

# HRD CLIMATE SURVEY AT BOKARO STEEL PLANT, INDIA USING OCTAPAC FACTORS-AN EMPIRICAL EVIDENCE

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## ABSTRACT

*Today organizations are facing huge challenges on human resources in India due to Globalization. Challenges regarding retention of human resources, developing the human resources and ultimately satisfying them are the crucial challenges for the organizations under the conditions of globalization. The people are the most important assets of the organizations and they need to be nurtured incessantly to be more effective in this challenging environment. The role of Human Resource Development is very crucial in this context. We all know that the dynamic people can build dynamic organizations. Organizations always achieve results if they have competent and motivated people who can deliver. Therefore organizations should continuously ensure the dynamism, competency, motivation and effectiveness of the employees at high levels. A study on Human Resource Development(HRD) climate may enlighten us whether the organizations are really ensuring the dynamism, motivation, competency and effectiveness of the employees or not. This paper is based on the study of HRD Climate at Bokaro Steel Plant. It focuses on overall HRD climate and the perceptions of executives and non executives on HRD climate factors. HRD climate of an organization can be measured by OCTAPAC factors (depicted by Prof T.V.Rao). In this study seven factors of OCTAPAC have been used in the questionnaire. A HRD climate survey was done among the 60 executives and 140 non executives(Total sample size was 200) of the Plant. The main objectives of this study were to examine the existing HRD climate at Bokaro Steel Plant and to measure the satisfaction level of the executives and non executives of the company towards existing HRD practices. After analysis of data it was found that the employees of the Bokaro Steel plant are satisfied on some factors while being dissatisfied on some other factors. Also, the executives and non executives have different perceptions regarding OCTAPAC factors.*

**Key Words :** HRD Climate, OCTAPAC, Employee Perception, Hot Strip Mill, Levels of Employees

## INTRODUCTION

In an organization HRD climate depends on three Cs i.e. Competencies, Commitment and Culture (Rao, 1999). Any practice that deals with enhancing competencies, commitment and culture building can be considered as HR practice in an organization. All three Cs are needed to make an organization function well. Without competencies many tasks of the organization

may not be completed cost effectively or with optimal efficiency. Without commitment the sense of involvement and sense of ownership will never develop and employees never deliver the best. And culture is the source of all spirits of the organisation. It provides the oxygen needed for the employees to survive. Hence creating a culture or developing a climate becomes important in

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any organization .The HRD culture should have the following characteristics (Rao,1999):

- It should be a learning culture.
- It should assist to identify new competencies of people on a continuous basis.
- It should assist to bring out the hidden potential and new talents in the organization.
- It should help in developing new competencies.
- It should have in-built motivational value. In other words, it should have a self sustaining motivational quality. People are committed to what they do and they need not be told to act. They will act.
- HRD culture should encourage the people of the organization to take initiatives and go for experimentation.
- It should bring joy and satisfaction in work.
- It should enhance creativity and problem solving capabilities of people.
- It should create team spirit and morale.
- HRD culture should bring the action orientation of the people of the organization.

### **OCTAPAC Factors**

Such a HRD culture or climate has been termed as OCTAPAC is an acronym for openness, confrontation, trust, autonomy, proaction, authenticity and collaboration. The term 'openness' refers to liberty to express the ideas of employees, opinions and views of the employees. If a team is to be effective then its members need to be able to express their views, differences of opinion, interest and problems without any fear to the authority. The term 'confrontation' refers to conflict to evolve effective and efficient suggestions and solutions to a given problem. 'Trust' means belief, confidence, faith in the organizational atmosphere. The word autonomy refers to "freedom", "independence". Freedom to do a thing in the way one wants, tends to act as a moral booster. 'Proaction' generally refers to "planning in advance", "lead from the front". 'Authenticity' refers to "genuine",

"factual", "legitimate", "actual". The term 'collaboration' refers to "cooperation", "participation", "teamwork", "association". Cooperation means working together.

### **Bokaro Steel Plant**

We have tried to find out the HRD climate or HRD culture among the employees of Bokaro Steel Plant, one of the India's greatest steel factories using these OCTAPAC factors. Bokaro Steel Plant is the fourth integrated steel plant in the Public Sector started in 1959 under SAIL. It actually came into shape in 1965, with the collaboration of Soviet Union. The plant was constructed targeting a capacity of 10 Metric Tonn/year.

Bokaro Steel Plant became a wholly owned subsidiary of SAIL in 1973 in terms of public sector Iron and Steel companies (Restructuring and Miscellaneous Provision act of 1978). The Plant was conceived as the Country's first "Swedheshi" Steel Plant to be built with maximum indigenization going into the equipment's, materials and know-how. Its first phase of 1.7 MT ingot steel commenced on 26th February 1978 with the commissioning of the third blast furnace. All units of 4 million tons stage have already been commissioned. Presently, plant is going through its first phase of modernization, by introducing continuous casting and modernization of existing Hot strip Mill.

### **HRD at Bokaro Steel Plant**

Bokaro Steel Plant has a reservoir of nearly 20,000 employees. Out of which 2800 are working as executives 17200 are working as non-executives. A full fledged HRD department is looking after the development of the employees. A number of welfare schemes are prevalent in Bokaro Steel Plant offering various benefits to the employees. To keep the work force abreast with latest techniques, Training & Development Centre is capable of imparting training to 15,000 employees every year in various fields as per the

company needs. Education up to +2 levels is free in the company run schools. Bokaro Steel Sports & Recreation Council organizes National and State level sports meet and cultural programmes. In the field of environment management, a number of measures have been taken in and outside plant to make Bokaro pollution free. The success of HRD philosophy and practice of an organization depends to a large extent on the HRD climate prevailing in that organization. So it becomes necessary to assess the HRD climate of the organization before going in for major HRD interventions and strategies.

In Bokaro Steel Limited the survey conducted was intended to find out the areas where major thrust is needed for improving the workers as an important resources and where the results have been satisfactory. One of the important exercises of this survey was to find out the strength and weaknesses in the organization and understand the perception of the employees about the HRD. Also to assess the effectiveness of the present/existing HRD policies being carried out in this organization.

### **SURVEY OF LITERATURE**

T.V.Rao (1991) in his famous book titled "The HRD Missionary" has depicted how an optimal level of "Development Climate" is essential for facilitating HRD. Such a climate is characterized as consisting of the following tendencies on the part of the organization like a tendency at all levels and specially the top management to treat people as the most important resource, tendency like faith in the capability of people to change and acquire new competencies at any stage of life, tendency to be open in communication, a general climate of trust etc. Ostroff (1995) developed an overall HR Quality Index based on the aggregate ratings of all HR activities of a firm. On the basis of HR Quality index, firms are clustered into four categories. The firms that scored higher on the HR Quality Index are always much more profitable than the lower index companies on four financial

measures: market/book value ratio, productivity ratio (i.e. sale/employees), market value and sales. Arthur (1994) had a study on the impact of two different management approaches on the productivity of steel mills in USA. He studied human resource management approach among 44 existing steel mills in US and found out the differences of 'control' approach of human resource management and 'commitment' approach of human resource management. In control approach the goal of HRM was to reduce labour cost or improve efficiency by enforcing employee compliance with specified rules and procedures and setting employee rewards on some measurable output standard. But in commitment approach the HR system was proposed to outline desired employee behaviors by shaping psychological links between organizational goals and employee goals. And it had been seen after that study that commitment approach required 34% lesser labor hour than control approach.

### **OBJECTIVES OF THE STUDY**

- To study the existing HRD climate in the organization using OCTAPAC factors.
- To measure the satisfaction level of Executive and Non executive staff of the organization.
- To study the perception of employees towards different dimensions of the HRD climate in Bokaro Steel Plant.
- To study the difference of perception between executives and non executives regarding OCTAPAC factors.

### **HYPOTHESIS**

In consonance with the above objectives the following hypothesis has been framed for this study

H<sub>0</sub>: There is no significant difference of perception between the Executives and Non-Executives on OCTAPAC factors (i.e. overall HRD climate) in Bokaro Steel Plant.

## METHODOLOGY

Primary data have been used for this present study. The data have been collected mainly through an instrument developed by the department of HRD at XLRI Jamshedpur. The instrument comprises of 38 statements/items which measure the overall existing HRD climate of an organization.

The pattern of analysis followed was based on the guidelines provided by Dr.T.V.Rao(1991). The type of statistical tools used in the present study include measures of central tendencies, such as mean, SD and the percentage scores. The means are calculated based on the Likert scale 1 to 5; 1 signifies that the presence of that item is minimum and mean score of 5 signifies that the presence of that particular item is maximum. Therefore the respondents were asked to respond each item where 5 =always present, 4=mostly present, 3=sometimes present, 2=rarely present and 1=not at all present. Percentage mean scores have also been calculated by using a formula (mean score-1)x25. That means, mean score of 1 represents 0 percent existence of that component of HRD in the organization. Like 5 represents 100 percent existence of a particular item. The questionnaire was surveyed among the 200 executives and non executives in the organization as per convenient sampling technique. The numbers of executives was 120 and number of non executives was 80.

## ANALYSIS & FINDINGS

HRD climate was judged on the OCTAPAC factors which were put in the questionnaire. The seven OCTAPAC factors are put as OP=openness, CF=confrontation, TR=trust, AT=authenticity, PR=proactiveness, AN=autonomy and CL=collaboration.

These OCTAPAC factors are also known as HRD facilitators which are very much essential for smooth implementation of policies pertaining to general climate and HRD mechanisms. Table 1 given below depicts the mean scores and percentage mean scores of OCTAPAC factors from the sample 200.

**Table1: OCTAPAC Culture in Bokaro Steel Plant (N=200)**

Components	Mean	SD	% Mean Score
Openness (OP)	4	0.84	75
Confrontation (CF)	3.9	0.96	72.5
Trust (TR)	4.2	1.05	80
Authenticity (AT)	3	0.82	50
Proactivity (PR)	3.4	0.76	60
Autonomy (AN)	2.8	0.81	45
Collaboration (CL)	4	0.89	75
OCTAPAC (O)	3.61	0.87	65.35

(Notes: OP=Openness(item nos 10,28);CF=Confrontation(item no 34);TR=Trust(item nos.27,32);AN=Autonomy(item nos.19,31);PR=Proactivity(item nos.11,30);AT=Authenticity(item nos 18);CL=Collaboration(item nos9,33)

The analysis from Table 1 leads us to conclude the following:

1. The factor autonomy obtained a mean score of 2.88, SD of 0.81 and percent mean of 45.00 percent, reflecting thereby that employees are not having the freedom to work on innovations. This signifies that the opportunities are not provided to the employees to experiment new methods in their own way. Thus inventiveness is being discouraged in the present organization culture.
2. The factor authenticity obtains a mean score of 3 and percent mean of 50.00 percent this reflects that the employees have a tendency to take people at their face value. This explains the practicality of the employees towards one another in the form of confidence and cohesiveness which are quiet normal.
3. The factor openness attained a mean of 4 and percent mean of 75.00 percent reflecting relatively open culture in the organization. That implies the free culture, fair expression

- of ideas, thoughts, sharing risks etc with one another. This signifies the satisfaction level of employees towards frankness offered in Bokaro Steel Plant environment which is very favorable.
4. Confrontation another factor of OCTAPAC culture is seen to attain a percent mean of 72.5 percent which reflects that employees are not apprehensive to solve some delicate and unpleasant issues honestly. Conflict may arise but employees are not at all apprehensive.
  5. Trust among the employees is seen as the highest because the mean score is 4.2 and the percentage mean score is 80.00 percent which reflects the dyadic process or interpersonal relations among employees are really significant.
  6. The factor proactivity scored a mean of 3.4 and the percentage mean score is 60 percent.
- Thus the environment present in Bokaro Steel Plant favouring learning skill enhancement and acquiring new knowledge in consonance with the future is relatively satisfactory. Therefore employee's perception towards encouragement provided by the concerned officers to take initiatives for future related issues executes at highly satisfactory level.
7. Collaboration, an important constituent of HRD facilitator obtains a percent mean of 75.00 percent. The employees are seen to show interdependence and employees work as a team.
- The overall OCTAPAC culture (O) tends to be better than average because the percent mean score is 65.35 percent. There emerge some issues which need to concentrate on components of HRD facilitators and improve their efficacy at Bokaro Steel Plant.

**Table 2: Module wise OCTAPAC culture in Bokaro Steel Plant (N=200)**

Component	Executives			Non-Executives			F	Sig
	Mean	SD	% SC	Mean	SD	%SC		
OP	3.6	0.82	65	4	0.88	75	6.2	0.01
CF	3	0.76	50	4	0.82	75	3.1	0.009
TR	4	0.86	75	4.3	0.89	82.5	4.6	0.001
AT	3.8	0.80	70	2.9	0.94	47.5	3.1	0.03
PR	3.6	0.79	65	3.7	0.82	67.5	1.1	0.001
AN	3.3	0.81	57.5	2.7	0.93	42.5	3	0.3
CL	3.6	0.91	65	4	0.82	75	6.0	0.001

#### Perception towards OCTAPAC across hierarchy

Table 2 depicts that some components have a significant difference in perception for the executives and the non executives like confrontation (CF) and Authenticity (AT) where they have a significant difference in percentage score. It signifies that the executives and non executives are working jointly without criticizing others but nonexecutives are much more cooperative than their executive counterpart. In

case of authenticity executives are found to be more positive as they do not go by the stereotyping image in the form of fixed mental impression of others. They take others seriously as their percent mean of 70.00 percent followed by non executives 47.5 percent.

In case of openness(OP) non executives perceive the existing environment in the organization as comparatively more liberalized (75.00 percent) followed by executives (65.00 percent)

In case of trust (TR) non executives perceive more that there is an environment of trust among the employees (percentage mean score is 82.5 percent) than executives (percentage mean score is 75 percent).

For the factor Autonomy (AN) the executives perceive that they are prominently satisfied scoring a percent mean 57.5 percent. This signifies that the non executives do not given so much freedom as their executive counterpart (percentage mean score is 42.5 percent).

For the factors Proactivity (PR) and collaboration (CL) non executives perceive more proactive environment and team spirit in the organization than their executive counterpart (percentage scores are 67.5 and 75 respectively).

### TESTING OF HYPOTHESIS

From Table 2 the mean scores on perception of executives and non executives are tested (using t-test) to prove/disprove the hypothesis. From table 3 it has been depicted that the calculated value of  $t = 14.28$  at 1% level of significance (Table value is 3.14) is greater than tabulated value at 6 degrees of freedom. Which signifies that the null hypothesis is rejected. This means there is a significant difference of perception between the Executives and Non-Executives on OCTAPAC factors (I.e overall HRD climate). Executives what they feel about the OCTAPAC factors are not same with the perception of Non-Executives.

### CONCLUSION

On the basis of the responses, we have concluded that employees at higher-level i.e. executive level are more satisfied with the exiting HRD climate. But a level of dissatisfaction was seen within employees at non-executive level. There is no perfect reason, why it is so? This entire group used to get high co-operation from their superior. They are very much satisfied with the interpersonal openness within employees and there is also high level of trust, which represent that employees within BSP are having a good interpersonal relationship and team spirit.

One important factor is revealed that there

is a level of dissatisfaction within employees in the area of top management commitment to HRD. The employees also have negative attitude toward the reward and recognition policies, competencies development & personal policies. They think that there should be a proper system to recognize the competencies and performance of employees so that they can understand their position better in the organization. There should be proper ways to calculate their weaknesses and strengths and training programs should be developed according to it.

On the basis of survey we realized that overall human resource climate in BSP is good but it needs improvement. The improvement is basically required in the top management. By the above we found that the workers are expecting more from the top management. They have more expectations than the management actually thinks. So, we suggest that since the employees are ultimately the owner of the company, so the management should reconsider its policies and regulations so that the workers remain happy and work more aggressively for the betterment of the company.

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