

# **HRD Practices' Impact on India's Service Sector's Growth Rate**

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## **Abstract**

Human resource development is given the attention it deserves by all organizations since it attempts to develop every employee of a company in an organized way to acquire, hone, and use both their current talents and their inner potential. HRD is a comprehensive solution in which its many mechanisms are integrated to function as a single, cohesive unit. Research has shown that implementing numerous HRD practices, such as performance reviews, training, and higher productivity, increases employee performance and results in additional rewards like incentives and promotions. By putting these HRD sub-systems into place, organizations may foster a culture where employees communicate with one another, respect one another, and cooperate. The study investigates the connections between the mechanisms for human resource development in several secondary sectors. The results were taken from secondary data and analyzed. The tertiary sector, or services industry, is the backbone of a nation's social and economic development. It has emerged as one of the largest and fastest-growing economic sectors in the globe, contributing more to output and jobs globally. The goal of the current paper is to pinpoint a few HR issues that face the Indian service industry and offer several HRD strategies to address them. It also highlights current trends in HRD that contribute to the sector's growth.

**Keywords:** Human resource problems, HR practices, recent trends in human resource development, service industry.

## **Introduction**

Growing demands for development and growth, on the one hand, and greater productivity and efficiency in the competitive market, on the other, place emphasis on a rise in individual freedom

in society. People's expectations are quickly evolving. They desire opportunity for the greater manifestation of their potentials as well as treatment and respect as other humans. In addition to assisting the firm in achieving its goals, HRD also gives employees the chance to meet their needs and enjoy their jobs to the fullest. In any organisation, the most important resource for the effective accomplishment of its goals is its human resource, whether it is potential or already in place.

As a result, HRD is becoming increasingly important to the success of every industrial company. The organisation has come to understand that the contribution of its people resource is what enables them to expand, thrive, and meet their goals. Human resource development (HRD) aims to develop all of the company's employees in a planned manner, not only to acquire and apply their current capabilities but also their inner potentials. It also contributes to the creation of an environment with strong interpersonal ties that aids in the achievement of organisational goals.

In terms of employment opportunities or its contribution to the national income, the Indian service sector makes up a sizable portion of the country's economy. The industry, which accounts for nearly 60% of Asia's fifth-largest economy, ranges from technologically advanced fields like telecoms, satellite mapping, and computer software to employment-oriented industries like tourist revenue, real estate, housing, and infrastructure-related industries like railways, roads, and ports to social sector-related industries like healthcare and education.

India's major industry is the service sector. 6.9% of all contributions come from the service sector. In terms of trade flows, FDI inflows, employment, and contributions to national and state incomes, India's services sector has become a significant industry. At current exchange rates, the service sector's gross value added (GVA) is predicted to reach 92.26 lakhs INR in 2018-2019. 54.40 % of India's total GVA, or 169.61 million crore Indian rupees, comes from the service industry. Industry contributes 59.73 percent of the country's GVA, which is Rs. 50.43 lakh crore. While the sector for agriculture and related activities accounts for 15.87 percent. Therefore, the service sector is making a greater contribution than the manufacturing and agricultural sectors. In fiscal year 2019, FDIs of over 639 billion Indian rupees went primarily to the service sector in India. The country's service sector is thriving in terms of employment, GDP share, and FDI. However, this can only be done if human resources professionals work in all service sector organisations. The human resource is the most important factor for development and growth. To flourish in the service industry, it is crucial that trained labour is readily available.

Human resource development is being stressed more and more. Human resource development is crucial for the efficient use of human resources. The requirement of a hour is to maximize human resource development. Therefore, strategic hr development is an ongoing process of honing the abilities and expertise of the individuals who work in practically every firm. Therefore, it is assumed that spending on human resource management and training is an investment that will pay off.

**LITERATURE REVIEW**

Dr P.Jyothi, Ms V. Sree Jyothi (2009) the hiring of qualified employees, keeping talent, letting go of employees, employee training, salary hyperinflation, external threats, etc. are the major difficulties facing the Indian banking sector. Other difficulties include shifting work environments, retraining, pay, etc. Managing change from the standpoint of both employees and customers while coping with the enormous technology adoption program.

Ernst & Young (2010) The ageing workforce, which makes it difficult to replace talent lost due to significant retirement in the upcoming years, is deemed to be the main HR concern in the Indian oil and gas sector. The upstream oil and gas sector is challenged by high attrition at the middle management level, whereas other sub-sectors are confronted with this difficulty at junior management levels, according to a research of overall attrition by level. Due to the numerous foreign options accessible to personnel with more than 10 years of experience, middle management attrition in the E&P industries has increased. Other major factors in employee attrition include a lack of career options and harsh working conditions.

Recruiting qualified workers is listed as the largest human resource challenge in the social sector of India (70 percent) by the researcher (2012) who studied the issue. Numerous businesses are expanding, and as a result, they are always looking for suitable staff. Because startups are seen as riskier and less lucrative than established businesses, they sometimes have trouble luring top employees.

Parikshit Joshi and Anuj Srivastava (2012) discovered that if their employees are proactive and dynamic, the organisation becomes dynamic. An organisation may make its personnel dynamic and proactive by making the right hiring decisions and cultivating their vibrancy and other competencies. An organisation must adapt to environmental change in order to exist, and it must also continuously train its staff to tackle challenges. This will benefit the organisation.

The difficulty is made even more difficult by the talent shortage among socents. The respondents listed making clear roles and duties (39 percent) and dispersing decision-making authority outside of the founding teams as the second and third biggest HR challenges (34 percent). These difficulties suggest that the so cents may find it difficult to build a solid layer of middle management.

**Need for the Study**

Despite the fact that India's service industry has grown fast over the past few decades and that human resources should be given priority, the HRD practices should play a critical role in the expansion of the service sector. The difficulties in HRD that all service sector departments' human resources encounter, as well as the current trends in HRD that encourage the industry to grow quickly, have not been properly researched.

**Research Objective**

Examine the different difficulties that the HRD faces in the service sector.

Analyze how the management philosophies of private and public organizations relate to the HRD practices

Examine the most recent developments in HRD that support the growth of the service sector in the economy.

**Research Methodology**

This research article was created using descriptive secondary information obtained by reading articles, journals, research reports, books on human resource management, and reports from various organisations that were published in research journals and covered the topics of human resource development (HRD) and human resource management (HRM).

**Meaning Of Human Resource Development**

According to the American Society of Training Development, "HRD is the integrated use of training and development, organisation development, and career development to promote individual, group, and organisational effectiveness" (ASTD). Every day, society experiences new challenges and transformations, making it necessary to offer staff the right learning opportunities. Providing learning related to the organization's objectives and to its staff is another way that HRD helps the organisation. To do this learning, training, education, and development are used. Leonard Nadler, the author of Human Resource Development, claims. Education focuses on learning intended to prepare a person for a profession that they are not already holding, while training is a learning activity provided by employers to help people execute their existing tasks more effectively.

Three interrelated factors make up the ongoing process of human development:

Investing in human resources to increase output potential.

Increasing output through the use of those human resources.

Involvement of those with superior resources—better training, higher skill levels, etc.—in the consumption of that greater output through improved quality of life

**Major Challenges Faced By Service Sector**

The Indian banking industry faces a number of challenges related to human resources, such as a skills gap, a lack of mid-career candidates, the retention of millennial talent, customer loyalty, salary benefits and negotiation, working conditions, top management's attitude toward human resources, and career planning.

Problems with human resources in the education sector: The education sector will need qualified human resources as the educational system develops. The biggest problem is a lack of knowledge. E-learning is growing in popularity as a result of technical improvement, but it still has several drawbacks, including a lack of technological expertise, soft skill training, funding for education competent employees, and a lack of contact between teachers and students.

The most serious issues facing HR departments today are leadership development, business culture, recruitment, retention, and motivation. Along with the change in HR's role, there has also been a trend toward more strategic problems to be solved and the outsourcing of some tasks to improve their management.

I.T. and telecom HR Problems: A key element of the service economy is telecommunication. This is so that it may link people, groups, and economies. People are connected here thanks to integration. However, HR faces challenges in this sector as well, which may result in a decline in productivity. A few of the problems include a lack of trained staff, managing employee engagement and attrition, dealing with layoffs, and establishing gender balance.

The tourism industry is very important since it increases the amount of foreign currency coming into our country. However, there are HR issues in the industry. People who work in the tourism industry deal with a variety of problems, including poor management, unprofessional working conditions, a lack of professionalism, a lack of motivation, a lack of training and development, inadequate pay packages, and sustainable employee growth. Additionally, it was found that university-taught courses are similarly under-promoted whereas tourist courses are under-promoted and insecure.

### **Analysis of Management Philosophies**

After analyzing the aforementioned data, it can be concluded that for the service sector to have sustained growth, the right human resource development practices should be used. The numerous HRD techniques that can be used include:

1. A performance review is a methodical, recurring process that assesses the efficiency and effectiveness of each employee's work in relation to a set of updated criteria and organisational objectives. Performance improvement is the main driver for the usage of performance appraisals (PAs).
2. Employee development is the systematic process by which people pick up new abilities, knowledge, skills, or attitudes in order to accomplish their own and the organization's goals. Training provides prior knowledge of the company and the job in order to increase the productivity and effectiveness of the human resource.
3. An individual's professional needs, goals, and opportunities are identified through career planning and development, along with the creation of a human resource programme to support

that career. By giving the employee more hard and high-profile job, this aims to broaden their horizons.

4. Participatory Decision Making: The HRD system should promote participatory decision making so that each employee may offer their ideas and opinions to the organization's decision-making, enabling them to work for the company for a longer period of time.

5. Correct Job Analysis and Job Design: The HRD system considers correct job analysis and job design so that the right individuals should be hired at the correct location. The HRD system is in charge of designing jobs properly since they need to be done in the right environments with the right people.

6. Executive Establishment: Improving an employee's managerial and interpersonal skills through the development of appropriate executive development programmes.

7. Organizational development is a top-down, company-wide initiative with the goal of enhancing performance through intentional intervention. OD looks closely at the organization's human side. By altering attitudes, values, organisational structure, and management practises, it seeks to improve organisational performance.

8. Quality Circles: A quality circle is a volunteer group of employees who are trained to identify, analyse, and solve work-related problems and present their solutions to management in order to improve the performance of the organisation and inspire the work of the employees. The group is typically led by their supervisor (or an elected team leader).

9. Compensation and Rewards System: It is commonly recognised that motivational strategies, if implemented properly by the employer, can dramatically affect sales figures, customer satisfaction, and individual, team, and organisational productivity. They may also play a significant role in boosting employee engagement.

10. Employee counselling and employee feedback are two examples of interventions in psychological healthcare. By acting and actively tackling the situation at hand, it aims to assist both the business and the employee.

11. Work done by several collaborators who prioritise the effectiveness of the whole over their own individual prominence is referred to as teamwork. Team building enables employees to collaborate more effectively, which reduces waste and improves organisational and individual goals.

12. Decentralization: In order to raise morale and boost productivity, the HRD system should facilitate decentralisation through delegation and shared responsibility.

13. General Development: The HRD system ought to assist the business in enhancing its enabling skills. The competencies include strengthening organisational health, improving

problem-solving skills to support other systems, and developing human resources across all domains.

14. Social media will extend its reach and help HR managers connect with a larger pool of prospects. Social media recruiting and behavioural analysis. Additionally, the integration of HRMS software will let recruiters do more accurate predictive and behavioural evaluations of candidates. Strengthening the staff as a result.

15. Grievance Procedure: All employees, especially those who work with migrants, should have access to a grievance procedure that enables them to voice their complaints without worrying about repercussions.

### **Recent Trends In HR Practices**

1. Up skilling and down skilling: Recent reports suggest that millennial workers will need to down skill at least 15-20 times throughout their careers. According to data from 2018, employees who receive regular upgrades perform their jobs better and efficiently retain their staff.

Like re skilling, online learning has become a fantastic way to help employees learn.

Both the potential and learning capacity of the workforce will be improved. Technology aids online and improves an organization's human resources' working environment.

2. Chatbots for HR

Chat bots were previously mostly utilized for customer support and roles, but they are now also used by HR employees. Employers must relieve their HR departments of tactical duties because employees need assistance. Chatbots therefore balance both in a good way.

HR operations will be improved, and business operations will be made more efficient, with the help of artificial intelligence and machine learning. These techniques manage the complete employment lifecycle while enhancing the employee experience.

3. Mobile apps as a SaaS platform: As cloud services provide businesses with better technical integration and data management, mobile apps will gain popularity as a SaaS platform. Two technological components of the new HRMS, geo-fencing and geo-attendance, allow them to effectively manage their remote workplace.

### **Conclusion**

Resolving HR issues in the service sector industries is facilitated by human resource development practices, and current trends in HRD practises show tremendous growth in the

sector, demonstrating the positive impact of HR in achieving organisational goals, employee satisfaction, and long-term sustainability.

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