2061. The CAAN has achieved the first time cumulative profit in 2068/069 B.S. The cumulative gain till F/Y 2069/070 was Rs.1762.19 million. The improvement in profit margin indicates that HRD practice in CAAN is more effective. Employees are competent to perform their duty well. Most of the employees are satisfied in their job.

## Part- V

### Nepal Oil Corporation Limited

#### Background

Nepal Oil Corporation Ltd (NOCL) is an organization established under the corporation act in January 1970 as an undertaking of the government of Nepal. An Establishment objective of this organization is to import, store, sale and distribution of various petroleum products in the reasonable price in the country. Nepal Oil Corporation Head office is in Kathmandu. It has five Regional Offices, nine Fuel Depots, seven Aviation Fuel Depots, and three Branch Offices, in different places. Fuel depots with total storage capacity of 71,558 kiloliters and 636 employees have been working in NOC (Pravat, 2069) .

#### Present Activities and Future Plan

The present activities and future plan of NOC are given as under:

1. Import, sales, storage and distribution of petroleum products in the country
2. Construction of petroleum product pipelines from Raxaul to Amlekhgunj
3. Expansion of storage capacity of the Depots all over the country
4. Maintenance, firefighting, safety and up gradation of Depots
5. Modernization of Depots and procurement of lab equipment
6. Monitoring and supervision of sales and distribution of petroleum products
7. Continuously provide the petroleum products in the country

#### Performance and Achievement

*According to a senior officer of planning department, the demand of oil energy of Nepal is becoming more dependent on petroleum product. The motor spirit petrol(MS), High speed diesel(HDS), Superior kerosene oil(SKO), Aviation turbine fuel or jet fuel(ATF), Liquefied petroleum gas(LPG) demand of product is about 1.5 Million Ton(MT) per annum with annual increased by 20 percent petroleum products constitute about 11 percent total energy consumed in Nepal. The NOC has been continuously providing to the Nepalese people of the above petroleum products (Field Note, 4,January 2014).*

The performance and achievement activities is shown in the following table.

**Table 4.30 Import of Petroleum Products**

Import of Petroleum Products between 2007/2008 to 2011/2012

*Quantity In KL*

Product/Years	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
Petrol(MS)	101624	128372	162902	188082	202467
Diesel(HSD)	303212	489219	608067	652764	653560
Kerosene Oil	152168	77799	52714	43399	41609
Jet Fuel	68534	74306	82824	99990	109904
LP Gas(MT)	96837	115813	141171	159286	181446
Furnace Oil	2940	2188	2612	1434	440
Light Diesel	308	380	240	228	-

*Source : Supply Distribution and Aviation Department, Pravat, 2069*

**Table 4.31 Sales of Petroleum Products**

Sales of Petroleum Products between 2007/2008 to 2011/2012

*Quantity in KL*

Product/Year	2007/2008AD	2008/2009	2009/2010	2010/2011	2011/2012
MS	100842	124169	162274	187641	199486
HSD	302706	466468	612505	655128	648612
SKO	155216	70089	55788	49495	41807
ATF	68938	68935	82631	101314	109808
LPG in MT	96837	115813	141171	159286	181446
FO	2919	2171	2589	1415	435
LDO	306	377	238	227	-

*Source: Supply, Distribution and Aviation Department, Pravat 2069*

**Table 4.32 Profit and Loss Position**

S.N.	Fiscal Year(AD)	P&L Amount	Remarks
1	2007/2008	(5,57,44,39,710/)	
2	2008/2009	3,31,41,02201/	
3	2009/2010	(83,99,04,958/)	
4	2010/2011	(5,10,74,50,571/)	
5	2011/2012	(9,52,55,25,764/)	
6	2012/2013	(2,05,42,82,491/)	

*Source: NOC, Account Department, Head Office*

The above table shows that the profit position of NOC is shown in F.Y.2008/2009 Rs3,31,41,02201/ in the last six year. The NOC is going to loss a large amount every year. The P&L position indicates that the performance and achievement of NOC is not effective.

### **HRD Policy and Strategy**

NOC has formulated some HRD strategy and policy. These strategies and policies are given here under. But, implementation part is very weak. These are :To establish central training institute, Restructuring training and development unit, To provide HRD opportunities for the development of human assets, Make training central to career development, Prepare three years medium-term training plan, Equip training centers with modern training facilities, Conduct all types of training program itself, Develop training curricula for each group of staff categorized for their career path development on the basis of training need assessment, Conduct pre-service training to the new comers before placing them in a practical job, Conduct on-the-job training for those staff who need to enhance their skills and attitude for qualitative customer services delivery and Provide job related training to the staff before assigning them the higher responsibilities (Policy& Strategy adopted from Pravat, 2066).

## Conceptual Understanding on HRD

### ***Perception on HRD***

*A senior official and head of human resource department of Nepal Oil Corporation Limited stated that human resource development is the least concern in public sector organization due to the culture of organization. In addition, if the organization is suffering from loss the human resource development suffers the most. He further clarified the concept of HRD, giving four points such as, combination of human resource development mechanisms, increase the learning capacity of the employees and developing the human resource for minimizing the gap in achieving organizational and personal objectives which are the most appropriate meaning of HRD in public sector organization (Field Note, November 27, 2012).*

Meanwhile, another senior officer and head of administration department of Nepal Oil Corporation Limited says that HRD is concerned with developing competencies of people in organizational settings, when they also acquire competencies such as knowledge, skills, attitudes, experiences and growth potential (Field Note, December 3, 2012).

He further stated that human resource capacity building is synonymous to HRD. It is defined as the development of competencies and human power for increasing productivity.

A senior official of account department of the Nepal Oil Corporation limited clarified that HRD is the development of competencies and human power for increasing productivity and empowerment for seeking success to find and create more success (Field Note, December 9, 2012).

### ***Understand HRD Mechanism***

A focus group discussion conducted in NOC office 11 Nov 2012 to know the employees' understanding on HRD mechanism, they concluded that training and development, performance appraisal, career development, reward and punishment, promotion, employees' welfare and quality of work life are the HRD mechanisms practice

in the oil corporation (FGD, 11Nov,2012). Generally ,all employees understand HRD as a training even then focus group discussion concluded the above as HRD mechanisms.

### ***HRD Culture and Philosophy of Management***

A HRD officer said that If the philosophy of management towards employees is positive, training and development, performance appraisal, career development mechanism makes the employees and management coordinative, enthusiastic and result oriented which helps to improve individual as well as organizational goals (Field interview, 5 Dec2012). Another officer says that practice of HRD culture is nominal. Right HRD culture should be adopted for better performance of the organizations as a whole. (Field Note, 7 Dec 2012). Most of the employees do not understand HRD culture in the organization absolutely. In Nepalese PEs carrying culture and curing culture should be maintained properly.

### **Concluding Remarks**

Most of the employees of NOC understood HRD concept and importance to some extent. They understood HRD as a training. Some of the employees said HRD is a combination of human resource development mechanisms. It is important to achieve individual and organizational goals. Some said human resource capacity building is the synonymous to HRD. An officer clarified that HRD is the development of competencies and human power for increasing productivity and empowerment for seeking success to find and create more success. An officer said that If the philosophy of management towards employees is positive, training and development, performance appraisal, career development mechanism make the employees and management coordinative, enthusiastic and result oriented which helps to improve individual as well as organizational goals. Most of the employees even than do not understand HRD culture in the organization absolutely. In NOC, carrying culture and curing culture should be managed properly.

### **HRD Mechanism Practice**

The Nepal oil corporation limited practices the following HRD mechanisms to some extent. A senior officer said that these mechanisms have been able to improve the

productivity of the employees to achieve the goals of organization and capacity development of individual to some extent (Field Note, 25 Dec. 2012).

### ***Training and Development***

#### **Need Assessment**

The training and development need assessment is done by the management itself. There is no scientific criteria for need assessment in the organization. Training and development need is not regularly assessed in the organization. Top level management and the responsible officials interfere the need assessment. Need assessment is done on the basis of management interest and providing opportunities (Field Note, December 18, 2013).

*According to Employee Administration Rule (2063), chairman of operating committee of NOC has a right to select for management development study tour to chief executive officer. Meanwhile, CEO has a right to need assessment to all employees for training and study according to organizational requirement. A senior officer said that training course should be designed by assessing the training needs of the target group of participants (Field Note, 26, December 2013).*

#### **Participation in Training Program**

*According to deputy manager of NOC, NOC is growing its tendency towards building its personnel's capabilities, knowledge and attitude with the help of providing the training and development activities. She also said that NOC has started to participate various types of training programs from time to time from the last fiscal year 2064/2065 (field Note, 24 December 2013).*

Another officer said that "Training and management development mechanism is a network set by the organization which manage the specific training to the employee so that the modern challenges of organization can be solved "(Field Note, 17,Dec,2012). Mainly they have been participating administrative training, technical training, such as management training, operation training, mechanical training, managerial training, and computer training etc. Researcher asked a question to an officer about the expected

outcomes of training. The question was that what type of outcome is expected by your organization from training and development initiatives? The answer was expected to improve capacity building, capacity utilization and to build up result oriented man-power in the organization. For the effectiveness of training program participants would be selected on the basis of set selection criteria and need basis. Training manual, documentaries, audiovisual and other necessary training materials should be prepared in advance before conducting training. But, even NOC has not conducted any types of training itself.

**Table 4.33 Total Number of Training Programs Participated by NOC Staff**

S.N.	Country/year	2064/065	065/066	066/067	067/068	068/069	069/070	Total
1	Domestic	1	6	39	28	7	12	93
2	International	5	15	6	-	1	-	27
	Total	6	21	45	28	8	12	120

*Source: Beeni Shrestha, NOC, Head Office*

The table shows that NOC employees participated in 93 domestic training program in the last six years. Meanwhile, NOC employees participated in 27 international training program in the last six year.

**Table 4.34 Average Number of participants Participated in Various Program**

S.N.	Subject/year	2064/065	065/066	066/067	067/068	068/069	069/070	Total
1	Technical	4	2	14	6	2	8	36
2	Account	2	8	18	10	-	4	42
3	Computer	4	2	8	8	-	2	24
4	Management	2	30	50	32	14	10	138
	Total	12	42	90	56	16	24	240

*Source: Beeni Shrestha, NOC, Head office*

The table shows that highest 138 number of employees participated in management training program in the last six year. And lowest 24 employees participated in computer training during that period. It is not appropriate for this big organization.



### **Program Evaluation**

Training program must be evaluated according to set criteria. Evaluation and monitoring of training program would be conducted to ensure the use of training skills in practice while working in respective field of work. A deputy manager of Human Resource Department said that NOC has just started to supervise and monitor the impact of training (Field Note, 26, December 2013).

### ***Performance Appraisal***

There are two types of performance appraisal systems practiced in Nepal Oil Corporation limited also. These are formal and informal. Formal performance appraisal system is a set system like other organization. It is an ongoing process. In this process evaluation is done at periodic intervals and compare actual performance with standard performance. Informal system is not a set criteria. It is used by the senior supervisor or manager informally. In this practice, they review and judge the actual performance of subordinates on the basis of their perception and impression. If they think necessary, they provide suggestions or guide the subordinates for improvement (Field Note, Dec19,2012). The performance appraisal practice of the corporation is given bellow:-

Performance appraisal is done at least from one level senior officer or supervisor. Performance appraisal form is filled by the candidate ( appraisee) on the basis of Shrawan first to Ashad end's performance every year. For the performance evaluation purpose, the supervisor, reviewer and review committee is in existence in the corporation.

*According to employee administration regulation ( 2063), for the performance evaluation of the employee some systems have been adopted. The supervisor, reviewer, and review committee are in the main authority of employee's performance evaluation. Performance evaluation is done only for promotion purpose.*

The total performance evaluation marks is 50 marks. The performance evaluation mark of the employees is divided into the following basis:

- |                                   |          |
|-----------------------------------|----------|
| 1. Maximum supervisor's marks     | 24 marks |
| 2. Maximum reviewer's marks       | 16 marks |
| 3. Maximum review committee marks | 10 marks |

Supervisor, reviewer and review committee evaluate the employee's performance and give the marks on the basis of performance evaluation form filed by the concern employee. Employees self file up the first performance appraisal form with job description and achievement as well as supervisor should give his opinion with signature on the job description and achievement.

Meanwhile, second performance level evaluation form is filed by the supervisor and evaluate the performance level such as quality of work performance, capacity of responsibility adopted, capacity of decision making, capacity of independent in any decision making process. Out of them, secrecy, discipline, order acceptance should be filed by the concern employees itself. All the above performance level is evaluated by the supervisor and gives the marks based on their performance. Secondly, reviewer review all the activities filed by the employee and supervisor and gives the marks based on their performance. Thirdly, review committee evaluates employees' personal traits and character such as discussion and talking capacity, knowledge and skill in subject matter, capacity of responsibility, capacity of organizing and thinking for officer level employees and gives the marks based on their performance. Likewise, review committee evaluates personal traits and character of assistant level employees such as knowledge and skill of subject matter, interest in concern work, capacity of secrecy, regular presence/honesty/morale/discipline / use of wisdom and capacity of work and gives the marks based on their performance. The rating scale is given the following:

A rating scale is used for allocating marks for the employees. The rating scale is given as follows:-

**Table 4.35 Rating Scale Allocating Marks**

Appraiser	Very Good	Good	Simple	Low
Immediate Supervisor	3	2.5	2	1
Reviewer	2	1.5	1	0.5
Review Committee	2	1.5	1	0.5

*Source: Employee Administration Regulation, 2063, Nepal Oil Corporation Limited*

A rating scale is used by supervisor for allocating marks for the employees is given as follows:

**Table 4.36 Rating Scale By Supervisor**

S.N.	Performance level					
		Level	Excellent	Best	Simple	Low
		marks	3	2.5	2	1
1	Quality of work					
2	Capacity of responsibility behave					
3	Capacity of decision making					
4	Capacity of independently work					
5	Secrecy, discipline etc.					
6	Special work capacity first					
7	Special work capacity second					
8	Special work capacity third					
Total			24			

Maximum Supervisor can provide up to 24 marks who obtained excellent in all work performance level. The number 6, 7, and 8 should be filled by the employees themselves. Meanwhile, a rating scale is used by reviewer for allocating marks for the employees is given as follows:

S.N.	Performance level					
		Level	Excellent	Best	Simple	Low
		marks	2	1.5	1	0.5
1	Quality of work					
2	Capacity of responsibility behave					
3	Capacity of decision making					
4	Capacity of independently work					
5	Secrecy, discipline etc.					
6	Special work capacity first					
7	Special work capacity second					
8	Special work capacity third					
Total			16			

*Source: Employees Administration Rule, 2063*

The review committee provides maximum of 10 marks based on personal traits and character of the employees. The allocation of marks is given in the above analytical table.

For providing performance, evaluation marks, supervisor, reviewer and review committee follow the performance evaluation principle which indicated in the employee administration rule and regulation 2063.

## ***Career Planning and Development***

### **Further Study and Training**

According to the provision of the employees' administration rule (2063), NOC can provide training and further study opportunities in foreign countries to its employees for their career development. After completion of the study following period would be compulsory served by the employees in the NOC.

- |                                    |                    |
|------------------------------------|--------------------|
| 1. 6 month training and study      | 2 years of service |
| 2. Up to 1year training and study  | 3 years of service |
| 3. Above 1 year training and study | 4 years of service |

### **Promotion System**

There are four types of promotion system adopted by Nepal Oil Corporation Ltd. These are promotion through performance evaluation, promotion through special provision, promotion through level enhancement and promotion through internal competition. The detail of the system is given below:

#### **Promotion through Performance Evaluation**

In the vacant post, employees have been promoted through performance evaluation on the following basis such as performance evaluation, seniority, educational qualification and training, experience of geographical region and special responsibility and accountability.

#### **Base for promotion**

Promotion through performance evaluation is done on the basis of the following marks:

<b>Basis</b>	<b>Marks</b>
Performance evaluation	50
Seniority	25
Experience in geographical reason	5
Educational qualification	17
Special responsibility	3
Total	100

### **Year of Experience for Promotion**

Years of experience for promotion is given as, officer to officer and assistant level 5 to level 6 is four years. Meanwhile all others are lower level three years.

### **Promotion through Special Provision**

*Any employee who has been working for ten years as a permanent employee in the post of level 4th and level 5th has been promoted. Such type of promotion is done only one time in the total service period. In such type of promotion, upper level post is automatically created and existing lower level post is also automatic cancelled (Employee administration rule, 2063).*

### **Provision for Level Enhancement**

*A senior administrative officer says any lower level employee whose post is not promoted there is the provision for level enhancement. Level upgrade can be done by the concern chief of the office. These levels are kanista assistant guard, helper, mistri, driver, peon etc. These level upgrade in accordance with the following manner. These are level first, level second, level third and level fourth respectively(Field Note,23,Nobember,2013).*

Any person who is appointed as a new employee in the initial stage, he will be kanista level first. Any employee whose experience is above five years and under ten, he will be level second. Meanwhile, any person whose experience is above ten years and under fifteen, he will be level third. Likewise, any employee whose experience is above fifteen years, he will be kanistha level fourth (Employee administration rule,2063).

### **Promotion through Internal Competition**

According to employee administration rule ( 2063),NOC has a provision to promote its employee on the basis of the internal competition and qualification. Written test, interview, and practical test is taken for selection and promotion of employees. Any employee who obtained highest marks from written test and interview can get promotion. Internal competition is done on the following level and percentage of the employees promotion:

Level	Promotion Percentage
Assistant level 3 and 4	10
Assistant level 5	25
Officer level 6(All)	25
Officer level 7(Non technical)	50
Officer level 8,9,10,11(All)	50

An employee who passed the written examination, he will be qualified for practical test and interview. The criteria for internal competition is made and recommended by selection and promotion committee and approval has been made by the acting committee.

### ***Employees' Welfare and Quality of Work Life***

According Aswathappa (2002), welfare implies physical, mental, moral, and emotional well-being of an individual. It refers to taking care of the well-being of employees by employers, trade unions, government and voluntary agencies. It deals with opportunities for a good life of worker and his family (As cited by Agrawal G.R.).

*A senior officer of NOC said that there are no any remarkable employees' welfare programs in this organization. Some major welfare programs are home leave, sick leave, treatment facilities, transportation facilities, job safety program, rest and breaks, training for employees, overtime facilities, insurance facilities, loan facilities, dress facilities fuel and accommodation facilities, lunch breaks facilities etc (Field Note, 17 January 2013).*

Quality of work life assumes an overall work environment in the organization. It is concerned with overall environment of work for better quality of work life. Stein 1983) said that policies and procedures for quality of work life include autonomy, recognition, belonging, intrinsic rewards and extrinsic rewards. Meanwhile, another senior officer of NOC further said that QWL is extremely important in the organization. QWL in his organization is better than other organization (Field Interview, 21 January 2013).

### ***Reward System***

According to Armstrong "reward management is essentially about designing, implementing and maintaining pay systems which help to improve organizational performance"(as cited by Agrawal , 2005). If any organization has attractive rewards, it helps to attract competent employee in the organization, helps to retain the employees needed, and helps to motivate employees to achieve desired result in the organization. Meanwhile, Agrawal says that "the modern trend in HRD is to achieve employee productivity by linking reward to performance." According to Employees Administration Rules and Regulation 2063, any employee who does excellent work such as work to co-operate to enhance the interest of corporation or control of losses in Depots and quality control etc. is provided as a encouragement prize Rs 10001/ to the employees every year for five employees. Such type of prize can be provided by the executive officer of the corporation. Any employee who completed three years with above excellent work can be obtained such type of prize again.

*A senior officer of Nepal Oil Corporation said that reward system in his organization is not fair. It should be improved to encourage the employees (Field Note, Oct, 24, 2013).*

### **Concluding Remarks**

Training and development need is not regularly assessed in the organization. Top level management and the responsible officials interfere the need assessment. Need assessment is done on the basis of management interest. According to a senior officer, NOC has started to participate various types of training programs from time to time, from last fiscal year, 2064/2065. Mainly they have been participating administrative training, technical training, such as management training, operation training, mechanical training, managerial training, accounts training and computer training etc. But even NOC has not conducted any types of training itself.

*A deputy manager of Human Resource Department said that NOC just started supervising and monitoring the impact of training. NOC adopted two types of performance appraisal system. These are formal and informal like the other organizations. Performance appraisal is done at least from one level senior officer or supervisor.*



Performance appraisal form is filled by the candidate ( appraisee) on the basis of Shrawan first to Ashad end's performance every year. For the performance evaluation purpose, the supervisor, reviewer and review committee is in existence in the corporation. Performance evaluation is used only for promotion purpose not for career development. NOC can provide training and further study opportunities in foreign countries to its employees for their career development purpose. In addition to this, there are four types of promotion system adopted by Nepal Oil Corporation Ltd. These are promotion through performance evaluation, promotion through special provision, Promotion through level enhancement and Promotion through internal competition. According to a senior officer, there are no any remarkable employees' welfare programs in this organization. Some major welfare programs are home leave, sick leave, treatment facilities, transportation facilities, job safety program, rest and breaks, training for employees, overtime facilities, insurance facilities, loan facilities, dress facilities, fuel and accommodation facilities, lunch breaks facilities etc. QWL in this organization is better than other organization. The reward system in this organization is not fair. It should be improved to encourage the employees.

### **Problems and challenges**

The major problems and challenges behind HRD in NOC was lacking of competency among different field of work. According to observation, in-depth interview, and direction interaction among management and senior officers the major HRD problems and challenges in their organization were lack of proper recruitment and selection system, lack of HRD section, overstaffing, political influence and intervention, unclear vision and goal, laziness among employees, nepotism and favoritism, lack of supervision and monitoring, lack of favorable work environment, lack of trade union management, lack of skill and attitude, lack of transparency, lack of compliance with employees' rules and regulation, lack of favorable HRD culture and climate etc. The major problems are given below:

### ***Performer Make Non-performer***

Many employees are non-performer in the corporation. They have no adequate modern technical knowledge to perform the work. Lazy employees should be made unlazy through using HRD mechanisms.

*A senior officer said that "every organization should make non-performer to performer. But in this organization also, it is the practice that performer made non-performer." Management has no any policy to motivate them in the work performance. Management has no any vision to perform the policy level work (Field Note, 11, December, 2013).*

### ***Lack of Managerial Efficiency***

NOC has been suffering from lack of managerial efficiency for many years. The management is unable to prepare long term plan and policy to supply long term petroleum product. It could not manage to supply petroleum product all over the country. The members of the management committee have no any vision and mission about this. NOC has not even conducted management development program frequently based on need assessment. CEO is appointed by the government in accordance with the recommendation of political party whether he is qualified or not. They have no ability to collection and utilization of financial resources for the extension and development of the storage capacity of the petroleum product in the country. They are unable to handle financial crises in all the times. They could not manage the own tank lorry to carrying the petroleum product. They are unable to up- date the corporation's activities in changing global scenario.

### ***Lack of Maintaining Up to- date Record***

The human resource department has not been able to provide up to-date information about the employees. They have no separate human resource development department. They have not maintained up to- date record about human resource development in their concern section. They should do hard homework to provide information. Researcher frequently visits the office to collect necessary information about human resource development. They have been providing the opportunities to its employees to participate

training, seminar, conference in foreign country and inland. But they are unable to provide information in yearly basis in detail from previous ten years. It is the lacking of HRD. The employees should be trained and conscious of record keeping in all aspects. The evaluation should be done after training and study whether these programs were effective or not.

### ***Lack of Skill and Attitude***

There is a lacking of skill and attitude among competent human resource in the corporation. The corporation should select the competent employees through open competition and transparent basis and recruit them as an employee in the corporation. The selection of competent human resources is the first step of HRD effectiveness. Competent employees can easily and quickly develop the HRD plan and program and implement them successfully. Meanwhile, to increase the knowledge and skill of the employees HRD system and procedure should be timely changed and improved. The human resource development practice in NOC is not effective. Even there are incompetent employees working in the corporation because of the lacking of well practice of HRD related activities. The employees are trying to establish separate HRD unit in central and regional basis but they are unsuccessful to establish it. The employees' attitudes towards organizational development is partially negative. In the long run it would be effective to HRD implementation.

### ***Overstaffing***

The Nepal Oil Corporation has also been suffering from overstaffing problem for many years like other organization. It is a big problem in the NOC of Nepal. It is directly affected by political intervention.

*A senior officer said that Overstaffing was major hindrance of human resource development and work performance in the organization. Overstaffing creates a conflict among employees. The political units, politicians and trade unions were involved for overstaffing (Field Note, 5 ,January 2014).*

Overstaffing creates a high overhead expenditure and a huge loss in the organization. In such a case, HRD program cannot be implemented properly and successfully. Most of the senior staffs are technically incompetent. It is a huge problem to the corporation.

### ***Lack of Favorable Philosophy of Management***

The philosophy of management towards employees' development is unfavorable in the corporation. The management does not consider human resource as a human assets in the organization. In today's globalized business environment, HRD has made an integral part of the organization (Pravat, 2066). The management should be conscious of the development of HRD. Management should be aware of the implementation of HRD mechanism and giving responsibilities to them for achieving the organizational goals.

### ***Lack to Prepare Strategic Plan***

The NOC is unable to identify opportunities and threats and prepare strategic plan for exploitation of opportunities. NOC should improvise work efficiency using HRD mechanisms. Management is unable to improvise of its activities through amendment of existing rules and regulations and policy statement. It should be adopted management development activities continuously. It helps to prepare strategic plan and policy. Otherwise, the question mark is to be created to its going concern.

*A senior officer said that NOC is even unclear to prepare human resource development related to strategic plan. It has no separate HRD department and training school in central and regional basis (Field Note, 7, January 2014).*

### ***Political Intervention***

Political intervention in Nepal Oil Corporation is gradually increasing. It is a big problem to the corporation. Politicians and concerned parties are interfering in selection and recruitment, transfer and promotion process. They involved in various human resource management and development activities. A senior officer of human resource department said that politicians interfere mostly in selection and promotion process in the organization (Field Note,13, January 2013).

### **Concluding Remarks**

There are major problems and challenges behind HRD. In NOC there was the lack of competency among different field of work. Many employees are non-performer in the corporation. They have not adequate modern technical knowledge to perform the duty. Every organization should make non-performer employees to performer. But in this organization, it is the practice that performer made non-performer. NOC has been suffering from the lack of managerial efficiency for many years. The management is unable to prepare a long term plan and policy to supply a long term petroleum product. They have no ability to collection and utilization of financial resources for the extension and development of the storage capacity of the petroleum product in the country. They are unable to handling financial crises in all the times. They have no separate human resource development department. They have not maintained up to- date record about human resource development in their concern section. They should do hard homework to provide information. There is a lack of skill and attitude among competent human resource in the corporation. The employees are trying to establish separate HRD unit in central and regional basis but they are unsuccessful to establish it. The Nepal Oil Corporation has also been suffering from overstaffing problem for many years like other organization. It is a big problem in the NOC of Nepal. Overstaffing creates a high overhead expenditure and a huge loss in the organization. The management does not consider human resource as a human asset in the organization. NOC is even unclear to prepare human resource development related to strategic plan. Political intervention in Nepal Oil Corporation is gradually increasing. It is a big problem to the corporation.

### **Effectiveness of Human Resource Development**

#### ***Introduction***

If the human resource development program is effective, it makes employees more confident and productive. Effective training helps individuals or employees to keep the right attitude. It sharpens skills and knowledge for handling the task successfully. The effectiveness of HRD in oil corporation is measured through the following indicators:

### ***Duty Performed***

The effectiveness of HRD practice is measured basically in this organization by the effectiveness of the duty performed by employee. Most of the employees in the NOC and its branches perform the duty poorly (Field Observation, 21, February 2013)

. *A senior officer shrestha said "NOC is growing its tendency towards building its personnel's capabilities, knowledge and attitude with the help of providing the training and development activities"(Shrestha,2066).*

It indicates that the duty performs in NOC is not perfectly effective. Without competent human resource, the organizational work cannot be performed effectively and successfully. Due to the lack of adequate implementation of HRD mechanisms building, its employee's capabilities, and knowledge is not successful, it directly affects to perform the duties. The study indicates that employees were not more responsible towards their duties.

### ***Establishment of HRD Department***

Any organization can establish human resource development department. It must implement HRD mechanisms perfectly and effectively. In-depth interview and close observation in the concern area of NOC restructuring process have been an inevitable part of development endeavor. In the context of NOC, opportunities and restructuring of human resource development unit can be done for the development of human capital in the organization.

*A senior officer said that when any organization starts suffering HRD suffer the must.NOC is even unable to restructure HRD department; it has no separate training school for the capacity enhancement of its employees in central and regional office (Field Note 13, April 2013)*

It indicates that HRD practice in NOC is not effective. It should develop the basic infrastructure of training school and provide essential training materials to train the employees.

### ***HRD Policies and Strategies***

Human resource development policies and strategies are formulated in an organization successfully, there must be effective implementation of HRD mechanisms. NOC should formulate HRD policy and strategy for effective implementation of HRD activities. A senior officer of planning department argues that the philosophy of management towards HRD policies and strategies is always negative (Field Note, 27, December, 2013). The study indicates that the policy and strategy towards employees in NOC is not effective.

*But, a senior officer of human resource department said that employees are endeavoring to formulate HRD policy and strategy in the NOC to conduct various refresher training course to the NOC staff on computer application, fire fighting, aviation operation course, Depot handling and maintenance, stock loss control, quality control, tanker operation and laboratory testing procedure etc (Field Note, 3 January 2014).*

### ***Service Provide***

NOC is unable to provide service as per international standard. It indicates that the HRD practices in NOC are not effective. A senior officer said that " If any organization wants to compete on a global level and provide services as per international standards, it is imperative that it nurtures competencies as per strategy, acquires and retains a workforce which is cohesive, committed and delivers high performance. Any company, which keeps pace with the changing business environment, has to provide training to its employees on core competencies and soft skills using traditional methods of on-the-job and training workshops. Today, organizations are increasingly paying attention to the concept of organizational learning in order to increase competitive advantage, innovation and effectiveness. Learning occurs due to the influence of various factors such as structure, strategy, environment, technology and culture" (Shrestha, 2069).

### ***Profit and Loss***

The loss of NOC is gradually increasing per year.

*A senior officer said "accumulated loss of NOC at present is more than Rs.27.50 billion. At the present scenario no investors would be willing to invest in an organization whose services rendered are at a lower prices than that of cost. NOC is not reluctant towards entering of private players in the market; objection is only of the debt borne by NOC "(Field Note, June 10, 2013).*

It indicates that human resource development practice in NOC is not effective. It should be improved to enhance the profit.

### ***Compliance with Policy Statement and Rules***

In NOC there is no compliance with policy statement and rules in terms of human resource development. The organization is going to financial crises.

*According to a senior officer of accounts department, it is the main cause of inability in selling price adjustment of the petroleum product in changing scenario and based on international price. It is the lack of the management vision to update the employees in marketing research in changing situation (Field Note, 28 December, 2013).*

It indicates that HRD practice and knowledge of HRD mechanism is absolutely poor and ineffective in the corporation. The employees are unable and incompetent to implement policy statement and rules. The management development activities and employees orientation programs should be conducted by the corporation itself for the effective implementation of HRD mechanisms.

### ***Philosophy of Management***

The effective utilization of HRD mechanism, philosophy of management should be positive. A senior officer of HR department said that the philosophy of management and HRD culture in NOC is not positive (Field Note, 3, January 2014). The human resource development culture and philosophy of management towards employees should be always effective for better performance of the organization. In this organization management neglects the employee's development activities. They feel it as employee's incentive.



### ***Improvement in Reducing Number of Staff***

The significant improvement in human resource management with right -sizing of staff should be made. According to a senior officer of HR department, NOC has many employees, which has not been reduced. The management has no ability to reduce its employees in right size. In addition to this, NOC has not computerized most of their branches, depots and regional offices because of the causes of overstaffing (Field interview, 27, December, 2013). It indicates that the human resource development in technical sector such as computer training is not effective in this organization. If employees reduced in right size it would be possible to enhance employees competency.

### **Concluding Remarks**

The human resource development program is effective, if it makes employees more confident and productive. Effective HRD program helps individuals or employees to keep the right attitude, sharpen skills and knowledge for handling the task successfully. Most of the employees in the NOC and its branches perform the duty poorly. Without competent human resource the organizational work cannot be performed effectively and successfully. NOC is even unable to restructuring HRD department; it has no separate training school for the capacity enhancement of its employees in central and regional office. It should be developed the basic infrastructure of training school and provide essential training with quality materials to train the employees. The philosophy of management towards HRD policies and strategies is always negative. But, employees are endeavoring to formulate HRD policy and strategy in the NOC to conduct various refresher training course to the NOC staff on computer application, fire fighting, aviation operation course, depot handling and maintenance, stock loss control, quality control, tanker operation and laboratory testing procedure etc. NOC is unable to provide service as per international standard. The loss of NOC is gradually increasing per year, accumulated loss of NOC at present is more than Rs.27.50 billion. There is no compliance with policy statement and rules in terms of human resource development. The philosophy of management and HRD culture in NOC is not positive. The management has no ability to reduce its employees in right size. In addition to this, NOC has not computerized most of their branches, depots and regional offices because of the causes of overstaffing. In conclusion, it is found that HRD practice in this organization is not effective.

## Part- VI

### Herbs Production and Processing Company Ltd

#### Background

Herbs production and processing company Ltd (HPPCL) is an organization established in 1981 as an undertaking of government of Nepal. It is the first company in the country to harness the rich treasure of herbs and aroma for processing and producing medicinal extracts & essential oils for drugs, flavor and perfumery industries within the country and abroad. The indigenous Himalayan natural oils like Anthopogan oil, Jatamansi oil, Juniper oil, Wintergreen oil. Calamus oil as well as exotic species such as Chamomile oil, Palmarosa oil, Citronella oil, Lemongrass oil, Menthe oil etc. The source of raw materials are from cultivation on its own farms, private farmer's land community forestry, and collection from wild sources. According to this company, Medicinal and Aromatic Plants are the valuable forest resources of Nepal. At present, this company is capable of exporting indigenous products like Lichen Resinoid, Sugandha Kokila Oil, Tagetes Oil and Jatamansi Oil as Well as exotic varieties such as Palmarosa Oil, Citronella Oil, Lemongrass Oil and some crude drugs to neighboring and third countries. The company produces essential Oils and Medicinal extracts using indigenous Himalayan herbs and exotic conventional vegetal materials as raw materials. The sources of raw materials are cultivation in its own farm, private farmers land and collection from wild sources (<http://hppcl.com.np/about>).

*A senior officer said that but the company is going to loss for the previous many years because of the interference of political party to appoint management and managing director. Unqualified managing director is appointed by the recommendation of the politician. Managing director is not responsible to the extension and development of the organization. He is responsible with political party as political activists (Field Note, December3, 2013).*

## Objectives

The major objectives of the Herbs Production and processing Company Ltd are collection and processing of raw herbs, plantation of environment friendly herbs, plantation and processing of herbs with the help of private sector. To fulfill this objective, other specific objectives are given below:

1. To identify the different varieties of the herbs in Nepal
2. To process these natural resources domestically balancing their depletion in nature with regeneration
3. To facilitate implementation of the government Forest plan, Forest Act and Forest by laws
4. Help to increase the forest production and productivity without permanently damaging the resource base
5. To reduce pressure on the resource through increasing efficiency in resource use
6. To encourage the Nepalese people for the use of herbs as a medicine produced by the company
7. To promote the forest product in the global market

## Present Activity and Future Plan

The present main activities of HPCL are the production, processing and export of medicinal and aromatic plants, crude drugs and extracts. Meanwhile, plantation, collection, and processing, production and sales of herbal care product are also the present activity and future plan of the company. The company is responsible for this purpose.

*According to Edwards (1995) every year between 10000 and 13000 tones of medicinal and aromatic plants are harvested from the forest of Nepal. The major thrust of the nation is to process these natural resources domestically balancing their depletion in nature with regeneration. It has had a good recognition in the*

*Indian market since ancient times. According to the Hindu mythology, Lord Dhanwantari had invented cure of living creatures from the Himalayan Herbs. The highest peak of the world, Mt. Everest, and a series of Himalayan ranges found in the country are symbolic of the existence of valuable medicinal and aromatic plants.* <http://hppcl.com.np/Review Date 16, May, 2012>

During the past days the country had a significant role in trading of crude herbs; till date about 700 varieties have been identified.

### **Performance and Achievement**

The company is suffering from heavy losses for many years. The gross sales income of the company was Rs 72638510/ in the fiscal year 2066/067. The operating loss in the fiscal year 2067/068 and net loss up to till the year of the company was Rs5628541/ and Rs 13,8188187/respectively. The income statement shows that the net loss upto fiscal year 2068/069 was Rs177525928/ (HPPCL, Account Department, 31 December 2013). The comparative net loss for four years is given below:

**Table 4.37 The comparative net loss**

Fiscal year	Net loss amount	Remarks
2066\2067	9899309/	
2067\2068	2359228/	
2068\2069	39337741/	
2069\2070	12101727/	

*Sources: HPPCL, Accounts Departments*

The company has been under going to loss for many years. Because of the lack of work competency of the employees, they are not accountable in their duty. In fiscal year 2068\2069 the net loss of the company is unexpectedly very high.

*According to a senior officer of the concern department gratuity fund is adjusted in that year. So that the loss was unexpectedly high (Field Note, 31, December 2013).*

The details sales target and achievement of herbal product with percentage of ten fiscal years is given below in annual sales chart. It helps to comparatively analysis the sales target and achievement of the company.

**Table 4.38 Annual Sales Chart of Last Ten Fiscal years**

Fiscal Year	Sales Target Rs	Actual Sales Rs	Percentage	Remarks
2062/063	63178280/	53624427/	84.87	
2063/064	67405028/	53618224/	79.54	
2064/065	63917500/	52680941/	82.42	
2065/066	69251450/	59585556/	86.04	
2066/2067	78300000/	72638510/	92.65	
2067/2068	99988090/	75435393/	75.44	
2068/2069	108444440/	76999400/	71	
2069/2070	172895000/	81461823/	46.98	

*Source :- Herbs Production and Processing Company Limited Head office*

The sale chart shows that the sales of eight fiscal year are not so bad. In fiscal year, 2062\2063 sales target achievement was 84.87 percent. In fiscal year 2063\2064 it reduced in 79.54 percent. Unexpectedly in fiscal year 2066\2067 the target achieved 92.65 percent. But in the fiscal year 2069\2070 the sales target achieved only 46.98 percent. The achievement of sales target is better than the company is going to loss for many years. It indicates that production and sales estimation of the company is haphazardly prepared without proper plan and policy. The management is unable to prepare proper plan and policy in the organization. The philosophy of management towards human resource development is unclear.

### **Human Resource Management**

The administration department is responsible for executing manpower planning, recruitment, human resource development, training and capacity development, disciplinary actions, implementation of staff welfare activities and other human resources related to functions. There is no separate human resource development department in this centre. The centre is suffering from financial crises from the previous many years.

### **Policy and Endeavour on HRD**

*A senior officer said that the major HRD policies and strategies adopted by this organization are training and development, selection to right man at right job, promotion to qualified employees and develop their career based on performance evaluation. But the policy and strategy is not applied in practice because of the lack of adequate budget and inefficiency of the executive director and management committee (Field Note, 31, December 2013).*

### **Conceptual Understanding on HRD**

#### ***Perception on HRD***

Most of the employees of HPPCL clarified the meaning of human resource in a focus group discussion that human resource is the human power for positive change; it is a human dimension of management. They further clarified that the human resource development is the knowledge, efficiency and skill of doing work inherent in the people (FGD, April, 11, 2013). A human resource development expert of Nepal administrative staff college stated that "in public sector organizations of Nepal, HRD is understood as a process of making skill-man-powers for the work devoted to them so far" (Field Note, April 15, 2013). "HRD is a process of improving an organization's performance through the capabilities of its personnel. HRD includes activities dealing with work design, aptitude, expertise and motivation" (Swanson, 1987).

*According to a senior officer of Herbs Production and Processing company Limited, HRD is an important program to ensure that the organization has an institutionalized way for developing, utilizing and committing human resources in order to meet organizational challenges at present and future (Field Note, December 15, 2012).*

Another senior officer agreed this view that HRD is the process of capacity building of the people for improving knowledge and efficiency to do work (Field Note, December 21, 2012).

Another officer of production department said that "HRD condition and climate in the public sector like HPPCL is not perpetual. Systematic procedures are not implemented in

most of the PEs in Nepal." He further said that the HRD system and procedure adopted by HPPCL is mainly training, career development, performance evaluation, rewarding and job counseling etc. (Field Note, January 14, 2013). But, he is not satisfied perfectly with the HRD process and implementation parts. It is clear that due to the lack of HRD process, most of the PEs in Nepal are operating with low capacity. There is the lack of determination of handling challenges in the human force in this organization.

*A free lancing expert argued that human resource capacity building is a synonymous word of HRD. It can be defined as a development of competencies and human power for increasing productivity as well as holistic development of human dimension and empowerment. It is active for seeking success to find and create more success (Interview with HRD Expert, 15, February 2013).*

### ***Importance of HRD***

Various employees have indicated the importance of HRD. They expressed their views that HRD is important to achieve the following listed output in human resources. These are increase job satisfaction, enhance effectiveness, improve competencies and improve decision making (Field Note, 13, Oct 2013).

*According to a senior officer, " the HRD is the most important factors, for gaining knowledge, efficiency and skill of doing work inherent in the people"(Field Note, 14 Oct 2013).*

*Human resource development help to prepare competent, qualified and skillful human resource in the organization. Meanwhile, another officer argued that "HRD is the process to help capacity building of the people for improving knowledge and efficiency to do work" (Interview, 14 Oct 2013).*

### ***Understanding on HRD Mechanisms***

Most of the officers in a focus group discussion understood HRD mechanism as a training and development. They further agreed that performance appraisal, career planning and development, employees' welfare, promotion and reward management is nominal applied and implemented in their organization (Focus Group discussion, 15, Oct, 2013).

A free lancing expert said that in PEs like HPPCL of Nepal "HRD mechanisms understood as a process of making skill -manpower for the work devoted to them so far" (Interview With HRD Expert, 15, Feb ,2013).

### ***HRD Climate and System***

How do you understand the HRD climate and system in Public Sector Enterprises in Nepal?

*A senior officer of HPPCL said "HRD condition and climate in the public sector enterprises is not perpetual. Systematic procedures are not implemented in most of the PEs in Nepal "(Field Note, 15Feb 2013).*

Another officer states that usually the HRD system and procedure adopted by public enterprises in Nepal are mainly training, promotion, job counseling performance appraisal, career planning and development, rewards and employees welfare etc ( field interview, 16, Feb 2013). But he is not perfectly satisfied with the HRD process. Due to the lack of HRD, most of the PEs in Nepal are operating with low capacity. There is the lack of determination of handling challenges in the human force in PEs.

### ***HRD culture and Philosophy of Management:***

According to different HRD experts, the congenial OCTAPAC human resource development culture (openness, confrontation, trust autonomy, proaction authenticity, collaboration) is extremely important in each and every organization and it promotes the human resource development practice. A senior officer said that above terms make employees more confident to their work. But they are partially applied in the organization. It should be absolutely applied for the success of the organization (Field Interview, 16 Feb 2013). If such culture is applied absolutely, it builds up confidence to the employee in his/her performance and enhances productivity of the company.

### **Concluding Remarks**

The study indicates that all the employees' understanding on HRD is significantly positive. But the attitude should be improved. The poor HRD climate is the major part in this organization. An integrated approach to HR is lacking. The mechanisms of HRD



have remained neglected. HRD culture is partially applied. It cannot help to promote the human resource development practice. The management has ignored the value of human capital. The management is unclear about the human resource development strategy.

### **HRD Mechanism Practice**

Generally, HRD mechanisms include training and development, organizational development, performance appraisal, career planning and development, employees' welfare, quality of work life and reward system. Herbs production and processing company limited applied the following mechanisms:

#### ***Training and development***

##### **Need assessment**

There is no separate HR and HRD department i.e. administration department is established. A senior officer said that this department identifies the need of human resources and HRD with the advice and counseling of high level management according to the need of organization. The high level management and administration department is fully responsible about it (Field Note, 14 March 2013). There is no certain criteria for training need assessment. The accounting training is not applicable to mechanical engineer. It is applicable to accountant. It should be considered by the authorized person.

##### **Program Conduct**

HPPCL has not conducted training program itself. *But a senior officer said that he participated in training program sometimes conducted by different organization in different place. In his own word, "I got training opportunity and during this period, I had got promotion to junior level officer to senior level officer" (Field Note, 15 March 2013).*

The HRD system adopted by herbs production and processing company limited are mainly training and development. They also understood training as HRD. But there is HRD practice in a way of training and development, performance appraisal, job counseling, career planning and development, employees welfare, reward and punishment, promotion and transfer etc (Field Interview, 17 October, 2013). In the same

date some employees said that these mechanisms practice in a nominal basis. There is not fully compliance with policy statement, rules and actual practices. Sometimes employees got training opportunity and during this period, some have got promotion from existing level to upper level post.

*According to senior officer "the methods adopted for training and management development are specific and result oriented but opportunity is very low such as technical training, leadership training, operational training, administrative training and cooperative mechanism between labor and management" (Field interview, 11 Sep, 2013).*

HPPCL has been providing various training and development opportunities to its employees conducted by different organization in different places. But the opportunities are not adequate. It covers only for few employees. Some training opportunities provided by HPPCL to its employees for the last six years are given below:

**Table 4.39 Year and subject wise total participants in training, seminar and workshop**

S.N.	Subject/Year	2007/008	2008/009	2009/010	2010/011	2011/012	2012/013	Total
1	Management	3	4	4	5	5	6	27
2	Accounts	2	2	2	2	2	2	12
3	Computer	1	1	2	3	3	3	13
4	Non-timber forest product	4	5	6	6	7	8	36
5	Marketing	1	1	2	2	3	4	13
6	Others	-	-	1	1	2	3	7
	Total	11	13	17	19	22	26	108

*Source: HPPCL, Head office, Branch Office Staffs (Renu Joshi, Laxmidatta Pant, Rewati Raj Adhikari, Dharmalal Nepal)*

The table shows that HPPCL has provided training and development opportunities to its 108 employees in various subjects for the last six years. It is not appropriate for this organization. The highest number of employees was getting get training opportunities related to non-timber forest product. Meanwhile, lowest number of employees was getting training opportunities in account and others. The training opportunities should be

extended to meet the modern globalized competitive business environment, otherwise, the organization cannot run properly and continuously.

### **Program Evaluation**

Program evaluation has not been practice in this organization because of the lacking of organize training program itself. A senior officer said that the evaluation of the effectiveness of training program is done basically by the effectiveness of duty performed by the employees. Some of the training programs are measured highly strong and they perform better result after training. Some of them are not performing so much satisfactory results so far (Field Note, October 13, 2013).

### ***Performance and Potential Appraisal***

The performance appraisal is considered as an importance mechanism for any organization. It helps for successful work performance, helps in making decision regarding various performance indicators and links information decision making process which provides a basis for judging the effectiveness of human resource sub-division such as recruitment and selection, training and development and compensation. The public service commission of Nepal has prescribed 'General Principles' for performance appraisal of employees in public enterprises (Agrawal, 2005) . The performance appraisal system for Herbs Production and Processing Company's employees has been specified by the employees' service rules. A performance appraisal form has already been set and prescribed. A total of 40 marks are allotted for performance evaluation. They are divided as follows:

1. Immediate Supervisor    25 marks
2. Reviewer                      10 marks
3. Review committee        5 marks
4. Total marks                    40 marks

A rating scale is used for allocating marks. The rating scale is given as follows:-

**Table 4.40 The Rating Scale for Allocating Marks**

Appraiser	More Excellent	Excellent	Simple	Low
Immediate Supervisor	6.25	5	4	3
Reviewer	2.5	2	1.5	1
Review Committee	1	0.75	0.50	0.25

A checklist is used by supervisor and reviewer for giving marks. The marks are equally divided among them

1. Total result of the job performed
2. Total cost of the job performed
3. Total time taken for job performed
4. Total quality of the job performed

The review committee uses personal traits for giving marks. The review committee can provide up to five marks. Traits differ according to class of employee. For level 10 officer, these are:

1. Capacity to analyze policies
2. Capacity to talking and discussion
3. Use of judgment, decision making capacity, and evaluation
4. Leadership and organizational capacities
5. Professional sensitivity (honesty, confidentiality etc.) (Employees Service Rule, 2065)

For level 8 to level 9 officer, the review committee uses the personal traits for giving the marks. These are:

1. Knowledge and skill of subject matter
2. Use of wisdom and decision making capacity
3. Capacity of bearing work load
4. Creativity and go ahead(Agrasarata)
5. Effective utilization of material and resources

For officer level 6 and 7, the review committee uses the personal traits for giving the marks. These are:

1. Knowledge and skill of subject matter
2. Use of wisdom , decision making capacity
3. Capacity of bearing work load
4. Creativity and go ahead (Aagrasarata)
5. Professional sensitivity (honesty, confidentiality etc.)

*A senior officer stated that in case of assistant level employees the check list is used by the review committee based on the recommendation of supervisor and reviewer. Generally, in this company performance evaluation form is filled up two times a year within the six month interval. The form is filled up in Shrawan and Ashad every year(Field Note 23march,2013) .*

Annual performance evaluation is done in Shrawan. The performance evaluation measurement criteria has already been determined in this company, such as 80 percent to 100 percent excellent and 65 percent to 79.99 percent is best performance. The written reason should be given by the review committee in case of providing more than 95 percent marks and less than 75 percent marks to the employee (Employees Service Rule, 2065 ).

### ***Career Planning and Development practice***

According to DeCenzo and Robbins(2002) "career is the sequence of positions that a person has held over his or her life". Planning is the pre determined course of action. Career planning is a process by which one selects careers goal and the path to those goals. Career development means the personal improvements one undertakes to achieve a personal career plan. Career planning is not possible without clear understanding of a career goals and career paths (Agrawal G.R. 2005).

See figure career planning framework

Career Planning            Career Paths            Career Goals

The HPPCL has some career plan and path indicated in their Employees' Rules and Regulations. Some career plan and path is given below:

### **Further Study and Training**

According to employees service rule(2065), the company sent to its employees in foreign country for study and training in accordance with the policy and direction of the government of Nepal. The employees sent to the foreign country for study and training based on the recommendation of GM and nomination received by the concern ministry. The GM has a right to send the employees in study and training up to three month in Nepal. More than three month, the committee should approve the study and training leave to the employees for their career development. It is the legal provision of study and training.

*A senior account officer said that legal provision is put into basket but in practice, it is partially adopted in the case of employees (Field Note, 15 December 2013).*

### **Nomination Practice**

Nomination has been made to the employees for study and training, study visit, participation in seminar and conference in the following criteria:

Scope of work, subject matter of study and tour should be effective to the company.

Educational qualification, seniority, work experience in geographical region and high performance evaluation marks.

Three years permanent service completed.

Any employee who completes the above criteria and subject matter is effective and utilization in company's activities, the nomination has been made by the concern authority for study and training.

### **Service after Completion of Study and Training**

After completion of the study and training the following period would be compulsorily served by the employees in the Herbs Production and Processing Company Limited:

- |                      |           |
|----------------------|-----------|
| 1. Up to three month | 1 year    |
| 2. Up to six month   | 1.5 years |
| 3. Up to nine month  | 2 years   |
| 4. Up to 1 year      | 3 years   |
| 5. Up to 2 years     | 4 years   |
| 6. Up to 3 years     | 5 years   |

### Promotion system

The organization is promoted to its employees in accordance with the recommendation of recruitment and selection committee. Promotion has been made by the company through performance evaluation, and special promotion. A person becomes a potential candidate for promotion after the completion of the certain year of experience as a permanent employee in the organization. The promotion is done as follows:

#### Promotion through Performance Evaluation

According to employee service rule ( 2065), any employee whose qualification is more a minimum requirement at the service entry period and his service period is completed as under, he is recommended for promotion:

Assistant level	Service Period	
1. Level 4	10 years	
2. Level 5	12 years	
3. Officer level	Service Period	
4. Level 6	7 years	15 years
5. Level 7	8 years	
6. Level 8	9 years	18 years
7. Level9	9 years	

*According to a junior employee any employee who has only minimum educational qualification at the service entry period, in this condition, they should have additional one year service period is completed for the promotion of the following post(field Note,11 june2012).*

Out of this, his average performance evaluation marks should be more than 90 percent for the last three years.

1. Officer to officer level
2. Assistant level four to assistant level five
3. Assistant level five to officer level six

All above promotion is done based on recommendation of selection and promotion committee. There is no age bar for promotion. Promotion criteria is determined by the selection and promotion committee on the basis of employee service rule.

#### Promotion to DGM

*A senior officer says that the selection and promotion committee recommends the double number of vacant post to the management committee for the promotion of DGM. The recommendation is done to those employees who are working in officer level ninth post in the organization. Out of them, management committee promoted to DGM as per work efficiency and recommendation of selection and promotion committee(Field Note 15 August 2013).*

For this purpose, evaluation of work efficiency is done on the basis of the following criteria:

Quality and quantity of work performance

Creativity and go ahead (agrasarata)

Commitment and discipline to the work

#### Promotion through Special Provision

Generally, promotion through special promotion includes automatic promotion and level enhancement. This discussed the following points:

##### **Automatic Promotion**

In the time of Employees Service Rule commencement (2065), any employees who have been working in assistant level second post or equivalent to the same post is automatically promoted to assistant level third. Meanwhile, any employees who have been working in assistant level third and his minimum service period is completed for promotion and his minimum qualification is adequate for the one level junior post is promoted to assistant level four.

##### **Level Enhancement**

The general manager promotes the lower level employees according to the following criteria who has a classless post (Employee Service Rule, 2065).



### ***Employee Welfare and Quality of Work Life***

Generally, in HPPCL, employees' welfare and quality of work life is not so bad. This company is fully government owned company. Its working hour is flexible than private company.

*According to a senior officer, it has provided some employees welfare programs such as dress facilities, insurance facilities, tea and lunch break facilities, health and treatment facilities. Transportation facilities etc (Field Note, 27 December 2013).*

The company maintains quality of work life balance such as low work pressure on the employees, right kind of office infrastructure or office equipment for its employees. Even then the quality of work life is not absolute in the company. Computer, air-condition, knowledge sharing media among superior to junior etc. are even lacking in the company. It has been partially fulfilled to top level officer only.

*"In theory, QWL is simple. It involves giving workers the opportunity to make decision about the design of their jobs and workplaces, and what they need to make products or to deliver services most effectively" (As cited by Cascio, 2010).*

### ***Reward System***

Agrawal (2005) says "the modern trend in HRD is to achieve employee productivity by linking reward to performance." Employees reward system motivates the employees in his job for better performance. It encourages the employees to capacity enhancement for better performance in the organization.

*A senior administrative officer says that HPPCL has a provision to reward its employees based on work performance. An employee whose performance is very high, is rewarded (Field Note, 5 November 2013).*

Any employee who has been doing any remarkable work or special work which directly benefits to the organization or enhances reputation of the organization, he/she is rewarded the following encouragement prize giving reason by the General Manager (Employee Service Rule, 2065).

Enhancement two grade in his present salary

Maximum Rs1000 cash prize is provided in once time

In case of providing more than Rs1000 prize, approval should be taken by the management committee. In such a case, the recommendation should be made from the following sub-committee for making decisions.

- |  |          |
|--|----------|
| 1. General Manager or nominated by him | Chairman |
| 2. Account chief                       | member   |
| 3. Planning chief                      | member   |
| 4. Employee's administration chief     | member   |
| 5. Representative of concern section   | member   |

The above committee is responsible for the recommendation of rewards. This committee encourages the employees to capacity enhancement for better performance in the organization.

### **Concluding Remarks**

There is no separate HR and HRD department i.e. administration department is established. All the employee selection, recruitment and development activities are done by this department. The high level management and administration department is fully responsible about it. There is no specific criteria for training need assessment. HPPCL has not been launching own training programs. HPPCL has been providing various training and development opportunities to its employees conducted by different organization in different places. But the opportunities are not adequate. Program evaluation has not been practiced in this organization because of the lacking of organized training program within itself. The performance appraisal system for Herbs Production and Processing Company's employees has been specified by the Employees Service Rules. A total of 40 marks was allotted for performance evaluation. Performance evaluation is done only for promotion purpose. HPPCL has a provision to career planning and development practice such as further study and training, promotion through performance evaluation, automatic promotion and level enhancement. But this is partially compliance with policy statement and rules. Generally, employees' welfare and quality of

work life is not so bad in this company. It has provided some employees welfare programs, such as dress facilities, insurance facilities, tea and lunch break facilities, health and treatment facilities, transportation facilities etc. HPPCL has a provision to reward its employees based on work performance. An employee whose performance is very high/notable he/she is rewarded.

### **Problems and Challenges**

It is concluded from the interviews, questionnaires and FGD that human resource management and development in the HPPCL is not that much effective and satisfactory. It calls for amendment of existing HR service rules and regulations in a scientific and transparent manner. Performance evaluation indicators are not properly developed to make the system scientific, result oriented and systematic evaluation of the employee's performance. Performance based incentive system is not yet implemented. It is the challenge to the HPPCL by reviewing previous decisions, working procedures and amendment of existing rules and regulations related to indicator of training and development performance evaluation, career development and reward and punishment management, and employees welfare (Focus Group Discussion, 15, May 2013). My observation and interview with different employees and free lancer found that most of the organization in Nepal have lack of formal HRD policy and strategy. It has no separate HRD department. The organizational climate and culture is not supportive to the organization. It gives low priority to the HRD sector and it has been suffering from the lack of training need surveys. HPPCL has no training institution or school under its ownership. Some major problems and challenges noticed in HPPCL are as follows:

#### ***Lack of Learning and Curing Culture***

There is no curing and learning culture among employees and management. Employees have been influenced by political culture. They involved in political activities. They are guided by political party. They save time to do political work and discussion. They did not think about study and research. If the learning and curing culture is adopted, HRD can be developed. There is no curing culture in the organization; senior could not take the risk of the work of junior staff. But senior becomes responsible for the

good performance of the junior staffs. Seniors are not providing cure to the junior about their risk.

### ***Lack of Collective Efforts***

The efforts should be made collectively among the employees. There is no collective effort and proper system in the organization. They have no habit of collective efforts which should be developed. If there is collective effort, every work would be succeeded in the right proper manner. Team work is not in existence regarding HRD activities.

### ***Lack of Change Management***

The world is changeable and movable. The organizations is not succeeded without change management. The management must be changed with the development of the new technology. Every employee and management should also be up to date with the changing speed of technology.

*A senior officer said that there is the lacking to understand the new technology in the management of HPPCL. In modern age of globalization, management should be participative and democratic. They should be able to adopt change in the organization (Field Note, 5 January 2013).*

### ***Lack of Learning Environment***

There is no learning environment in the organization. The environment should be favorable for learning. Without learning environment, HRD cannot be developed. E-library and other library should be managed in the organization. Separate study room should be established. There is no regular job related to training in the organization. A senior officer said that in his organization time to time training, conference, workshop, seminar and career development opportunities should be arranged for HRD. The organization has been lacking the above HRD activities (Field Note, 5, January 2013). All types of study materials and library facility are not available in the organization.

### ***Lack of Need Assessment***

*A senior procurement officer stated that HPPCL has been suffering from need assessment problem. Training should be given when there is a training need. Need assessment is not properly used for HRD purpose. Need assessment is done on manager's personal view. Nepotism and favoritism like bases affects the need assessment of the employees. (Field Note, 15 February, 2014)*

According to Agrawal (2005) a training need exists when a job performance problem can be traced to a knowledge or skill deficiency.

*Another senior officer said that training need assessment is necessary to evaluate the outcome of training (Field interview, 7 January 2013).*

### ***Performer Make Non-performer***

The general acceptability principle of HRD is to make non-performer to performer in the organization. Many employees are non-performers in the organization. They have not adequate modern technical knowledge to perform the work. Lazy employees should be made un lazy through using HRD mechanisms. The chief of the ADM department said "it is the duty of management making non-performer to performer. But in this organization, it is the practice that performer made non-performer." Management has no any policy to motivate them in the work performance. Management has no any vision to perform the policy level work.

### ***Defective Rewards System***

The reward system is defective in the organization. A free lancer said that a person who is unable to obtain prize is rewarded. Reward should be given to those persons who are able to perform the job, and more responsible to enhance the organizational effectiveness, and who have positive attitudes about the organization (Field Note, 9 January 2013). Meanwhile, a senior officer said that organizations need to manage reward system to attract, retain and motivate the real capable employees (Field Note, 10 January 2013).

### ***Skill and Attitude***

The employees of HPPCL are qualified. They have sufficient knowledge related to herbs function and activities. They are able to implement plan and policy. But, there is the lacking of skill and attitude of the employees. According to a senior officer it cannot be success without the change of attitude of the employees (Field Note, 25 January 2013). Lack of discipline and low productivity are the weakness of HRD in public sector organization like HPPCL. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. It is the major problem of the organization. The organizational structure should be revised to enhance the effectiveness of HRD mechanisms in the current national situation.

### ***Lack of Transparency***

Most of the senior officer of HPPCL said that implementation part of policies and strategies of HRD is slow and not transparent. It is always affected by external factors. Partially, though process of HRD is satisfactory, the implementation part and transparency of it is always questionable. Lack of transparency help to feel insecure to the employees (Field Note, 10 January, 2013). A lack of transparency results in mistrust and a deep sense of insecurity (Lama, Dalai).

### ***Problem of Overstaffing***

According to the latest report published by ministry of finance 2010/2011, HPPCL has been on the sick bed itself due to political interference, low productivity and overstaffing. There are 350 employees working in the organization including permanent and contract (Ministry of Finance Performance Evaluation report, 2012).

### ***Unfavorable HRD Climate, System and Procedure***

A senior officer argued that HRD climate is not so much good from the beginning. Sometimes, the system and climate looked like spoil system and unfavorable climate. For employees' development, the selection system and procedure for development must be based on meritocracy. All staff should be taken through free

competition. Existing recruitment and selection system should be rectified. Need based system should be adopted.

### ***Political Interference***

A senior officer said that PEs in Nepal is highly politicized since 1990. So, all activities are influenced by it. No government initiation is taken to improve its financial health. Government is blindly supporting the donor prescription for each and every thing (Field Note 5, Feb 2013). All PEs are going to be privatized sooner or later. Therefore, the principle and rules should be established. HRD norms are not implemented or say cannot implement. HRD in PEs will be more effective if it is based on principles.

### **Concluding Remarks**

The human resource management and development in the HPPCL is not that much effective and satisfactory. It calls for amendment of existing HR service rules and regulations in a scientific and transparent manner. Performance evaluation indicator is not developed properly to make scientific, result oriented and systematic evaluation of the employee's performance. There is no curing and learning culture among employees and management. Employees have political culture. They involved political activities. They are guided by political party. The senior could not take the risk of the work of junior staff. But senior would be responsible of the good performance of the junior staff. There are no collective efforts in the organization. Team work is not in existence in terms of HRD case. There is no learning environment in the organization. In modern age of globalization management should be participative and democratic. They should be able to adopt change in the organization. Need assessment is not properly used for HRD purpose. There is the lack of skill and attitude among the employees. The reward system is defective. A person who is unable to obtain prize is rewarded. The implementation part of policies and strategies of HRD is slow and not transparent. HPPCL has been on the sick bed itself due to political interference, low productivity and overstaffing. Existing recruitment and selection system and unfavorable HRD climate should be rectified. No government initiation is taken to improve its financial health.

### **Effectiveness of HRD**

The effectiveness of HRD should be measured basically by the concerned organization itself. The measurement indicator is fixed by management. If the philosophy of management towards employee's development is positive, the practice of HRD is also effective. The following indicators clarify that whether HRD practice is effective or not in this organization.

#### ***Productivity***

Productivity is a measure of the output of goods and services related to the input of labor, capital and equipment. The more productivity an industry, the better its competitive position because its unit costs are lower. When productivity increases, business can pay higher wages without boosting inflation (Cascio, p72). The production capacity of labor is high. So, the productivity is increased. In this organization human resource capacity building activities are not applied properly. Training and development program is not conducted itself. Orientation program is not conducted according to requirement of the employees. Hence, the productivity of the employees is low and nominal. It indicates that the practice of HRD is not effective in this company.

#### ***Profitability Ratio***

The company has not succeeded to increase its total income on the basis of total expenditure. The total net loss of the company is gradually increasing every fiscal year. The total income of the company has not succeeded to earn net profit. After analyzing the net loss of four fiscal year, it is sure that the company has a higher negative profitability ratio. It shows that the HRD practice in HPPCL is not effective.

#### ***Duty Performed***

The effectiveness of HRD practice is measured basically in the organization by the effectiveness of the duty performed by employee. In this organization, the duty performed by the employees in a traditional way. They have no knowledge about the modern technology. They do work in indigenous system. A senior officer said that the current acting CEO always neglects the employees. She has no any managerial



efficiency. Her behavior is negative towards employees and customer (Field Note, 26 December 2013). Employees' motivation is the important factor of duty performance. Without motivation and positive behavior towards employees, they cannot perform their duty effectively.

### ***Role Playing***

A senior officer said that various HRD experts have identified the different ten managerial roles but the officer of his organization play only five roles such as figure head roles, leadership roles, liaison role, monitor role and negotiator role. They are unable to play disseminator role, spokesman role, resource allocator roles, disturbance handlers role and entrepreneurial role (Field Interview, 13 August, 2013). The HRD is not effective in this organization because of the lacking of applied management development activities in this organization.

### ***Formation and Implementation of Policy and Strategy***

*HRM department head said that major HRD policy and strategy adopted by his organization are training, right man right job, promotion and expert counseling are the policy statement of the organization. But implementation part is very weak and nominal (Field Note, 13 August, 2013).*

It indicates that effective implementation of HRD mechanisms is poor in this company. Another senior officer said that the skill and attitude of the management is very weak for formation of policy and strategy to extension and development of the organization (Field Note, 19August 2013).

### ***Improved Strengths of the Management and Employees***

According to a senior officer "Some of the strategies are measured highly strong and they are performing better results. Some of them are not performing so much satisfactory results so far." According to him, if HRD is effective in the organization, it is able to achieve the following listed output in human resources. In his organization all the following listed output are not achieved such as successful planning, conflict management and change, environmental adaptation (Field Note, 3 September, 2013).

### **Concluding Remarks**

. In this organization, human resource capacity building activities are not applied properly. Training and development program is not conducted. Orientation program is not conducted according to the requirement of the employees. The productivity of the employees is low and nominal. The total income of the company has not succeeded to earn net profit. The company has higher negative profitability ratio. In this organization, the duty performance by the employees is in traditional way. They have no knowledge about the modern technology. The HRD is not effective in this organization because of the lacking of applied management development activities in this organization. The skill and attitude of the management is very weak for formation of policy and strategy to extension and development of the organization. In this organization, some of the strategies are measured highly strong and they are performing better results. Some of them are not performing so much satisfactory results so far.

## **CHAPTER FIVE MAJOR FINDING**

The previous Chapter four ( six parts) was devoted to analysis, assessment and interpretation of the employee's perception on HRD, HRD mechanisms practiced, their problems, challenges and effectiveness of HRD in selected public sector enterprises of Nepal. All our efforts were concentrated with reference to research questions, research objectives and many HRD programs adopted in selected organizations. In this part, it is discussed on different responsible factors of HRD and its mechanisms, problems and challenges, effectiveness- ineffectiveness, strength-weakness, similarity-dissimilarity mainly in six public sector enterprises concluded from informant's perception and study of various documents based on analysis and interpretation done in previous chapters. This chapter finds out the result of HRD practices and their effectiveness on different public sector enterprises in Nepal. The major finding of the study concluded in chapter six.

### **Understanding on HRD**

#### **Conceptual clarity**

It tries to address the issue that the concept, importance and mechanisms of HRD are familiar among employees or not. Based on the field surveys, questionnaires, direct interactions and in-depth interview with the employees and stakeholders and keeping their assumptions into the consideration, the research found that all the employees of the RBBL are aware of the concept and mechanism of HRD to some extent. Meanwhile, the employees of JEMC understood the meaning and concept of HRD. But, they are not aware of the concept and purpose of HRD mechanisms. Keeping the field surveys, questionnaires and direct interactions and in-depth interviews with the employees and their assumptions into the consideration, the research found that all the employees of the Nepalese PEs like NTC are aware of the concept of HRD but most of the employees and even the management take HRD as a mere means of training. Likewise, the employees of the CAAN are also aware of the concept and importance of HRD to some extent. Most of the employees and even the management take HRD as training like the other

organization, so there is not proper understanding of HRD mechanism. The employees of Nepal Oil Corporation Limited and Herbs production and processing company limited have similar view on the concept and importance of HRD. But, most of the employees and even the management of all the organizations take HRD mechanism as a mere means of training and development.

### **HRD Culture and Philosophy of Management**

The policy statement towards employees of RBBL is absolutely positive. The implementation parts are even lacking. The philosophy of management towards employees is positive more than JEMC, HPPCL and NOC. The NTC is confident to the progress and prosperity. It depends on knowledge, skill, and motivation of human resource affiliated to the organization. The policy statement towards employees is positive. But the implementation parts are even lacking like RBBL. The HRD culture is yet to be improved. Civil Aviation Academy is the training Academy of CAAN. This academy has formulated five years strategic HRD plan. In addition to this, endeavors are made for uplifting the quality of trainings being provided by the academy to international level by acquiring the trainer plus associate membership from ICAO. But, HRD culture is yet to be improved. The HRD culture and philosophy of management towards employees among the three organization like RBBL, NTC and CAAN is comparatively positive than other three organizations. NTC and RBBL has own training academy like CAAN. They conduct training program themselves frequently. Various institutions like office of Auditor General, Institute of Chartered Accountant of Nepal, CEDA, Revenue Administration Training Centre, Ministry of General Administration, Local Development Training Centre of Ministry of Local Development, Nepal Administrative Staff College, various Corporations and committees, NGOs, INGOs, Nepal Tourism and Hotel management Training Institute and many other organizations are involved to organize training programs in Nepal. But, most of the employees of PEs are unable to get opportunities to participate the human resource development programs because of the unfavorable philosophy of management towards employee's development.

### **HRD Mechanisms Practiced**

Generally training and management development, career planning and development, performance and potential appraisal, employees welfare and quality of work life, organizational development, reward and punishment, promotion and employees counseling mechanisms are the key variables adopted by Rastriya Banijya Bank limited for HRD purpose. The types of HRD mechanism practiced by Nepal Telecommunication Corporation and Civil Aviation Authority of Nepal are similar. But Janak Education Material Centre Limited and Herbs Production and Processing Company Limited are very weak in the practice of HRD mechanism. The compliance of policy statement and rules and regulations of both organizations in term of HRD mechanism is very poor. They have no sufficient budget and commitment to implement policy statement and rules.

How can they practice HRD mechanisms properly?

Nepal Oil Corporation Limited is now growing its tendency towards building its employees capabilities, knowledge and attitude with the help of providing the training and development opportunities. NOC has started conducting various types of training and development program since 2066/2067 B.S. But it has not up to date record about training and development. Career planning and development, performance and potential appraisal, employees welfare and quality of work life, organizational development , reward and punishment, promotion and employees counseling mechanisms are the key variables adopted in this organization like other organization. But these mechanisms did not meet the career goals in this organization. When any organization starts suffering, HRD mechanism suffers the most, in the context of NOC, JEMCL and HPPCL, it would be the best example when they are suffering from loss for many years.

### **Training and Development**

Training helps to adapt to technological changes, improve quality and boost performance by improving knowledge, skill and attitude. It sustains competitive advantages (Agrawal, 2009).

The training need is regularly assessed by the bank. But need assessment is not systematically carried out. NTC has the same situation; need assessment is not systematically carried out. Top level management and the responsible officials interfere the need assessment. Need assessment is done on the basis of management interest and nepotism and favoritism. In CAAN, need assessment system is defective. Performance evaluation is always neglected for need assessment purpose. Organizational analysis, demographic analysis, operation analysis and individual analysis is also neglected in need assessment purpose in all the three organization.

NOC is suffering from similar condition for need assessment purpose. The training and development opportunities are very poor in this organization. The JEMC and HPPCL are always neglected with training and development program. The management feels employee's incentive to this program. The training opportunities provided to the employees in those organizations are nominal which are clearly spelled out in the analysis and interpretation parts. In this research, the appropriateness of the training program and employees' perception and satisfaction about the existing system adopted by the organization has been evaluated. The research has found that RBBL, NTC and CAAN have been providing training and further study opportunities to their employees in Nepal as well as foreign countries every year. They have a separate training school to conduct training program frequently.

Meanwhile, Nepal Oil Corporation Limited, Janak Education Material Centre Limited and Herbs Production and Processing Company Limited are backing to provide adequate training opportunities to the employees. It is also found that need assessment is not systematically carried out by the PEs in Nepal. Training need assessment is not appropriate and transparent in all the PEs of Nepal. The measuring system of effectiveness of training and development is not applied by the organizations. Most of the PEs found that existing training opportunities provided by the organization are not appropriate in the modern competitive business environment. The study indicates that employees and the stakeholders are not absolutely satisfied with the existing training systems and procedures adopted by the organizations. Most of the organizations adopted

both on-the-job and off-the-job training in traditional way. Training programs should be organized according to the requirements of the organization using modern technology.

### **Career Development**

*Silwal H.K. (March, 2012) says that every individual has distinct career expectations, even then it is not that everyone want to be highly competitive and always looking for jump or promotion in their career path. After development career, it is not necessary everyone must reach the peak of their profession. Every doctor cannot be a national figure, every judge cannot be a chief justice, every professor cannot be a vice chancellor of a university, every investor cannot be a billionaire, every employee cannot be CEO of the business organization. It is not always they cannot be on top of the trade it may, sometimes be that they are happy with what they are or they do not at all want to reach the top.*

RBBL has adopted career development policy and formally determined career path. An employee in the bank strives to reach the position of CEO as career goal. In the absence of career goal and collective endeavor, the career development cannot be achieved.

Career development opportunity is implemented by the bank based on work performance. It has been providing various career development opportunities through further study abroad, training, management development, promotion, and study leave. A person, who has completed three years of service as a permanent employee, can get study leave opportunity for his career development.

Similarly, NTC has been providing two types of opportunity to its employees for their career development purpose. These are generally, formal education and promotion. A person who has completed five years of service as a permanent employee, can get study leave for his career development as a formal education. The company has provided study leave up to three years with salary. The company has adopted promotion and transfer system for the development of employee's career in the organization. Promotion and transfers are the integral parts of employee's careers. NTC has promoted its employee in accordance with the recommendation of 'Recruitment and Selection Committee'. Generally company adopted the internal promotion system and special promotion

system. For internal promotion system, a minimum of four years of experience to be completed to become potential candidate.

CAAN has been encouraging to its employees for their career growth. For this purpose, it has provided many opportunities, such as formal study and training inland and abroad, promotion and transfer, etc. An employee who has been selected for study and training is provided up to three years of study leave with full salary. But he should be promised to serve certain years after completion of the study. There are three types of system adopted by the CAAN for employees' promotion. These are internal competition performance evaluation and special promotion system. A person who becomes potential candidate after the completion of the following years of experience as a permanent employee in the CAAN can be eligible candidate: assistant level to assistant -3 years, assistant level to officer -4 years, Officer level to officer level -3 years of experience.

Meanwhile, NOC has been providing some career development opportunities to its employees. These are further study, training and promotion. After completion of the study following period would be compulsory served by the employees in the NOC. 6 month of training and study, 2 years service, up to 1 year of training and study 3 years service and above 1 year of training and study, 4 years service should be done.

Likewise, JEMCL and HPPCL have a provision to career opportunities to their employee's service rules and regulations. But these are not in practice properly. For the last six years, the employees of HPPCL are unable to get promotion opportunities for their career development. HPPCL has a provision to three types of promotion system. These are promotion through performance evaluation, automatic promotion and level enhancement. Similarly, JEMCL has a provision to promote its employees for their career development. There are two types of system in their service rule. These are performance evaluation promotion and special promotion. But the system is not compliance with policy statement and rules and regulations of the centre. The employees of JEMCL are also unable to get promotion opportunities for many years. Further study opportunity is not provided in practice in both organization. Training opportunities are nominal. They cannot achieve the career development goals of the employees. Keeping



the field surveys, existing rules and regulation, questionnaires and direct interactions with the employees and their assumptions into the consideration, the research found that all the career development related activities adopted by PEs were employees promotion and transfer, further study and training, study leave, library facilities, employees' counseling and adequate career path. This practice is not adequate in the organization. Career planning has remained neglected, career goals have remained unclear. Feedback is not given to employees about their career development endeavor. Most of the employees are not satisfied about available career opportunities in PEs of Nepal.

### **Performance Appraisal**

Performance appraisal is important as a management tool to assess employees' efficiency in the workplace (Armstrong and Baron, 1998).

*It is carried out for various purposes such as for professional and career development as an accountability check a link between recognition and compensation, references to disciplinary procedure and most commonly, as a mechanism to determine salary increments and promotions. (Abdul Aziz, 1999).*

There are two types of performance appraisal system adopted by Rastriya Banijya Bank Limited. These are formal and informal performance appraisal system. Formal system is a set system. It is an ongoing process. In this process, evaluation is done at periodic intervals and compares actual performance with standard performance. Informal system is not a set system. It is used by the senior supervisor or manager informally. Nepal Telecom, Nepal Oil Corporation Limited, Civil Aviation Authority of Nepal, Janak Education Materials Centre Limited and Herbs Production and Processing Company Limited followed the same criteria for employee's performance appraisal purpose. All the organizations have adopted the performance appraisal policy only for promotion purpose not for achieving organizational goal. The existing appraisal system does not address performance achievement of the organization. Career development should be made through performance evaluation. Existing performance appraisal system has made performer to non-performer in all six organizations. Performance appraisal should be used to understand the difficulties or weakness of the employees and encourage

them to remove all these hindrances. It should be used to identify their strength and weakness. Potential appraisal is necessary in the organization to find out the capability of the employees to perform new roles and responsibilities continuously.

*Performance appraisal should be used to identify training and development needs for the employees working in the organization. . Employee commitment and productivity can be improved with performance appraisal systems (Brown & Benson, 2003, as cited by Rathnaweera R. Rathnaweera N. Thanuja, 2010).*

The research found that existing performance appraisal system adopted by PEs of Nepal is absolutely defective. It has remained unsystematic, ineffective and ritualistic. It has not motivated to the employees towards better performance in the organization. It is not transparent and mainly used to promote employees and control their attitude and behavior.

### **Employee's Welfare and Quality of Work Life**

*According to Aswathappa (2002) Welfare employees physical, mental, moral and emotional well being of an individual. Employee welfare refers to taking care of the well being of employees by employers, trade unions, government and voluntary agencies. It deals with opportunities for a good life of worker and his family (as cited by Agrawal, 2005).*

Employees' welfare program and quality of work life is gradually increasing and adopted by the RBBL in order to maintain their work commitment, morale and motivation are holiday facilities, insurance facilities, health and medical facilities, children education facilities, housing loan facilities etc. Rastriya Banijya Bank has a provision to provide favorable working environment, financial and physical facilities as well as job security, sick leave, insurance and treatment expenses to the employees. Trade union is important to maintain QWL situation in all six organizations. Employees' welfare concept is always neglected in JEMCL and HPPCL. Working environment is not so bad in all six organizations. To some extent, employees' welfare programs are provided by JEMC and HPPCL such as holiday facilities, dressed facilities, job security and sick leave etc. In CAAN, all types of employees whether they are lower level or

higher level equally obtained employee's welfare benefit. This system is adopted by all organization in the similar basis. The welfare benefit is significantly different on the basis of nature and financial position of the organization. NTC has adopted some welfare programs for the benefit of its employees, such as life insurance facilities, medical treatment facilities, employee's children scholarship facilities, salary upgrade facilities and physical disability facilities etc. QWL is applied in a traditional way in all organizations. There is no working democracy and no worker participation in corporate decision making. NOCL is not back in employee's welfare benefit. There are remarkable employees' welfare programs in this organization. Some major welfare programs are home leave, sick leave, treatment facilities, transportation facilities, job safety program, rest and breaks, training for employees, overtime facilities, insurance facilities, loan facilities, dress facilities, fuel and accommodation facilities, lunch breaks facilities etc. But there is no adequate working democracy and no worker participation in corporate decision making like other organizations.

### **Rewards System**

*"Rewarding management is a matter of vital concern for human resource development. Before employees do anything they look for a reward. Organization need to manage reward system to attract, retain and motivate the employee they want. Rewarding employee performance and behavior is an important mechanism of HRD" (Agrawal 2005).*

RBBL has adopted work performance based on reward system to motivate the employee in the bank. Rewarding system encourages the employee for positive attitude and thinking. It enhances skill for better performance in the organization. Bank has a practice for rewarding 0.2 percent of total employees every year based on performance evaluation. An employee whose performance is very high, is rewarded as the best performer awarded by the CEO on the occasion of annual meeting with equal amount of six month salary every year. Similarly, NTC has adopted the reward system to encourage the employees for their work performance. An employee whose performance is very high, gets cash prize Rs one lakh or five grade is increased in accordance with the

recommendation of the reward recommendation committee. Such type of prize is given up to 10 employees every year. Meanwhile, CAAN has adopted the rewards distribution system to encourage and develop to its employees. Any employee whose performance is excellent and commendable is awarded with cash up to Rs one lakh and certificate per year for one person as a 'Academic Service Reward' first. Any employee whose performance is excellent is awarded with cash prize up to Rupees twenty thousands and certificate per year for five persons. Similarly, any employee whose performance is excellent is awarded five grade as salary increment per year for ten persons. Any employee who must work a minimum of three years as a permanent staff to obtain rewards. But reward system is not fair and not transparent in NOCL. Reward is also nominal. An employee who does excellent work such as work to co-operate, to enhance the interest of corporation or control of losses in Depots and quality control etc. is provided as a encouragement prize Rs 10001/ to each employee every year for five employees. Any employee who completed three years of services with above excellent work can be obtained such type of prize again. Similarly, JEMCL adopted reward system to motivate the employees to their duty. An employee whose performance is very high and he has done remarkable work, which helps to enhance the organizational reputation and helps to extend the development of the organization. He is rewarded with five grade salary increment or cash prize up to Rs 5000 for encouraging him.

HPPCL has a provision to reward its employees based on work performance. An employee who has been doing any remarkable work, or special work which directly benefitted to the organization or enhance reputation of the organization he is rewarded the following encouragement prize with giving reason by the General Manager such as increase two grade in his present salary, or Maximum Rs.1000 cash prize is provided once. Employee's reward system motivates the employees in his job for better performance. It encourages the employees to capacity enhancement for better performance in the organization. It is found that all the PEs adopted work performance based reward system to motivate the employee. But rewarding amount and number of rewarded employees is significantly different based on the nature of organization.

Reward is not fair and transparent. Reward system is not compliance with prevailing laws, regulations and policy statement of the government and concerned Public Sector Enterprises. Reward attract, motivate and help to retain the employees to achieve desired results.

### **Problems and challenges**

We found in-depth interviews, questionnaires, field observation and FGD that human resource management and development in the bank is not that much effective and satisfactory. It calls for amendment of existing HR service rules and regulations in a scientific and transparent manner. Bank is suffering from overstaffing problem. To solve this problem, bank has been providing optional retirement opportunity to its employees. These problems are similar to other five organizations. Human resource development is not possible to all employees in these circumstances. Professional organization creates more problems in some cases. Politicians and concerned parties are interfering in selection, recruitment, and transfer and promotion process in all the organizations. Management of man in professional organization is a similar problems and challenges among the Public sector Enterprises. The core problems and challenges behind HRD in CAAN was lacking of competency among different field of work. HRD culture in all six organizations is not properly developed. Philosophy of management towards employee's development in two organizations like HPPCL and JEMCL is almost negative. But philosophy of management towards employees development in Rastriya Banijya Bank Limited, Nepal Telecom Ltd and Civil Aviation Authority of Nepal Limited is seen positive than others. NOC is endeavoring its tendency towards employees development. Job description is not yet to be prepared with detailed specification of the employees' work performance, right, duty and responsibility in all the organizations.

Existing performance appraisal system is defective; it cannot meet the career goals of the employees. Most of the organizations do the HRD works through Human Resource department. They have no separate Human Resource Development Department to implement HRD activities. They do not allocate the adequate HRD budget excluding RBBL, NTCL and CAAN. Succession planning is a part of career development of the employees. Most of the Enterprises are unable to prepare succession planning. They do not give much attention to HRD need assessment. Manpower selection, recruitment and

development planning is generally lacking in Nepalese PEs. Need assessment is based on ad hoc decisions and demands of situations. Nepalese PEs prepare manpower inventory and adopt some HRD mechanisms. But they do not keep it up to date records. Most of the organizations have lack of systematic human resource development policies and programs. They have perpetuated traditional management practices. In my study, I found that infusion and transfer of new tools and techniques of HRD are lacking. Participative management is even lacking in all organizations. Management by objective is also not much practiced in all organizations. HRD has remained an area of least priority in Nepalese PEs. There is the lacking of skill and attitude among the employees. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. Some organizations have their own training schools. But they are not effective, under-funded and grossly miss-managed. HRD is a narrow concept synonymous to training. Mechanisms of HRD activities have remained neglected for HRD. Reward system is not based on performance but favors 'source and force'. Career development opportunities are few in PEs of Nepal for employees. Formal career information, counseling and education to employees are lacking. Most of the PEs have no curing and learning culture among employees and management. Without learning environment, HRD cannot be developed. The organizational structure should be revised to enhance the effectiveness of HRD mechanisms in the current national situation in all the PEs of Nepal.

### **Effectiveness of HRD Practices**

The effectiveness of HRD practice is measured basically through the effectiveness of the duty performed by the employees, Establishment of Employees Training Academy, Improvement in profit margin, Implementation of policy and strategy, Quality of work life, Improve productivity, Performance improvement, Career development and Employees welfare etc. Most of the employees of the Rastriya Banijya Bank and its branch perform their duty quickly and efficiently. But the employees of JEMC are not performing their duty successfully. They are not competent in their duty. They do not get any skill development opportunities through their organization. The employees of HPPCL got the training opportunities in nominal basis. NOCL, JEMCL and HPPCL has not owned training school. Hence, they are unable to conduct training program.

Employees of NTC and CAAN are able to perform their duty successfully. RBBL, NTC and CAAN have their own training school. They conduct training program themselves. Most of the employees of these organizations participate in skill development program frequently. Evaluation of training effectiveness is a highly desirable step in total training programmes so that one can judge the value or worth of the training (Prasad LM, 2009, P.603). Hamblin (1984) says HRD evaluation means any attempt to obtain information (feedback) on the effect of a training programme and to assess the value of the training in the light of that information. He further says that evaluation of effectiveness can be more meaningful if the following process is adopted: determination of training objectives, fixation of evaluation criteria, collection of information relevant to training evaluation and analysis (P.).

Rastriya Banijya Bank has been significantly improving in the non-performing loan ratio from as high as 60.15 percent 2003 to 10.85 percent by mid-January, 2012. There has been a notable progress in the negative capital fund and non-performing loan ratio of the bank. NTC has succeeded to achieve its service and business goals. It has contributed to the extension of 49 percent telecom service of the total extension of the country. While analyzing the per staff contribution on the basis of operating profit are seen positive. The productivity level is seen higher in comparison to the number of employees in other selected PEs. It indicates that HRD practice in NTC is effective than other organizations. The CAAN has been making the net profit in every year since F/Y 2060/2061 B.S. Similarly, the net profit ratio is gradually increasing in NTC. In fiscal year 2063/064 B.S. the percentage of net profit ratio was 38.32. In fiscal year 2064/065, it reached 44.40 percent. Meanwhile in fiscal year 065/066 B.S., it reached in 45.72 percent. Likewise, in fiscal year 2066/067 B.S., it reached in 39.58 percent and fiscal year 2067/068 B.S., it reached 40.61 percent. Rastriya Banijya Bank has earned a profit of Rs.1909.882 and Rs.1759.3 million in the year 2009/010 and 2010/011 A.D. respectively. This bank has been showing gradual improvements in its shareholders fund also. Improvement in net profit indicates that HRD practice in those three profitable organizations are effective than other organizations. But the evaluation of training and development effectiveness is even lacking in all Nepalese Public Sector Enterprises.

Evaluation of HRD effectiveness is one of the fundamental principles of HRD. Without successful evaluation no one can determine effectiveness of HRD mechanisms practice. How well HRD mechanisms will achieve the organizational as well as individual goals that have been set earlier. It helps to evaluate the HRD mechanisms and their effectiveness relating to increasing quality of work life and productivity of the Enterprises. NOC is even unable to restructuring HRD department; it has no separate training school for the capacity enhancement of its employees in central and regional office.

All the PEs generally practiced two types of performance appraisal systems. These are formal and informal. Formal performance appraisal system is a set system. It is an ongoing process. In this system, evaluation is done at periodic intervals and compares actual performance with standard performance. Informal performance appraisal system is not a set criteria. It is used by the senior supervisor or manager informally. All PEs adopted similar system for employee's performance evaluation. But this system is not effective. It cannot meet the employee's career goals. It is used only for promotion purpose. Career development opportunity is implemented by the PEs based on work performance. It has been providing various career development opportunities through further study abroad, study leave and promotion. Career development practices are effective in RBBL, NTC, CAAN and NOCL. They have an adequate career path to the employees. An employee in these organizations, strives to reach the position of CEO as career goal. The study indicates that career development practices in these organizations are well and much effective than others. In the absence of career goal and collective endeavor, the career development cannot be achieved. Reward practice is not effective in all organizations because of the lack of fairness and transparency. JEMCL and HPPCL have been suffering from career opportunities for many years. The same employee has been working in the same position for more than 15-20 years. Employees welfare programs are effective in most of the PEs of Nepal. The strong positions of employees unions have facilitated welfare of employees. Organizational effectiveness is better in RBBL, CAAN and NTC than other three organizations. We have considered it in the criteria of goal achievement, quality, productivity, profitability, efficiency, flexibility and communication. Most of the managers poorly understood organizational effectiveness in Nepal.

*A free lancing experts says that there is not notable innovative HRD practices in the PEs of Nepal. They are training/work based learning.(Field Note,3 January 2014)*



Assessment of achievement generally carried out the post training examination (achievement evaluation) of participants based on the predesigned questionnaire. At the end of training and development program the participants were found to be able to concern subject matter. Most of the program, out of total participants generally fifty percent participants responded the questionnaire. Rest of the participants left the questionnaire UN answered. Only a very few of them provided wrong answer.

Most of the HRD program the participants provided following suggestions for the improvement of HRD practices:

1. A unique type of HRD program, very useful for moral boost up, motivation, professional feeling, and encouragement to the employees.
2. Overall performance of training was satisfactory but training duration was very short should be improved.
3. Increase duration of training.
4. Focus on the empowerment, authority and responsibility.
5. Continue training; no one slot only, at least once a year in every organization.
6. Trainer should have a clear idea before coming to class.
7. HRD budget should have adequate in each and every organization to meet the individual and organizational goals of the public sector enterprise of Nepal.

### **Concluding Remarks**

1. Most of the employees are aware to some extent about HRD and its mechanism, but they are worried about effectiveness of HRD system, mechanisms and rules. Performance appraisal system is not scientific. It is used only for formality and promotion purpose.
2. Most of the employee's even management is not aware about HRD plan and policies of the organizations.
3. The officer level employees and even management take HRD as a mere means of training and development.
4. The HRD culture and philosophy of management towards employees among three organization like RBBL, NTC, and CAAN is comparatively positive than others.
5. More than fifty percent PEs are very weak in the properly practice of HRD mechanisms. HRD practices are very weak and need to be strengthening in order to sustain in today's global competition.

6. The compliance of policy statement and rules and regulations of these organizations in term of practice is very poor.
7. Existing PA system and evaluation indicators are not suitable and scientific.
8. Existing PA system has made performer to non-performer to the employees. Existing system is absolutely defective. It has remained UN systematic, in effective and ritualistic.
9. QWL is applied in a traditional way in all organizations. There is no working democracy and worker participation in corporate decision making.
10. The career development related activities adopted by PEs were employees promotion, transfer, further study and training ,study leave ,library facilities, employees counseling and adequate career path.
11. Almost PEs organization structure is not balanced and it looks like a diamond shaped.
12. Lack of co-ordination between various department and units under PEs for HRD should be improved.
13. Most of the PEs employees training and further study practice is not in balanced way, who working at central offices have got more opportunities then other branch and units.
14. Nomination practice for training and further study is not in planned way and it is used without need assessment.
15. Most of the employees are not satisfied with prevailing HRD practices, such as training ,career development, performance appraisal, reward and punishment, and employees welfare and quality of work life even running on hunch and adhoc basis.
16. Reward and punishment system is not performance based.
17. Some PEs has been investing more resources for HRD and some are nominal in this field.
18. The research found that there are not notable HRD practices in PES of Nepal. They are training / workshop base learning.
19. HRD practices are very weak and need to be strengthening in order to sustain in today's global competition.
20. Carrying culture create conflicts among employees.
21. Curing culture even was not applied properly, which directly affect to HRD.

## **CHAPTER SIX**

### **SUMMARY CONCLUSION AND IMPLICATIONS**

This chapter summarizes the major findings and concludes all of my research work on human resource development practices in the context of public sector enterprises of Nepal. It includes implications and recommendations of the overall research work. Thus, this research is concerned with exploring the reality of human resource development activities practices in Nepalese PEs. The development of human capital is a major component of organizational development. It helps to boost up overall physical and economic development of the nation. Without competent manpower the organizational development cannot be imagined. Various researches reveal that enhancement of competency to the employees helps to boost up economic and social status of the people and overall development of the nation. Most of employees of the PEs have not been succeeded to perform their competency, effectiveness and creativity while performing their own duty as per the changing nature of society and modern technology. In this situation, it was essential to study the current human resource development practices to know the actual position of the situation. Hence, this research's focus was on examining the conceptual clarity on HRD among employees, management philosophy towards employees, HRD mechanisms practices, problems and challenges and effectiveness of HRD in PEs of Nepal.

#### **Research Summary**

Finally, I got a destination to my long research journey. In fact my research journey started on September 2011 in search of knowledge about human resource development practices in the context of Public Sector Enterprises in Nepal. Through a continuous engagement in search of knowledge for almost two and half year, ultimately I got a real destination to my long research journey. Actually, I began my journey with the Human development report (2010), United Nations Development Programme (UNDP) and performance evaluation report of PEs(2010), Ministry of Finance(GON) and

trying to relate *them with HRD practices in PEs of Nepal*. Initially, I went through a journal article, books ,reports and related dissertation about HRM and HRD. Reviewing system theory, economic theory, psychological theory and concept of HRD learnt about HRD foundation. Reviewing HRD models provide strong knowledge on HRD.

Swanson & Holton, (2005, p.4) classified the core adult learning principles in six parts, such as learner's need to know, self -concept of the learner, prior experience of the learner, readiness to learn, orientation to learning, and motivation to learn.

Learning and curing culture, helps to enhance human resource development practice more effective. But in case of Nepal, learning and curing culture both are not properly adopted. Most of the cases in most of the Enterprises OCTAPAC culture is not absolutely and properly used in Nepalese PEs due to the unfavorable philosophy of management towards employees and inadequate financial sustainability. Orientation, training & development, learning , further study and research opportunities were very low in most of the Nepalese public sector enterprises. Undoubtedly, there are critics of HRM and HRD policy formation and implementation modalities of PEs in Nepal. They have criticized on the weak monitoring mechanism and unclear state financing policy on HRD as well as political intervention on freedom in function in this sector. Every coin has two sides and every practice has positive and negative impacts.

I read lots of literature strongly supporting need of HRD practices and related to research objectives available. I didn't get adequate literature in Nepalese context that argues to support the human resource development practices in PEs of Nepal. The fact cannot be ignored that large number of employees are waiting to fulfill their career goal and improve competency and education for them and to achieve organizational goals. To make competent to all employees is indeed a real challenge in the context of PEs of Nepal. Because of the lack of resource and commitment. The internal resources are very limited and government aid is not really enough to face the challenge of HRD.

However, PEs do not have any other alternative than looking for more government aid and make effective use of them for overall development of the employees competency and develop their career goal to meet the organizational goals. In such a situation to

provide full autonomy or privatization should be better policy of the government. Therefore, I insist on preparing appropriate environment to make human resource development practice more effective in public sector enterprises in Nepal.

### **Chapter Summary**

Starting of the thesis writing itself is one of the most challenging tasks. I started chapter first with the advice of my supervisor. Chapter one introduces the concept of study topic and outlined the research problem describing the importance of the study on HRD practices in PEs of Nepal. This chapter gives overall scenario of my thesis. Public Sector Enterprise should be well-equipped with trained, experienced and qualified manpower, otherwise they cannot run properly in modern age of globalization. In the context of PEs of Nepal, HRD practice is more necessary than other sector. PEs are established to fulfilling the basic need of the people. The PEs employees render various types of services to implement the government policies and fulfill the objectives of the nation also. But PEs employees and even management is unable to achieve the organizational goal. I established this problem in the second part of chapter one. Likewise the worth of my research and purpose also set in the same chapter. The main purpose of my study was to analyze effectiveness and contribute to the enhancement of human resource development practices in the context of Public Sector Enterprise of Nepal. To establish the strength of the purpose of research, I developed four research questions. All research questions stand on the periphery of HRD in PEs of Nepal.

The second chapter is related to literature review. In this chapter, I explored knowledge by literature review. Generally, research work is the combination of substantial and original knowledge. Substantial knowledge is produced by literature review whereas original knowledge is explored by primary data. Review of literature is divided into different six parts. The first part gives focus on conceptual, historical and legal issues concerned with PEs and HRD. The second part is concerned with theoretical issues related to thoughts, theories, and models. The third part is concerned with HRD policies, principles, climate, culture and philosophy of management. The fourth part is concerned with HRD mechanism practices in Nepal and abroad. The fifth part is review the major

problems, challenges and their casual factors. The sixth part is concerned with related studies. Finally, the seventh part summarizes the research- gap and implication of the review of related literature.

Chapter three is related to methodology. It started with research philosophy with ontological and epistemological parts of my research. The philosophical premises encompasses ontological, epistemological, axiological and methodological assumptions in this study. The ontological assumption for this study subscribes as a qualitative researcher to the notion of multiple realities regarding human resource development practices and its effectiveness in the context of PES of Nepal. My epistemological assumption for this study believes in subjective discourse that knowledge can be acquired through in-depth interview. This chapter reflected the qualitative research design. I have clearly explained the research journey of two and half year's thesis writing duration. In this chapter, qualitative research approach is discussed. I had selected ethnographic strategy of inquiry as well as the ethnographic validity; triangulation was also used on the basis of the requirement of study topic and objectives of the study also discussed in this chapter. In this chapter, sampling design, data collection tools and techniques, tools of analysis, authenticity of data, presentation of data and ethical principle is also discussed in this chapter.

The next chapter four analyzed, assessment, interpretation and discussion of the data collected from selected six PEs of Nepal. This chapter classified into different sub-heads. Part first analyzes the financial sector. The second part is included to analyze the social sector, the third part is included to public utility sector, meanwhile the fourth part is included to service sector and likewise, the trading sector covers the fifth part and finally analysis of the industrial sector in the sixth part of the study. All six sectors are studied by conducting interaction and in-depth interviews with different stakeholders within six selected institutions. The main purpose of this chapter is to analyze the reality and effectiveness of HRD practices in selected public sector enterprises of Nepal, considering existing HRD policy and endeavor, performance and achievement, familiarity on HRD concept, importance and philosophy of management towards

employees, assess the existing human resource development mechanisms practiced, investigate the major problems and their causal factors, and effectiveness of existing HRD mechanisms practiced in PEs of Nepal. The perception of my research participants was analyzed. The analysis was done after conducting in-depth interview with the research participants, observation and detail study of literature. I consolidated essential information within specified themes and analytical matrix. This analysis is done on the basis of major themes developed for analysis purpose through thoughts, opinions, answers, information and facts obtained from higher officer level research participant of the concerned public sector enterprises of Nepal and free lancing experts of different sectors.

This chapter five finds out the result of HRD practices and its effectiveness on different public sector enterprises in Nepal. In this part, it is discussed on different responsible factors of HRD and its mechanisms, problems and challenges, effectiveness-ineffectiveness, strength-weakness, similarity-dissimilarity mainly in six public sector enterprises concluded from informant's perception and study of various documents.

### **Finding and Conclusion**

This research mainly discussed the conceptual understanding of human resource development, human resource development mechanism practices in public sector enterprises in Nepal. The research also explored the issues of management philosophy towards employees, human resource development culture, human resource development sub-mechanisms adopted by concerned organizations, problems & challenges, effectiveness and techniques to make HRD more effective in the organization and suggested for the management, transparency and accountability. It emphasized on their efficiency and effectiveness involving the stakeholder for long term development in the public sector enterprises. A holistic portrayal of employees and stakeholder's perception has been maintained throughout the research discussion and findings. On the basis of this basic foundation, I drew major concluding remarks highlighting the people's perspectives are:

1. All the senior level employees of the PEs are aware of the concept and importance of HRD to some extent. But, most of the employees are not aware of the concept and purpose of HRD mechanisms. The employees and even the management take HRD as a mere means of training and development. The philosophy of management towards employees is absolutely negative to some organizations. The implementation part of policy statement and rules are even lacking. Most of the employees of PEs are unable to get opportunities to participate the human resource development programs every year. But, some organizations have their own training school. The types of HRD mechanism practiced by PEs in Nepal are generally similar. But available opportunities are significantly different based on nature and financial position of the organizations. The compliance of policy statement and rules and regulations of all organizations in term of HRD mechanism is very poor.
2. HRD mechanisms practiced by PEs in Nepal did not meet the career goals of the employees'. Existing performance appraisal system is defective. It has remained unsystematic, ineffective and ritualistic. It has not motivated to the employees towards better performance in the organization.
3. The training need is regularly assessed by some PEs. But need assessment is not systematically carried out.
4. The training and development opportunities are very poor in all organizations.
5. The research has found that RBBL, NTC and CAAN has been providing training and further study opportunities to its employees in Nepal as well as foreign countries every year.
6. The measuring system of effectiveness of training and development is not applied by the organizations.
7. The employees and the stakeholders are not absolutely satisfied with the existing training systems and procedures adopted by the PEs in Nepal.
8. Career development opportunities are well-defined in policy statement and rules. But career planning has remained neglected and career goals are remained unclear.



9. Most of the PEs have a provision to provide favorable working environment, financial and physical facilities as well as job security, sick leave, insurance and treatment expenses to the employees.
10. Trade union is playing an important role to maintain QWL situation in all six selected organizations.
11. All PEs have adopted work performance based reward system to motivate the employee in the organizations. But reward system is not fair and not transparent.
12. Politicians and concerned parties are interfering in selection, recruitment, and transfer, promotion and development process in all the organizations.
13. The core problems and challenges behind HRD in PEs were lacking competency among different field of work. HRD culture in all six organizations is not properly developed.
14. Most of the organizations have lack of systematic human resource development policies and programs.
15. Existing HRD mechanisms have failed to enhance the loyalty and morality of the employees. Because of the human resource decisions are made under the political pressure and unfair.
16. Most of the organizations have weak in adopting standard human resource management and development practices in Nepal.
17. The evaluation of training and development effectiveness is even lacking in all Nepalese Public Sector Enterprises. Evaluation of HRD effectiveness is one of the fundamental principles of HRD. Without successful evaluation no one can determine effectiveness of human resource development practice. Most of the PEs does not even have a separate human resource development department, which does the work of human resource department. The model of training is not suitable and applicable to the organization should be improved. All the career development related activities adopted by the PEs are not adequate in the organizations. Performance appraisal system is used only for promotion purpose. Existing PA system has not met the career goals of the employees in the organization.

## **Implications**

The research findings and contributions have several implications. In fact, we all accept the reality of human capital as integral part of the development of the nation. Human capital is the invaluable property in every organization. It should be properly managed and developed. Without proper development of human resource, the organization cannot be run properly. The prime concern, however, is to focus on different ways so as to manage and develop human resource optimally.

## **For Government**

Naturally, government is the responsible body for public sector enterprises management and development. For this purpose the priority concern is to HR policy and strategies for the development of PEs in Nepal. Without a concrete and context-specific national human resource development and management policy, it is most likely that PEs does not bear positive results in Nepal. The policy statement of the government towards HRD and PEs should be clearly spelled out. Whether PEs is properly run up and whether human resource is properly managed and developed or not. Monitoring and evaluation of PEs performance should be properly carried out to assess whether these PEs have been able to achieve the objectives of the nation.

## **For Concerned Institutions**

First, the research findings have the potentials to help concerned institutions to highlight on the importance of HRD. Such outcomes are helpful to PEs for making HRD policy and strategy. Secondly, the management should be conscious about monitoring and evaluation mechanism. Monitoring and evaluation of their employee's performance should be properly carried out to assess whether these employees have been able to achieve the objectives of the institution. Most of the institutions should be able to formulate and implement their HRD policy and plan in line with their respective vision, strategy and work policy by defining objectives, work performance and results. The philosophy of management towards employee's development should be always positive.

The respecting, honoring and curing culture among employees and management should be properly developed. The HRD programs should be designed to attain productivity and effectiveness for employees and organization as a whole. The participative management has remained weak utilized. It should be improved. Human resource development should be an area of high priority in the institutions. Training needs should be properly identified. Performance evaluation should be effective, transparent and related to meet career goal of the employees. The organization should be aware that a highly skill employee is a very productive, motivated and high performance in the organization. It should be ensured by the management that fair management and development practices develop professionalism and cooperative behavior among senior employees. Management should be conscious to adopt task-based fair evaluation of the performance and appropriate training and development programs for the employees. Organizations should define at least minimum standards and criteria for measuring HRD success.

### **For Further Researcher**

Nepal is a least developed country. It has established different nature of PEs in six sectors to provide basic needs of the people. The development of PEs depends on competent human resource. Without effective HRD policy and practice, the employee's competency cannot be imagined. But no single research was found to address to this matter. HRD policy and strategy and effective implementation and practice of HRD are a serious issue. For effective practice of HRD, proper HRD policy is lacking in every public sector enterprise of Nepal. So, I suggest for further researcher to conduct a research on what kind of HRD policy and mechanism is suitable and what techniques use to be made HRD more effective in PEs of Nepal. Therefore, a research should be conducted to generate information relevant to formulate HRD policies, mechanisms and techniques suitable to cover all PEs of Nepal.

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