

EXAMINING THE HRD PRACTICES IN INDIAN PSU'S (WITH SPECIAL REFERENCE TO IOC MATHURA REFINERY)

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ABSTRACT

The study aims to examine the nature of HRD Climate prevailing in Indian PSU's and determine problematic areas. This research paper is also an attempt to examine the current status of structuring of HRD Climate and HRD Subsystems in Indian Public Sectors. The study is also made to examine the interlinkages between HRD Subsystems and their effectiveness in Indian PSU's. A structured questionnaire was designed, pre-tested, modified and used to collect data from Managerial and Non-Managerial staff of IOC Mathura Refinery. Reliability of the questionnaire is checked using Cronbach's Alpha, for individual items. The sample consisted of 48 Managers (drawn using Probability Simple Random Sampling) and 300 Employees (drawn using Probability Systematic Sampling) of IOC Mathura Refinery. The research design for the study is cross – section descriptive type with field study. Chi – square statistics has been used to test hypothesis. Result reveals that the HRD Climate of the organization is conducive for the development of the employees and organisation as well, whereas various shortcomings are found in the implementation of the HRD System. Findings of the study indicates that HRD function is not well structured, is inadequately differentiated, poorly staffed and fails to meet the requirements of HRD System framework. This study focused on only seven key dimensions of HRD Climate and hence is not exhaustive. Potential for the social desirability effect can be another considerable limitation of the study.

INTRODUCTION:

An organization became dynamic and growth oriented if their people are dynamic and proactive. Through proper selection of people and by nurturing their dynamism and other competencies an organization can make their people dynamic and proactive. To survive it is very essential for an organization to adopt the change in the environment and also continuously prepare their employees to meet the challenges; this will have a positive impact on the organization. Climate at the individual level is a summary perception of the organization's work environment that is descriptive rather than evaluative in nature (Purang and Pooja, 2006). Human resource development (HRD) is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual perfor-

mance (Armstrong and Baron, 2002). 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 and Chincholkar, 2005).

Measuring the perceptions of knowledge workers about the prevailing nature of HRD is known as HRD Climate. HRD Climate can be defined as the perceived attributes of an organization and its subsystems as reflected in the way an organization deals with its members, groups and issues (Litwin and Stringer, 1968). Whereas various functions of Human Resource Management (HRM), such as Manpower Planning, Recruitment, Selection, Career Planning and so on, are carried out through HRD Systems and Sub-Systems. Employee competencies and commitment can be developed through appropriate HRD

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system (Dessler and Varkkey, 2008).

The constant support of the organization through HRD practices increases the level of job involvement and accordingly affects the performance of the managers. Number of studies has verified that the Managerial Effectiveness is influenced by HRD climate and HRD Systems both. HRD Sub – Systems has become an important variable to influence the Managerial Effectiveness. The Public sectors in India are facing the transition phase in current globalization environment. To survive and excel in the new economy, the HRD climate is a matter of serious concern in Indian public sector organizations.

Few studies were conducted on the measurement of HRD Climate of Public Sector Units of India but none of them has covered both HRD Climate and HRD System altogether. So this study was undertaken to measure the effectiveness of HRD Climate prevailing in IOC Mathura Refinery and also to examine the nature of HRD System & Sub-Systems practiced there.

THEORETICAL FRAMEWORK:

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).

After analyzing Human Resource and Development we can simply stated that, HRD is the process of helping people to acquire competencies.

Climate can be described as 'the unwritten rules' or 'the way things are around here". It is a complex blend of attitudes, expectations, policies and norms that effect motivation and behaviors. Conducive climate facilitates the following in an organization:

- 1) Great productivity and cultural alignment
- 2) Highly effective succession planning process
- 3) Increased willingness across the workforce

- 4) High levels of trust
- 5) Significantly improved communication
- 6) Raised awareness of the impact that leaders have
- 7) Ownership for continuous improvement accepted by staff at all levels.

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).

In his book *Human Resource Development – Concept and Background*, TV Rao has given that: The concept of HRD was formally introduced by Dr Leonard Nadler in 1969 in a conference organized by the American Society of Training & Development. In India, Larson & Toubro Ltd introduced the concept among private sector companies in 1975, with the objective of facilitating the growth of knowledge workers. Among public sector Government companies, Bharat Heavy Electricals Limited (BHEL) introduced the concept in 1980. A survey by the Industrial Team Service in 1969 indicated that the personnel function is not viable if it does not include or give scope for employment, training, welfare measures, employee education, employee benefits, industrial relations and industrial insurance. This has paved the way ultimately for the emergence of human resources development as a field. As Rao put it, 'People make things happen.' He adds that if they are to make things happen, they need a set of circumstances. HRD is the process of enabling people to make things happen. It deals with '*competency development*' and creates conditions through public policy, programmes and other interventions to help people apply these competencies for their own benefit and the benefit of others. Competencies may include knowledge, skills, attitudes and values. Capabilities may be developed in individuals, groups and communities or collectives. It is crucial to create an environment that encourages learning and development of required competencies in conjunction with the strategic planning of an organization. Put simply, 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. HRD Climate is a measure of the perceptions of knowledge workers about the prevailing nature of HRD.

According to Rao there can be seven dimensions of HRD Climate, they are as follows:-

1. Scope for advancement
2. Supervision, Mentoring and Counseling
3. Training and Development
4. Interpersonal relations
5. Objectivity and Rationality
6. Monetary and Non-Monetary benefits
7. Participative management

Human Resource Development System (HRDS): HRD functions are carried out through its systems and sub systems. HRD has five major sub-systems; the first three systems viz., *Career system, Work system and Development system*, are individual and team oriented while the fourth and the fifth systems viz. *Self renewal system and Culture Systems* are organization based.

OBJECTIVES OF THE STUDY:

1. To examine the nature and determine problematic areas in the HRD Climate prevailing in the industry and also to suggest model for change.
2. To examine the nature of HRD System & Sub-Systems practiced in the industry and also to measure the effectiveness of implementation of HRD Sub-Systems in the industry.
3. The study is also made to examine the interlinkages between HRD Subsystems and their effectiveness in Mathura Refinery.

HYPOTHESIS:

As an organization's culture is the representation of common perceptions held by its members, individuals with different backgrounds, or at different levels, would be expected to describe organizational culture in similar terms (Mayerson & Martin, 1987). This is applicable to HRDC, as it is an integral part of organizational climate (Mishra & Bhardwaj, 2002). To examine HRDC in IOC Mathura Refinery, the following set of hypothesis was formulated:

H_0 : Overall HRD Climate of Mathura Refinery is conducive for the development of the employees.

H_1 : Overall HRD Climate of Mathura Refinery is not conducive for the development of the employees.

METHODOLOGY:

(i) Research Design

For the study *Descriptive research design* was chosen because the study attempts to describe the characteristic of Managerial and Non - Managerial staff with respect to HR practices. It was taken to obtain the complete and accurate description of HRD Climate and System situation and to estimate proportion of Managers and Non - Managers who believe in a certain way.

The research design to be specific is cross - section descriptive type with field study.

(ii) Target Population and sampling procedures

The universe of the study was finite with 1650 workers (Managerial and Non-Managerial) in Mathura Refinery. The approach of specifying precision of desired estimation first, then determining the sample size necessary to ensure it (Kothari, 2000) has been adopted, requiring a sample size of 348. This is based on a 2% defect in sample (based on the pilot study) and an acceptable error margin of 2%. The sample consisted of 48 Managers (drawn using Probability Simple Random Sampling) and 300 Employees (drawn using Probability Systematic Sampling) of IOC Mathura Refinery.

(iii) Instrumentation

Apart from personal discussions and deliberations with knowledge workers, a properly designed and self-administered questionnaire with 32 questions on HRD System and 21 questions covering HRD Climate, constituted the primary source of data for this study. A pilot study was conducted to make sure the questions were direct and free from ambiguity. The language was revised to make it simple and direct.

(iv). Data analysis

The data was entered into Statistical Package for Social Sciences (SPSS). Reliability (Cronbach's alpha) of the study was tested for individual items. The chi - square statistics was used to test the hypothesis.

RESULTS OF THE STUDY

Reliability

Alpha (Cronbach) reliability of the analysis is 0.95 (HRD System) and 0.98 (HRD Climate), indicating a very high internal consistency, based on average inter-item correlation.

Findings of the study

Results reveal that majority of the managers (81.25%) and employees (66%) of Mathura Refinery believe that HRD Climate of the organisation is highly favorable and conducive for the growth and devel-

opment of managers and non-managerial staff. Whereas only 18.75% managers and 30.67% employees feels that HRD Climate prevailing here is least favorable. While minority of the employees (3.33%) think that HRD Climate of the organisation is not at all favourable and helpful in employee development. It shows both managers and employees strongly believe that HRD Climate of Mathura Refinery is conducive for employee development and it was also proved on applying chi-square test at 5% level of significance. As per the result of chi - square statistics null hypothesis H_0 is accepted and it can be interpreted that HRD Climate of IOC Mathura Refinery is conducive for employee improvement.

Findings also reveal that there is a conflict between the opinions of managers and employees regarding the question of improvement in present performance level because of performance appraisal system. As 77.08% managers has the opinion that

performance appraisal system of Mathura Refinery helps in improving their present performance whereas 54.33% employees oppose it. Basis of performance appraisal is personal prejudice and loyalty rather than job performance of employee in Mathura refinery.

Viewpoints of managerial and non-managerial staff strongly support that in Mathura Refinery employees are encouraged by managers to experiment with new methods and try out creative ideas. Findings reveal that in Mathura Refinery senior officers/executives takes active interest in helping out their juniors and also they assist them in learning jobs as reported by 97.92% managers and 84% employees. In Mathura Refinery seniors often delegate responsibilities to juniors so that they can handle higher responsibilities and positions in future as 75% managers and 41.66% employees support this fact (depicted in Figure 1).

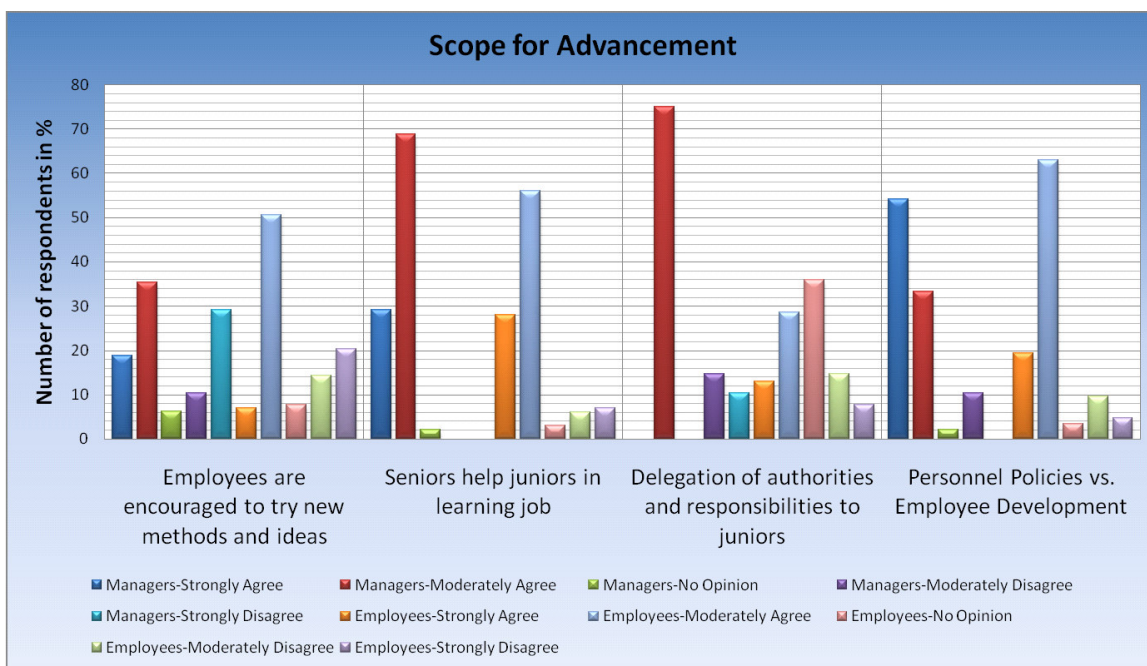


Figure 1: Scope for Advancement

Both managers and employees of Mathura Refinery strongly believe that the extent of occurrence of transfers should be least. Employees have a limited support on the viewpoint of transferring them within the same or interfunctional area and their viewpoint is strongly supported by managerial staff.

As per the views of managerial as well as non-managerial staff of Mathura Refinery, among the

various reward practices *promotion* is considered to be the best practice as voted by 87.5% managers and 90% employees, which is followed by *special increments*, as money acts as a great motivational factor for them. *Job enrichment & participation in decision making* are placed at third and fourth positions of preference pyramid.

Huge mass of population has reported that

demotion is the worst mode of punishment in Mathura Refinery, then after that *with- holding of increments* is consider being the second most awful punishment. *Transfers and restriction of facilities* are bearable but only upto certain extent.

There are six basic non non-financial-motivation techniques for human development in Mathura Refinery like praise and recognition, competition, participation, job rotation, delegation of authority and job sharing. Out of these majority of employees and managers consider praise and recognition as the best motivational techniques. Only a few employees and managers consider other non financial motivational technique job rotation, participation, competition, job sharing; etc as the best.

Managerial staff of Mathura Refinery is in full support of the view that there should be high degree of team spirit in the organization whereas employees support the view only to a limited extent.

Findings reveal that in Mathura Refinery senior officers/executives takes active interest in helping out their juniors and also they assist them in learning jobs as reported by 97.92% managers and 84% employees.

Training needs of employees are completely met in Mathura Refinery as reported by 93.75% managers and 66.67% employees.

Findings reveal that overall staff members have mixed opinion on the subject of formal nature of employees. 56.25% managers and 43.33% employees have the viewpoint that employees of Mathura Refinery are formal and do not hesitate to discuss their feelings with their superiors. But 27.08% managers and 46.34% employees dissatisfied to the early view of managers and employees. Whereas 14.58% managers and 10.33% employees are having no opinion on this matter.

In Mathura Refinery top management always goes out of its way to ensure that employees must enjoy their work. People don't have fixed mental impression about each other in Mathura Refinery as stated by 68.75% managers and 57.33% employees. Superiors treat their subordinates with understanding and help them to learn from their mistakes in Mathura Refinery.

Overall satisfaction level of employees working in Mathura Refinery is very high and they find it the best place to work, results reveals that majority of managerial as well as non-managerial staff is satisfied to greater extent in working here.

SUGGESTIONS MADE AND MANAGERIAL IMPLICATIONS

On the basis of findings following suggestions were made:

- Various shortcomings are observed in the existing appraisal system of Mathura Refinery. So it is highly recommended that the Mathura Refinery should revise their Performance Appraisal methods as it will not only remove the subjective assessment of the employees as been done in the organisation but also make the assessment more practical, objective and free from biasness. Such practices will definitely build confidence, courage and commitment in the employees.
- Keeping the above facts in mind it is suggested that Mathura Refinery must implement 360⁰ Performance Appraisal Method. As it ensures the evaluation from various actors like superior, colleague, subordinate and self.
- Following stages are recommended in the implementation of 360⁰ Performance Appraisal method of Mathura Refinery:
 - I. Job description should be written, agreed and reviewed regularly.
 - II. Realistic and challenging objectives for the work group or team should be formulated and these objectives should be taken from organisation's strategic objectives.
 - III. Individual objectives should be derived in turn from the work objectives and jointly formulated between the appraiser and appraise.
 - IV. A development plan should be devised by the manager and the individual to meet personal goals. The emphasis should be on management support and coaching.
 - V. An assessment of objectives with ongoing formal reviews on a regular basis.
 - VI. An annual assessment which is backed by reward or punishment.
- Appraisal system should be designed in such a way that a single appraisal system should intend both to improve current performance and to act as a basis for salary awards. If 360⁰ Performance Appraisal system is implemented then appraisal exercise can be focused on rating individual potential vis-a-vis leading to employee development.
- Frequency of transfers is quite high in Mathura Refinery. So it is highly recommended that

management should check their transfer policies and transfers should be done only for position filling and also transfers may be done only when employee gets promoted. Employees must be given proper remuneration when they are transferred.

- In Mathura Refinery there doesn't exist any system/practice to reward any good work / contribution made by the employee. Hence it is suggested that if any good work is reported or valuable suggestion is given by employee, enhancing productivity or reducing losses it should be immediately followed by some rewards, to be specific monetary reward, as most of them (employees) look for.
- The main implication of this research for HRD System suggest that there is lot of scope for further improvement in Mathura Refinery which improves the work life by overcoming monotony and make present HRD System into fully play and also acceptable and palatable for both managerial and non-managerial staff. However, in order to achieve this, the need of proper HRD is felt to create a system which will improve the work life by ensuring better communication and creation of familiar sort of work conditions where creativity of all the levels of managers as well as non-managers come into full play. The top management should provide adequate opportunities for the development and optimization of their employees and also involve their non-managers in making the important decisions like workers participation in management, personnel policies and other important issues. This will improve communication relationship between managerial and non-managerial staff and automatically increase productivity and lead to greater effectiveness. Thereafter, top managers are key actors they should managed their human resource with utmost care to inspire, motivate encourage and impel them to contribute their maximum for the achievement of organisational as well as individual objectives which generate favorable HRD systems and sub-systems.
- It is highly recommended that channels of communication should be minimized and employees can easily communicate with their heads and superiors, so that they can understand their problems.
- Among all the existing non-financial motivation techniques used by IOC Mathura Refinery, praise and recognition is consider to be the most favored by the employees. It is highly recommended that the organisation should practice non-financial appreciation methods viz. Appreciation letter, Certificate, recognition through displays on Notice Boards / News Letters, provision for Job enrichment, etc., as they are helpful in building and maintaining motivation of the employees.
- Enriching job content for job enlargement is not practiced in Mathura Refinery. Hence it is advised that managerial staff should take necessary action in this context. Job enrichment not only increases employees enthusiasm but also it will show them a better way of success and higher promotions particularly out term promotions.
- Practice of redistribution of power and authority in the organisation needs to be injected in the HRD System of the organization. As this practice will not only motivate the employees but also leads to their development.
- Findings reveal that behavioral feedback is seriously taken by the employees for their development. Hence the supervisor should be provided training on identifying the critical behavior and implementing behavior modification techniques. The organisation should conduct workshops on behavioral issues on regular basis.
- Since employees of Mathura Refinery have reported that such organizational climate which supports employees to openly discuss their feelings & emotions and share their problems with their seniors and managers, doesn't exist. Hence it is highly recommended that management of Mathura Refinery may appoint any senior Professor /Director of any Premier Management Institute as Management Consultant, who can listen to the problems of employees and can help them or take necessary actions in consultation with the top management. The role of that consultant should be to develop bridge of meaning between mangers and employees and to remove misunderstandings, communicate the ideas and feelings in a very informal manner and also to remove frictions in the relationships.

LIMITATIONS OF THE STUDY AND FUTURE LEADS

This study is focused on only seven key dimensions of HRDC and hence is not exhaustive. So there is scope to extend this work by considering other variables of HRDC such as Formalization & standardization, Concern for welfare, Job security, etc. Also the study results are confined to the perceptions of a single public sector unit and could be extended to several organizations.

One of the common limitations of surveys is the potential for the social desirability effect, a phenomenon in which survey respondents answer in ways that they believe would make them look good, even if such responses are not completely true. In this study, the social desirability effect may have been heightened because the respondents were the employees of Mathura Refinery. Their responses may therefore have been positively biased in favor of the organisation.

One more important limitation occurred while conducting questionnaire is that most of the respondents had either missed it or many hadn't returned it or many hadn't filled it particularly. So to derive actual data becomes impossible based on those questionnaires.

In addition, the use of only one method of collecting data may have limited the quality of the information obtained. For example, in-depth interviews or focus groups as alternative or additional means of collecting data may have yielded more detailed and more reflective analyses of participants' experiences in the organisation.

With regard to the future leads to study, following areas are still unexplored in this study, so anyone who wants to further elaborate this study can focus on these two areas viz., of occupational safety & health hazards in the refinery and measurement of effectiveness of training programmes conducted by IOC Mathura Refinery.

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