

## Article

# Human Resources Development Climate in India

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*The study was aimed at assessing the extent of human resources development (HRD) climate prevailing in Indian organisations. The information collected from 1905 employees working in 42 organisations covering manufacturing, service and IT sectors in India forms the basis for the study. It was found that the HRD climate prevailing in the organisations in India was only moderate. In comparison, the HRD climate in manufacturing sector was better than in the service sector.*

### HRD Climate

An organisation's success is determined as much by the skill and motivation of its members as by almost any other factor. While this has always been true, recent changes focus attention on ways human resources development activities can be used to ensure organisations have what it takes to successfully meet the challenges (Desimone et. al. 2002). Human Resource Development (HRD) 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 potentials for their own and/or organizational development purposes, and 3) develop an organizational culture in which supervisor-subordinate relationships, teamwork, and collaboration among sub-units are strong and contribute to the professional well being, motivation, and pride of employees (Rao 1985).

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HRD climate is characterized by the 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. An optimal level of development climate is essential for facilitating HRD activities (Rao & Abraham 1986). The top management subscribing to these values is a starting point. When a critical mass internalized these values, there emerges a conducive climate for HRD. This positive HRD climate renders the existing systems more effective and makes the organisations more receptive to the introduction of relevant additional system (Athreya 1988). A healthy HRD climate certainly bolsters the overall internal environment of the organisation, fosters employee commitment, involvement and satisfaction with the job.

### **Earlier Studies**

Centre for HRD, Xavier Labour Relations Institute (XLRI) developed a 38-item HRD climate questionnaire to survey the extent to which development climate exists in organisations. Using this instrument the first survey of HRD climate in Indian organisations was carried out by Rao and Abraham (1986). They found that the general HRD climate in the organizations appears to

be at an average level (54%). The most important factor contributing to this seems to be a general indifference on the part of the employees on their own development. In another study, Abraham (1989) observed that HRD climate is a powerful intervening variable in translating HRD practices into profit. Venkateswaran (1997) found that, to a large extent, a favourable HRD climate was prevalent in a public sector undertaking in India. Srimannarayana (2001) identified below average level of HRD climate in a software organisation in India. However, Agarwala (2002) found that the HRD climate was significantly more developmental in IT industry when compared to the automobile industry. Mishra & Bhardwaj (2002) concluded that the HRD climate in a private sector undertaking in India was good. Rodrigues's (2004) study in the engineering institutes in India found the HRD climate highly satisfactory. Srimannarayana (2007) found that a moderate HRD climate was prevailing in Dubai organisations. Pillai's (2008) study identified that HRD climate existing in banks as moderate. This study further found that a supportive HRD climate in banks stimulated the learning orientation of the employees.

### **The Present Study**

Using the questionnaire developed by XLRI, the present study was conducted in India to find out the extent of HRD climate prevailing in the organisations in India. The information was collected from 1905 respondents

working in 42 organisations. Among them 18 were in manufacturing sector producing a wide variety of products such as steel, automobiles, medicines, electrical and electronic equipment, fast moving consumer products etc. The sample included 13 organisations in service sector which involved in the business of banking, investment, insurance and consultancy services. The

remaining 11 organisations belonged to IT sector. The information was collected during May-July 2008. No uniform procedure of sampling could be followed. The questionnaires were given to the employees randomly, taking into consideration of their availability and interest to respond the questionnaire. Details of the sample are given in Table 1.

**Table 1: The Sample**

Sector	Number of Organisations	Respondents
Manufacturing sector	18	726
Service sector	13	458
IT sector	11	721
Total	42	1905

The 38 items included in the questionnaire can be grouped into three categories such as general climate, OCTAPAC culture and HRD mechanisms. The OCTAPAC items deal with the extent to which openness, confrontation, trust, autonomy, pro-activity, authenticity and collaboration are valued and promoted in the organization. The items dealing with HRD mechanisms measure the extent to which HRD mechanisms are implemented seriously. Since the questionnaire used a five-point scale (almost always true, mostly true, some times true, rarely true and not at all true), average scores of 3 and around indicate a moderate tendency on that dimension existing in that organisation. Scores around 4 indicate a fairly good degree

of that dimension existing in the organisation. In order to make interpretations easy the mean scores can be converted into percentage scores using the formula percentage score = (Mean Score – 1) X 25. This assumes that a score of 1 represents 0 per cent, 2 represents 25 per cent, 3 represents 50 per cent, 4 represents 75 per cent and 5 represents 100 per cent. Thus, percentage scores indicate the degree to which the particular dimension exists in that company out of the ideal 100 (Rao & Abraham 1986).

### **General HRD Climate**

The general climate deals with the importance given to human resources development in general by the top

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management and line managers. It is the supportive climate that is essential for proper implementation of HRD initiatives. In order to assess general HRD climate prevailing in the organisations, 11 items are identified from the questionnaire and the responses of the sampled employees in the organisations were calculated. The overall mean score for these 11 items put together is 3.36 on a 5-point scale. Therefore, it can be stated that the general HRD climate prevailing in the units understudy is above average (58.93%). The highest mean score (3.52) was recorded on the item, namely, 'the top management believes that human resources are an extremely important source and that they have to be treated more humanly' (62.96%). This was followed by 'development of the subordinates is seen as an important part of their superiors' job (60.51%). Interestingly, none of the items that aimed at assessing the general HRD climate did get a mean score of less than 3.28 (57.08%). But among them, the item relating to the top management's willingness to invest considerable part of their time and resources to ensure employee development secured the lowest score.

**Manufacturing sector has a better general HRD climate than IT and service sectors**

Manufacturing sector has a better general HRD climate than IT and service sectors (Table 2). The items, namely, 'top management is willing to invest a considerable part of their time and resources to ensure development of people', and 'people lacking competence in doing their jobs are helped to acquire competence rather than being left unattended' secured the lowest score in IT sector. The items, 'the top management of this organization goes out of its way to make sure that employees enjoy their work' and 'the personnel policies in the organization facilitate employment' secured the lowest score in service sector.

**Table 2: General HRD Climate**

Sector	Percentage
Manufacturing	61.88
Service	59.48
IT/ ITES	55.50

### **OCTAPAC Culture**

Openness, confrontation, trust, autonomy, pro-activity, authenticity, and collaboration (OCTAPAC) culture is essential for facilitating HRD. Openness is present 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 inde-

pendently with responsibility. Pro-activity 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 (Rao & Abraham 1986).

The overall OCTAPAC culture in the organisations under study seems to be above average with 60.06% (mean score: 3.40). Among the dimensions of OCTAPAC culture, collaboration occupied first place with 62.45%. This is followed by authenticity, autonomy, trust, pro-activity, openness and confrontation. When compared among the dimensions of OCTAPAC culture confrontation secured the lowest score.

Manufacturing sector again took the first place. This is followed by service and IT sectors (Table 3). Manufacturing sector secured higher scores than service and IT sectors in OCTAPAC culture. Service sector took first place with respect to pro-activity. Though IT sector occupied third place in OCTAPAC culture, comparative data indicated that IT sector was better than service sector with respect to confrontation.

**Table 3: OCTAPAC Culture**

Sector	Percentage
Manufacturing	61.12
Service	58.15
IT/ ITES	55.66

### HRD Mechanisms

Successful implementation of HRD involves taking an integral look and making efforts to use as many mechanisms as possible (Rao & Abraham 1986). Training, performance appraisal, feedback and counselling, performance rewards, potential appraisal, career planning, employee welfare, and job rotation are some of the HRD mechanisms. Implementation of these mechanisms was examined in the units under study. The items in the questionnaire that were administered among the employees aimed at measuring the extent of implementing HRD mechanisms seriously. The analysis of the responses indicates that a moderate degree of implementation of HRD mechanisms (mean score: 3.37; 59.18%) was prevalent in the organisations under study. But when the employees are sponsored for training, they take it seriously and try to learn from the programmes they attend (64.50%); when employees do good work their supervisors take special care to appreciate them (61.08%); there are mechanisms in the organisations to reward good work done (60.94%); seniors guide juniors and prepare them for future responsibilities they are likely to take up (60.88%); and they are sponsored for training programmes on

**Manufacturing sector again took the first place with respect to implementation of HRD mechanisms followed by service and IT sectors**

the basis of genuine training needs (60.88%). However, job rotation, basis of promoting employees to higher positions, and employee welfare programmes are the major concerns for employees.

Manufacturing sector again took the first place with respect to implementation of HRD mechanisms followed by service and IT sectors (Table 4). Category wise, OCTAPAC culture seems to be more favourable than the other categories such as general HRD climate and implementation of HRD mechanisms in the three types of the organisations understudy.

**Table 4: HRD Mechanisms**

Sector	Percentage
Manufacturing	62.24
Service	59.98
IT/ ITES	55.42

**More favourable HRD climate was prevailing in the manufacturing sector (62.39%) than in service and IT sectors.**

**Sector –wise HRD Climate**

More favourable HRD climate was prevailing in the manufacturing sector (62.39%) than in service and IT sectors. Manufacturing sector secured better scores than IT and service sectors in all the three categories of HRD climate. The

service sector occupied second place followed by IT sector. The important factors that contributed to more favourable HRD climate in manufacturing sector were: ‘when seniors delegate authority to juniors, the juniors make use of it as an opportunity for personal development’, ‘people are helpful to each other in these organisations’, ‘attending training programmes seriously’ and ‘top managements’ believe that human resources are extremely important resources’. The factors that contributed to relatively less favourable climate in service sector when compared to manufacturing sector were: ‘employees in service sector do not take much pains to find out their strengths and weaknesses from their supervising officers or colleagues’, ‘the top management did not go out of its way to make sure that employees enjoy their work’, and ‘the personnel policies in this sector are not that much effective in facilitating employee development’. With respect to IT sector, the impediments for better HRD climate were: ‘inadequate mechanisms to reward any good work done or any contribution made by employees’, ‘not much encouragement for employees to experiment with new methods and to try out creative ideas’, and ‘lack of desired concern for development of subordinates on the part of managers’.

**Moderate HRD climate was prevailing in the organisations understudy (59.61%).**

## **Overall Picture**

On the whole, putting together all the three sectors of business, it seems that moderate HRD climate was prevailing in the organisations understudy (59.61%). The most important factors contributing to this situation seems to be: job rotation that is not much helpful for employee development; indifference on the part of employees to find out their strengths and weaknesses from others and make use of them for their development; dissatisfaction of the employees on the basis of promotion decisions; lack of readiness on the part of the top management to invest considerable part of time and resources for employee development; personnel policies; and lack of enough information to employees on career opportunities in organisations. On the positive side, the study found that people in the organisations understudy are helpful to each other; juniors see opportunity for development when seniors delegate authority to them; employees learn seriously from training programmes whenever they are nominated; top management's belief about the importance of human resources and team spirit prevailing among employees.

When compared to the results of the earlier study (1986) conducted in India on the HRD climate with those of the present study, it is found that the overall HRD climate in India has improved from 54% to 59.61%. There are some similarities in the findings of the present and the earlier studies. The earlier study observed that there was a general indifference on the part of employees to their own development which could take

**General helpful nature of employees to help each other secured first rank in both the studies.**

place through making efforts to recognize their own strengths and weaknesses. This item received 37<sup>th</sup> rank in the present study among the 38 items of the questionnaire administered to the respondents. The earlier study observed that the top management in most organisations is seen to be continuing with the usual practices and does not seem to go out of its way to improve the quality of work life. There is, probably, a good deal of lip sympathy and intellectual positivism to HRD but no emotional investment. Based on the findings of the present study, it could be stated that the same trend still continues in the organisations even today because in the rank order of the 38 items questionnaire used in this study, the item 'the top management believes that human resources are extremely important resources and they have to be treated more humanly' received fourth rank where as the item 'the top management of the organisation goes out of its way to make sure that employees enjoy their work' secured 34<sup>th</sup> rank. On the positive side, interestingly, it is found that general helpful nature of employees to help each other secured first rank in both the studies.

**There is, probably, a good deal of lip sympathy and intellectual positivism to HRD but no emotional investment.**

## **Conclusion**

Our analysis leads to the conclusion that moderate HRD climate was prevailing in the organisations in India. Category wise, it is observed that that OCTAPAC culture was more prevalent than HRD mechanisms and general HRD climate. A comparative analysis reveals that the organisations in manufacturing sector could provide better HRD climate than service and IT sector organisations. A comparative analysis of the earlier study and the present study leads to the conclusion that overall HRD climate in India has improved marginally over a period of time. The general indifference on the part of employees to their own development and a good deal of lip sympathy and intellectual positivism to HRD but no emotional investment continue to contribute to this situation. The top managements in the respective organisations might therefore adopt human resource practices by investing a considerable part of their time and other resources to ensure the development of employees.

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