

HRD Climate in SBI Bank

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This study assesses the perception of top management support for HRDC and HRD subsystems in SBI bank. It also attempts to understand the perception of employees to Human Resource Development Climate and how is SBI faring in OCTAPACE culture with respect to age and experience. Primary data has been collected from 100 respondents through structured, self administered 40 – item Human Resource Development Climate questionnaire developed by Rao and Abraham (1986). The questionnaire measured the General Climate, HRD Mechanism and OCTAPACE in SBI bank. The employees having different age group, experience and qualification have the same perception towards General Climate. The OCTAPACE vary according to the age and experience so the policies need to be customized with respect to it. HRD mechanism vary according to the experience so the performance appraisal, training and development , reward and feedback , career planning and potential appraisal need to differ with the experience of the employees.

Keywords: HRDC, General Climate, HRD Mechanism OCTAPACE culture.

Introduction

Drucker (1993) “rightly pointed out that the capability of adding value through knowledge development, improvement, and innovation are more important in comparison to traditional economic factors such as monetary capital, physical labor and raw materials”(Drucker, 1993).In this highly competitive environment it is imperative to develop employees which means acquisition of new capabilities (cognitive, affective and active) which would enable them to perform well different functions and current functions. Organizations believes that organization capabilities are the source of sustainable competitive advantage as they cannot be imitated and can be accumulated only through the long-term and continuous learning . So these capabilities can be acquired , sharpened and used by having an optimal human resource development climate. This enabling culture helps the employees to develop, innovate, reinvent , take risks, experiment and put the organization in the growth trajectory. HRDC exists to enable their employees to discover their potential , hone their current skills and channelize and utilize their interests for the growth of the organization. Bhopal state has witnessed consistent momentum towards industrial investment over the last three years and its equidistant location from all the major metros in the country has contributed towards the city's emergence as an ideal center for establishing strategically located logistical hubs. So, the competition has been intensified due to the entrance of new players. So to survive and succeed it is important to develop the human resource with the requisite skills and favorable HRDC. Various research studies have been taken up to determine and analyze the factors affecting the HRD climate prevailing in organization. Jain, Singhal and Singh (1997), Rohmetra (1998), Alphonsa (2000), and Kumar and Patnaik (2002), and

Mishra and Bhardwaj (2002) etc. have conducted studies on the factors to be considered for analyzing the HRD climate in various organizations. In these studies, corporate philosophy, superior-subordinate relationship, training and employees development practices, OCTAPACE culture, etc. were considered to determine the HRD climate in various organizations like public and private sector organizations, banks educational institutions, etc.

Abraham (1989) found that HRD climate is a powerful intervening variable in translating HRD practices into profit. Venkateswaran (1997) made a study in a public sector undertaking in India and found that, to a large extent, a favourable HRD climate was prevalent in the organization under study. M. Srimannarayana (2001) identified a below the average level of HRD climate in a software organization in India. However, Agarwala (2002) found that the HRD climate was significantly more developmental in the IT industry when compared to the automobile industry. Mishra and Bhardwaj (2002) carried out a HRD climate survey in a private sector undertaking in India and concluded that the HRD climate in that organization was good. Lewlyn (2004) conducted a study in the engineering institutes in India and found the HRD climate to be highly satisfactory. In this study we will find out whether the perception of top management support for HRD and HRD subsystems vary according to the age, experience and qualification. How is the OCTAPACE culture with respect to age and experience and what is the overall perception of employees towards HRDC.

Concept of Human Resource Development

HRD has been defined by various authors and lay stress how it develops the human resource. It is an organized learning experience provided by employees within a specified period to

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bring about the possibility of performance improvement and/or personal growth (Nadler and Nadler, 1989). It is the integrated use of training and development, organization development, and career development to improve individual, group, and organizational effectiveness (McLagan, 1989). Rao says that it is a process by which the employees of an organization are helped in a continuous, planned way to:

- 1) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles
- 2) Develop their general capabilities as individuals and discover and exploit their own potentials for their own and/or organizational development purposes
- 3) Develop an organizational culture in which supervisor – subordinate relationships, teamwork, and collaboration among subunits are strong and contribute to the professional well-being, motivation, and pride of employees (Rao, 1985).

It is therefore argued that HRD can be used by organizations to achieve value and uniqueness in terms of human resources in a strategic context (Hamel and Prahalad, 1994; Grundy, 1998). If the organization need to be capable the human resources is a source of competitiveness; it specifically says that HRD can be used to deliver organizational capabilities and that well developed human resources can make an important contribution to organization performance.

Capability represents a combination of several skills and abilities. So, the HRD can be used where the desired behaviors or capabilities are identified and stipulated by the organization. These capabilities can then be translated into learning objectives that serve as the basis for HRD interventions. The studies (Ulrich et al., 1989; Schules, 1989) emphasis that HRD must be combined with other HR practices that guide employees' behavior in the organization. The key to competitive success lies in the ability to create, apply and maintain specialized knowledge, competencies and intellectual resources; HRD is a solution for it.

Becker and et.al said effective HRD must be able to balance a number of considerations in order to deliver effective outcomes. First, it must reflect and support the overall strategic direction of the organization, as this direction is implemented, provide support to enable the achievement of organizational goals. Next, HRD interventions must be contingently designed to take into account the existing knowledge of employees & provide assistance to develop this knowledge further, or in some cases, to relinquish previous knowledge and skills that the organization no longer requires.

HRD has evolved as a critical element of broader business and human resource management strategies. The importance of a work force with appropriate skills for the survival and growth of any organization is acknowledged by most managers. In the current knowledge era, it is recognized that HRD has the

ability to make the difference between mediocre and highly successful organization, indeed between survival and decline, particularly as issues such as workforce flexibility, workforce mobility and skills shortages. The impact on organizations coupled with these challenges is the growing recognition that merely learning, either at an individual or organizational level will not be sufficient to ensure that organizations make the necessary adjustments for long-term sustainability. Even when learning and changes in behavior occurs, management must consider embedding these new behaviors in the organization and after HRD such as performance management, learning & development, career planning, potential appraisal are advocated as effective methods of achieving these long-term changes in behavior (Coyle-Shapiro, 1995).

Human Resource Development Climate

Human Resource Development Climate (HRDC) is a component of the wider organisational climate. Climate at the individual level is a summary perception of the organization's work even that is descriptive rather than evaluative in nature (Joyce and Slocun Jr., 1984). According to Jagimi and Litwin (1988), organizational climate is a relatively enduring quality of the internal environment of an organization that is experienced by its members, influences their behavior, and can be described in terms of the values of a particular set of characteristics of the organization.

HRD climate reveals the perceptions of the employees on the developmental environment of an organization. The concept of climate with special reference to HRD; context, i.e. 'HRD climate' has been developed by Rao and Abraham (1986). The study shows that a good HRD climate rather than HRD practices are responsible for organization performance. HR practices create the atmosphere for the employees that facilitate their development.

Many researchers have stressed the relevance of climate. Pattanayak (1998) states that HRD climate affects performance in three ways first by defining the stimuli that confronts the individual, placing constraints on the individual's freedom of and providing source of reward and punishment. Gonzalez (1999) states that companies must realize that the "health of the organizational climate will determine their ability to sustain high performance".

A major challenge for any organization in this era of international competition seems to be 'survival and sustainability' amidst cut throat competition. It is increasingly argued that the organizations, best able to meet the challenges will be those that can acquire and utilize valuable, scarce and inimitable resource (Barney, 1995). Human resources can fall into this category, particularly, if they are effectively deployed through appropriate human resource practices & management of organizational culture (Barney and Wright, 1998). Human resource being one of the important factors of production, HRD is needed to develop competencies of individual employees through its various interventions. In order to be

developed, the individual should perceive that there is a climate favorable for their development. This responsibility lies with the HRD department which has to provide a proper climate in the organization conducive for employee development, termed as the climate.

Organizations become dynamic and growth oriented if their people are dynamic and pro-active. Every organization can do a lot to make their people become dynamic and pro-active through proper selection of such people; and meeting their dynamism and other competencies. Organization cannot survive beyond a point unless they are continuously alert to the changing environment and continuously prepare their employees to meet the challenges and have an impact on the environment. The HRD is an essential process for organizational survival and growth. An optimal level of "Developmental Climate" is essential for facilitating HRD. Such a developmental climate or HRD climate can be characterized as consisting of the following tendencies on the part of the organization.

- A tendency at all levels starting from top management to the lowest level to treat the people as the most important resource
- A perception that developing the competencies in the employees is the job of every manager/supervisor
- Faith in the capability of employees to change and acquire new competencies at any stage of life
- A tendency to be open in communications and discussion rather than being secretive
- Encouraging risk-taking and experimentation
- Making efforts to help employees recognize their strengths and weaknesses through feedback
- A general climate of trust
- A tendency on the part of employees to be generally helpful to each other and collaborate with each other
- Team spirit
- Tendency to discourage stereotypes and favoritism Supportive personnel policies
- Supportive HRD practices including performance appraisal, training, reward management, potential development, job rotation and career planning.

Research Questions

The study aims to answer the following questions according to the perceptions of employees in the SBI bank .

Q1: Does the perception of top management support for HRD in the SBI Bank vary according to the age , experience and qualification?

Q2: Does the perception of HRD sub-systems vary according to the age and experience in the SBI Bank ?

Q3: How is the SBI organization faring in terms of OCTAPACE Culture with respect to age and experience?

Q4: What is the perception of SBI bank employees towards HRDC ?

Research Method

Data and Instrumentation

In answering our research questions the primary data was taken from the managerial and non-managerial staff In Bhopal region. The data was collected from the 10 branches of SBI bank at Bhopal.

The 'HRD climate questionnaire' developed by Rao and Abraham was administered to managerial and non managerial staff. It had 38 items and 2 items on experimentation have been included from researcher's end and they have been numbered as 39 and 40th item. In totality it has 40 items grouped under three categories: General Climate, OCTAPACE culture and HRD mechanisms to assess the level of HRD climate. The 40-item questionnaire captures the three components of HRDC: top management's commitment to HRD (general climate); existence of OCTAPACE culture; and the functioning of the various HRD sub-systems. The OCTAPACE culture indicates the existence of eight factors, namely, Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity, Collaboration and Experimentation in an organisation. HRD mechanism measures the extent to which various HRD subsystems are measured such as performance appraisal, potential appraisal, career planning, performance rewards, feed back and counseling , training , employee welfare for quality work life and job rotation are implemented. The General Climate has 12 items, OCTAPACE CULTURE has 14 items and HRD mechanism has 13 items from the HRDC questionnaire. To measure the variables of HRDC respondents were requested to indicate their perception on a likert scale which is divided into five intervals where 5 indicates almost always true and 1 indicates not at all true . A total of 103 employees from the SBI bank completed the questionnaire which is suitable for the data analysis.

S.NO	VARIABLES	QUESTION NUMBERS
1.	General climate	1,2,3,4,5,6,7,8,11,12,13 and 20
2.	OCTAPACE climate	9,10,18,19,27,28,29,30,31,32,33,34,39 and 40
3.	HRD mechanism	14,15,16,17,22,23,24,25,26,35,36,37 and 38

In this research the SBI bank employees of the Bhopal were investigated. The SBI bank is a nationalized bank and has been awarded as the best bank of the year.

Result Discussion

HRD Climate of SBI Bank

The 40 item HRD Climate Questionnaire was administered to the employees of SBI bank. The item wise mean scores are calculated. The questionnaire used a five point scale, average scores of 3 and around indicate a moderate tendency of HRD climate. Scores around 4 indicate a fairly good degree of HRD climate in the organization. The mean scores for each item could range from 1.0 to 5.0 where 1.0 indicates extremely poor HRD climate and 5.0 indicates extraordinarily good HRD climate on that dimension. Scores around 3 indicate an 'average' HRD climate on that dimension giving substantial scope for improvement. Scores around 2 indicate a poor HRD climate on that dimension. Scores around 4 indicate a good HRD climate where most employees have positive attitudes to the HRD policies and practices of the organization on that dimension and thereby to the organization itself. Mean scores around 4 are indicative of an HRD climate at a desirable level.

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Table 2: HRD Components of SBI Bank

CATEGORIES	AVERAGE SCORES
General Climate	4.19
OCTAPACE	4.02
HRD Mechanism	4.11
Overall Climate	4.106

General Human Resource Climate

In finding the top management's commitment to HRD climate, 12 items were identified from the questionnaire and the perception of the respondents was scored according to their age, experience and qualification. The Anova was applied to find whether the perception of the respondents differ according to the age, experience and qualification towards General Climate.

Table 3:- General Climate

S.no	Hypothesis	F-value	P-value
1	Mean scores of General Climate in SBI Bank do not vary according to age of employees.	.296	.828
2.	Mean scores of General Climate in SBI Bank do not vary according to experience of employees.	.491	.742
3.	H ₀₃ : Mean scores of General Climate in SBI Bank do not vary according to qualification of employees.	.643	.528

According to the table, the p-value is greater than .10 which states that employees irrespective of age, experience and qualification have the same perception towards the general climate. They believe that the top management invest sufficient time and resources to develop their employees. Line managers take keen interest to make their juniors learn, gain competence and utilize the potential of their employees.

Ocatapaceculture

OCTAPACE (Openness, confrontation, trust, autonomy, pro-activity, authenticity, collaboration and experimentation) culture is essential for facilitating HRD. Openness exists when employees feel free to discuss their ideas, activities, and feelings

with each other. By confrontation problems and issues are brought out into the open with a view to solving them rather than hiding them for fear of hurting or getting hurt. Trust is taking people at their face value and believing what they say. Autonomy is giving freedom to let people work independently with responsibility. Proactivity is encouraging employees to take initiative and risk. Authenticity is the tendency on the part of the people to do what they say. Collaboration is to accept interdependencies, to be helpful to each other, and work as teams. Experimentation means looking at the things from the fresh perspective and creative in solving the problem (Rao and Abraham 1986).

TABLE 4: OCTAPACE CULTURE

S.no	Hypothesis	F-value	P-value
1.	Mean scores of OCTAPACE in SBI Bank do not vary according to age of employees.	4.026	.010
2.	Mean scores of OCTAPACE in SBI Bank do not vary according to experience of employees.	2.708	.035

Respondents from different age group have different perception for OCTAPACE. The respondent in the age group of 36-40 and 41-45 want more policies towards OCTAPACE. It means that employees in this age group want to feel free to discuss their ideas, activities & feelings. They want to bring out problems and issues into the open with a view to solving them rather than hiding them. They want to take people at their face value and believe what they say. They want more freedom to work independently and take initiative to experiment new ideas.

Respondents who have an experience of 11-15 years in their career want more openness, collaboration, trust, autonomy, proactiveness, authenticity, confrontation and experimentation. They want to be open about their ideas, work in team & want to take people on their face value. They want to

work before the problem arises and want freedom with responsibility. They want to do what they say and confront the problems rather than hide them. Such factors should be taken care while making the performance appraisal forms for such employees

HRD Mechanism: Implementation of HRD Sub-Systems

This section examines the implementation of HRD sub-systems such as training, performance appraisal and feedback, potential appraisal, career planning, rewards and employee welfare based on 13 items. The perception of the employees towards the HRD Mechanism was assessed with respect to their age and experience. The Anova was applied to find whether the perception of employees differ according to the age and experience towards HRD mechanism.

Table 5 : HRD MECHANISM

S.no	Hypothesis	F-value	P-value
1.	Mean scores of HRD Mechanism in SBI Bank do not vary according to age of employees.	1.796	.153
2.	Mean scores of HRD Mechanism in SBI Bank do not vary according to experience of employees.	4.206	.003

According to the table above it shows that employees of all age groups have the same perception about the HRD mechanism. They believe that SBI has a mechanism to reward good work and promotions are based on merit. Superiors appreciate the good work of juniors and take special effort to find their strengths and weakness.

HRD mechanism vary according to the experience of the employees as the p-value is .003 is less than .10. It means that employees from different experience have different perception about HRD mechanisms. It is highest in the experience bracket of 26 & above and they have positive attitude towards

the HRD mechanism policies. The respondents in the age group of 11-15 want performance appraisal where objectivity assessment of employees are preferred. They want promotion to be given on the basis of their work done rather than favoritism. Training needs should be assessed and then training should be given and what they have learnt should be given an opportunity to practice it Career opportunities should be pointed out by the seniors. Job rotation should be done to ensure their development.

Overall Hrd Climate

TABLE 6: OVERALL HRD CLIMATE

S.no	Hypothesis	F-value	P-value
1.	Mean scores of overall HRD climate in SBI Bank do not vary according to age of employees.	2.744	.047
2.	Mean scores of overall HRD climate in SBI Bank do not vary according to experience of employees.	3.368	.013

Conclusions

The main objective of this study was to find the perception towards the HRDC in the SBI Bank in Bhopal. The employees of SBI bank have a favourable attitude towards HRD Policies and practices of the organisations. However, employees having different age, experience and qualification have the same perception towards the policies made by top management (General Climate). The OCTAPACE vary according to the age and experience so the policies need to be customized with respect to it. HRD mechanism vary according to the experience so the performance appraisal, training and development, reward and feedback, career planning and potential appraisal need to differ with the experience of the employees.

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