

## **STUDY OF ORGANISATIONAL CLIMATE AND HRD INTERVENTIONS IN SBI**

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### **ABSTRACT**

The Banking Sector is the most important catalyst for economic transformation of a nation and is reckoned to be the heart of an economy. The finance it pumps into it is its life blood. Banks are growing in size and entering into new areas of business viz. merchant banking, mutual funds, venture capital, factoring services etc. All these require technical and managerial human power. The future needs of the banking sector can only be met if it can maintain good and conducive organizational climate while enhancing, sharpening, refining the capabilities of its employees. The bank chosen for the present study is SBI, the largest bank in India, which caters to the needs of a large population of diverse culture, extreme disparities in income and education. Banks being in the service industry, their success depends upon the performance of their human resources, which in turn depends upon the organizational climate and HRD interventions.

**Keywords:** SBI, HRD Interventions, Bank, Organisational Climate.

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Change is avalanching down upon our heads, and most people are utterly unprepared to cope with it. The disorientation produced by super change has important implications for organizations. HRD interventions are the instruments in the art of learning to solve problems and take advantage of opportunities to keep improving through the process of carrying out changes in the internal environment to conform to the fast changing external environment. It is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself.

The present study concentrates on the Organisational climate and HRD interventions in SBI, the leading bank in India. SBI has realized a laudable performance in business and have substantially contributed to the realization of Corporate as well as National goals.

## **OBJECTIVES OF THE STUDY**

1. To study the existing system and practices of Human Resource Development and Organisational climate in the SBI.
2. To study the contribution of various interventions of HRD in the development of human resources in both the banks.
3. To study the various dimensions of organizational climate.
4. To study the extent of job satisfaction among officers.
5. To suggest ways and means of improving the organizational climate in the SBI. This would in turn give rise to the effectiveness of the organisation's performance.

## **REVIEW OF LITERATURE**

The empirical studies available in India and abroad having direct and indirect bearing on the objectives of the present study are reviewed as under:-

Leon C. Megginson (1977) opines that the quantity and quality of human resources are the functions of the number of productive individuals, their inherent abilities, and the extent to which those abilities are modified through environmental factors such as education, training and development.

P. SubhaRao (1989) while stating the importance of HRD said that the increasing pace of technological changes are making human resource the key ingredient to the well being and growth of an industry. He further observed that the objective of maintenance of harmonious employer-employee relations is not only to find out ways and means to settle differences but also to secure the unreserved co-operation between the employee and the employer

Lallan Prasad and A.M. Bannerjee (1990) observed that the formal organization structure shows prescribed roles and relationship. The informal groups which are the result of the interaction of people at work are never shown in an organizational chart. At times management may take advantage of these groups for speedy communication of certain policies or plans, and for knowing the reaction of the people.

Nazir A. (1998) attempts, in the study to measure overall job satisfaction of bank clerks, to identify some determinants of job satisfaction, and evaluate the perceived importance of some jobs as well as the background factors on their overall job satisfaction. Barring income and level of education no other personal factor was found to be related to the overall job satisfaction of the model respondents.

Locke (1999) states that job satisfaction results when a job fulfils or facilitates the organizational attainment of individual values and standards. On the other hand, dissatisfaction occurs when the job is seen blocking such attainment.

L.P. Singh (2000) has given a beautiful definition of HRD. To quote him, HRD refers to an improvement in the capacities and capabilities of the personnel in relation to the needs of a particular sector. It involves the creation of a climate in which flowers of human knowledge, skills and capabilities can bloom.

Anderson (2006) found that the management practices and the employees' perception of those practices lead to positive or negative customer outcomes. Specifically, relational efforts by a manager are suggested to lead to a specific behaviour of the employees that seems to have a direct relation to customer outcome.

D.S. Mann (2009) stated that staff development is extremely important. It is driven by three conditions: the rate of change in health care, the introduction of new technology and the increased demand for maximizing productivity.

K. Aswathappa (2010) has discussed the role of HR Managers in a slack period and has explained various problems faced by them in the corporate world by examining and analyzing the actual situations. He further states that HRM must become the most happening department in the organization. The HR manager should play a proactive role

Rolf P. Lynton and Udai Pareek (2010) have discussed the problems which are faced by the organization regarding taking the right decisions as to how and when training should be imparted. Determining the relevance of the content of training is also very important.

Tony Edwards and Chris Rees (2011) have discussed the concept of globalization in the present scenario: what does it imply and how it affects the economies and, in turn, organizations and their management. According to them, technological, psychological, political and economic universalism is affecting the human resources.

Gary Dessler and Biju Varkkey (2012) stated that HRM is acquiring, training, appraising, compensating employees, attending to their labour relations, health and safety and fairness concerns. He should know about employment law, industrial law equal opportunity and affirmative action. He stresses that to avoid certain mistakes such as hiring the wrong persons, high turnover, people not doing their best, not getting proper salaries, human resource managers' tasks are important and should be handled by an expert.

Christian Harteis (2012) stated that there is a consensus in educational, managerial, and business debates that economic and societal changes in globalisation demand knowledge-based enterprises and employees who permanently develop and actualise their competencies.

Hence, workplace learning has become a crucial aspect of a business organisation. This article concludes that successful workplace learning is not only an individual's responsibility but also a crucial task for the management of a business.

## **CONCEPT OF HUMAN RESOURCE DEVELOPMENT**

Human Resource Development is a set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands. Change is the only thing which is ever present everywhere, everything else keeps on coming and going. As stated by William A. Pasmore, change isn't always positive, but it can be handled in ways that strengthen rather than diminish the commitment people have to an organization. Learning is at the core of all the HRD efforts. HRD activities should begin when an employee joins an organization and continue throughout his or her career, regardless of whether that employee is an executive or a worker on an assembly line. Human Resource Development aims to develop an individual in accordance with his aspirations and potentialities, on the one hand and companies' requirements, on the other. In simple words, human resource development plays the role of a match maker between organizational needs, human resources and individual needs for career growth and development.

HRD is a process by which people in various groups are helped to acquire new competencies continuously so as to make them more self-reliant, and simultaneously developing a sense of pride in them. HRD is an approach to the systematic expansion of people's work-related abilities, focused on the attainment of both organisational and personal goals. HRD means an organised learning experience, within a time frame, with an objective of producing the possibility of performance change. In the organisational context, HRD is a process in which the employees of an organisation are continuously helped in a planned manner to:

- acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
- develop their general capabilities as individuals and discover and exploit their inner potentials for their own and for organizational development purposes.
- develop organizational culture in which supervisor-subordinate relationships, team work and collaboration among sub units are strong and contribute to the professional well-being, motivation and pride of employees.(T.V.Rao, 1986).

Every organization has some social obligations. It is the responsibility of every organization to create a healthy and congenial atmosphere in the organization, so that people may give their best to the organization along-with a sense of belongingness, satisfaction and growth. Growth is the need of the time. People in organizations have very high aspirations and ambitions for their own growth and development. Faith is needed in the capability of employees to change and acquire new competence at any stage of life in the organization. Human Resource Development plays a very important role in the corporate strategic planning. Human Resource Development is concerned with the development of manpower working at all levels i.e. workers, technical staff, employees, managers and executives in an organization. It is a continuous horticultural and learning process and not merely a set of mechanisms or techniques. Human Resource Development is not an engineering process having a set of mechanisms.(Parmnath 1983).

The techniques such as organizational development, training and development, performance appraisal and career advancement etc. are used to initiate, facilitate and promote this process in a continuous way. We can say that HRD is a unique, open and interlinked system because mechanisms used in this system have not a universal application. The mechanisms may need to be examined, reviewed, re-oriented and recast to see whether they are promoting or hindering the process. These mechanism are inter linked and form a new system reinforcing each other.

Sound HRD policies are an essential base for sound HRD practice. They provide the base for management by principle as contrasted with management by expediency.

Following are HRD interventions:

- **Performance Appraisal:** Performance appraisal is a process by which the management finds out how effective it has been in hiring and placing the employees. It is a systematic evaluation of personnel by supervisors or others familiar with their performance because employers are interested in knowing employees' performance. Employees also wish to know their performance in the organization.
- **Potential Appraisal and Development:** In organizations that subscribe to HRD, the potential (career enhancement possibilities) of every employee is assessed periodically. Such assessment is used for developmental planning as well as for placement. It is assumed under this system that the company is growing continuously. Capabilities to perform new roles and responsibilities must continually be developed among employees. The identification of employee potential to ensure the availability

of people to do different jobs helps to motivate employees, in addition to serving organizational needs.(TVRao,2008).

- **Feedback and Performance Coaching:** Supervisors in an HRD system have the responsibility for ongoing observation and feedback to subordinates about their strengths and their weaknesses, as well as for guidance in improving performance capabilities..(TVRao,2008).
- **Career Planning:** A career is a sequence of positions held by a person during a course of a lifetime. Career planning is a process of integrating employees' needs and aspirations with organizational needs. Career programmes and HR programmes are linked to the degree that they help each individual meet individual and organizational requirements.(TVRao,2008).
- **Training & Development:** Training and development is important for new and present employees. Training is, in short, an attempt to improve current or future performance. He also stated that training is the systematic process of altering the behavior of employees in the direction that will achieve the organizational goals. Training is related to the present job skills and abilities. It has a current orientation and helps employee to master specific skills and abilities needed to be successful. A formal training programme is an effort by the employer to provide an opportunity for employees to acquire job related skills, attitude and knowledge.(Ivancevich2008).
- **Organization Development (OD) or Research and Systems Development:** OD refers to a long-range effort to improve an organisation's problem solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioural-scientist consultants, or change agents, as they are sometimes called.(WendellFrench1969).
- **Rewards:** Rewarding employee performance and behaviour is an important part of HRD. Appropriate rewards not only recognize and motivate employees; they also communicate the organization's values to the employees. In HRD systems, innovations and use of capabilities are rewarded in order to encourage the acquisition and application of positive attitudes and skills. Typical rewards include certificates of appreciation, newsletter announcements, increases in salary, bonuses, special privileges and desired training. Promotion is, generally, not considered as a reward because promotion decisions are based on appraisals of potential whereas most rewards are based on performance. Rewards may be given to teams, departments, and other units within the organization as well as to individuals.(TVRao,2008).

- **Quality of Work Life:** Quality-of-work-life programmes generally focus on the environment within the organization and include: basic physical concerns such as heating and air conditioning, lighting, and safety precautions; additional physical amenities such as food and beverage facilities, recreation, and aesthetics; and psychological and motivational factors such as flexible work hours, freedom to suggest changes or improvements, challenging work, and varying degrees of autonomy. HRD systems focus on employee welfare and quality of work life by continually examining employee needs and meeting them to the extent feasible. Job-enrichment programmes, educational subsidies, recreational activities, health and medical benefits, and the like generate a sense of belonging that benefits the organization in the long run.(TVRao,2008).
- **Human Resources Information System:** All appropriate information about employees should be stored in a central human resources data bank (usually by means of a computer). This includes all basic information about each employee, training programmes attended, performance records, potential appraisals and accomplishments. This data is utilized whenever there is a need to identify employees for consideration for special projects, additional training, or higher-level jobs.(TVRao,2008).

## **HRD INTERVENTIONS IN SBI**

The State Bank of India, the country's oldest and largest Bank of India in terms of balance sheet size, number of branches, market capitalization and profits. The SBI is known for expanding its operations in rural India. The slogan of the bank- "Pure Banking & Nothing Else" "A Bank of the Common Man" shows how the bank is concerned in providing best possible services to its customers. Keeping in view the changing environment, the mission of the bank has been reframed as follows:

"To retain the bank's position as the Premier Indian Financial Services Group, with world class standards and significant global business, commitment to excellence in customer, shareholder and employee satisfaction, and to play a leading role in the expanding and diversifying financial service sector, while continuing emphasis on its development banking role."

In the SBI, importance of HRD has been recognized at the apex level. The Bank has developed its own problem solving capabilities through various techniques such as, manager

to manager programme (MMP), development of internal change agent, self development learning, the concepts of zero-defect doctrine based on 'do things right in the first instance'. Most of these interventions take place at the branch level itself where problems are faced. The system of carrying out periodical Climate Surveys is designed and used to bring changes in the existing system. For instance, when the computerization plan or a new performance appraisal system was launched, a thorough analysis of the possibilities and problems was done. Change in SBI is managed in a pro-active fashion rather than in a reactive way. In order to bring involvement of the rank and file for greater effectiveness, the bank had started manager to manager meetings where everyone could participate and air his views and problems. The Bank has established HRD Deptt. to carry out the diagnostic studies, analyze the feedback and suggest interventions for the better effectiveness of the organization. These people also undertake periodic studies of problem situations in the branches and come out with specific solutions and interventions for a better functioning of the branches. The main focus of these interventions is team building, and people building for improvement and development, at the grass root level.

## **RESEARCH DESIGN AND METHODOLOGY**

**Universe & Sample:-** The officers of SBI of Punjab form the universe of the study. The sample size is of 100 officers of SBI of various branches in Punjab. The sample consists of officers from all grades selected on the basis of random sampling. The primary data for the purpose has been collected through questionnaires, interviews and observations. The primary data is supplemented by secondary data available from the published reports, manuals, publications and other literatures related to topic under study.

### **Tabulation and Analysis of Data**

After collection of data it has been edited and tabulated before any statistical treatment is given. Various statistical tools viz. average, percentage etc. have been applied to derive results and findings.

## **INTERPRETATION AND ANALYSIS OF DATA**

An opinion survey was conducted to gather data on various indicators to draw conclusions in respect of the organizational climate and the level of job satisfaction amongst the respondents of the SBI and the ICICI Bank. Following are the results drawn, and an analysis of the data.



### **Working of the HRD Department**

The respondents of the SBI were asked a question whether they were satisfied with the working of the HRD Department of their bank.

**Table No. 1**  
**Satisfaction with HRD Department**

<b>Response</b>	<b>SBI Officers</b>
Yes	72
No	28
Total	100

While looking at the perception of satisfaction of the respondents of the bank, on the basis of percentage 72% respondents of the are satisfied with the functioning of the HRD department. Hence, it is concluded that a large number officers of the SBI are satisfied with the working of the HRD department.

### **Management's Concern for HRD**

A number of statements were used to assess whether the management feels concerned for the HRD, and respondents were to show their agreement or disagreement.

**Table No. 2**  
**The Management's Attitude towards the Importance of Human Resources**

<b>Response</b>	<b>SBI Officers</b>
Yes	94
No	6
Total	100

Table 2 depicts that in the opinion of the respondents of the SBI about the management's belief that Human Resources are the most important assets. 94% respondents of the SBI are of the view that the management believes that human resources are the most important assets in the organization. This shows that the bank is giving a lot of emphasis on the development of human resources by considering them as important assets.

**Table No. 3**

**Management's Interest and Efforts to Develop Human Resources**

<b>Response</b>	<b>SBI Officers</b>
Yes	97
No	3
Total	100

It is apparent from Table 3 that 97% of the respondents in SBI are of the view that the management is interested in investing time and money to develop human resources as assets. This indicates that almost all the officers in the SBI are of the opinion that management takes interest and makes significant efforts in developing human resources. The data shows that officers of SBI are satisfied with the management's attitude towards the development of human resource.

**Table No. 4**

**Employees Development being most important of Manager's Role**

<b>Response</b>	<b>SBI Officers</b>
Yes	79
No	21
Total	100

From the above table it is clear that almost 80% of the officers of the SBI are of the opinion that development of employee is being considered as the most important aspect of the management's role.

**Table No. 5**

**Possibility of Development of Employee at any Stage in Work Life**

<b>Response</b>	<b>SBI Officers</b>
Yes	67
No	33
Total	100

In spite of the fact that 67% respondents feel the possibility of development of employee at any stage in Work Life which is quite large. There are significant number of officers i.e. 33% are of the view that it is not possible to develop employees at any stage of their work life.

**Table No. 6**

**Management's Efforts to Identify and Utilize the Potential of Employees**

<b>Response</b>	<b>SBI Officers</b>
YES	73
NO	27
Total	100

According to the above table 73% officers feel management is making significant efforts to identify and utilize the potential of its officers. Only 27% are of the opinion that management is not making enough efforts in identifying and utilizing the potential of its officers. General opinion is in favour of management's attitude.

**Table No. 7**

**Perception in respect of Encouragement to Employees to Use Creative and Innovative Methods in Work Situations**

<b>Response</b>	<b>SBI Officers</b>
YES	78
NO	22
<b>Total</b>	<b>100</b>

As per Table 7 almost 80% of the officers are of the perception that management encourages employees to use creative and innovative methods in work situations.

**Table No. 8**

**Whether Organization's Future Plans are made Known to Managers to Help Them Develop their Staff**

<b>Response</b>	<b>SBI Officers</b>
<b>Yes</b>	85
<b>No</b>	15
<b>Total</b>	<b>100</b>

Table 8 depicts that 85% respondents in the SBI are of the view that future plans are made known to the manager to help them develop their staff. Thus, it leads to the conclusion that most of the officers are satisfied with management's attitude.

**Dimensions of Organizational Climate & Work and Job Satisfaction.**

**Table No. 9**

**Recognition of Work**

<b>Response</b>	<b>SBI Officers</b>
Yes	87
No	13
Total	100

Table 9 reveals that 87% respondents in the SBI are of the view that their work is recognized by the bank.

**Table No. 10**

**Perception in respect of whether the Job Gives Opportunity to Try New Ideas**

<b>Response</b>	<b>SBI Officers</b>
Yes	67
No	33
Total	100

It is clear from the Table that in the SBI, 67% respondents are of the view that their job gives opportunity to try new ideas. This conveys a satisfactory position as per their job.

**Table No. 11**

**Rating of Work Conditions and Facilities**

<b>Response</b>	<b>SBI Officers</b>
Good	79
Average	19
Poor	2
Total	100

Table 11 depicts that in the SBI, 79% respondents are satisfied with the work conditions and facilities in the bank, 19% rate these facilities as average and 2% says that

work conditions and facilities are very poor in the bank. The opinion among the officers regarding work conditions and facilities is fairly good in the bank.

## **FINDINGS & CONCLUSION**

Most of the respondents are satisfied with the working of the HRD department of their bank. 72% employees in the SBI have shown satisfaction with the working of the HRD department. Which is an indicator of good work being done by the HRD wing of the bank.

In the SBI 94% subscribe to the view that the management considers human resources as an important asset, and 97% agree that the management is interested in investing time and money for their development. On the other hand, a large number of the respondents, i.e. 33% perceive that the management does not feel that employees can be developed at any stage of their work life. 27% feel that the management is not making efforts to identify and utilize the potential of employees, and employees are not encouraged to use creative methods of work situation. In general, it can be concluded that the management feels concerned for HRD in the SBI, but more efforts are required to identify and utilize the potential of the employees. Management in the SBI feels concerned about human resources as the most important asset. Training is provided but much effort is not made to identify and utilize the potential of the employees. The management does not feel that employees can be developed at any stage of their work life. Employees are encouraged to use creative and innovative methods in work situations and problem solving to provide fast and excellent service to customers. In respect of work conditions & facilities, rewards & recognition, the Bank can make improvement.

## **SUGGESTIONS**

1. Awareness of the importance of the human side of the organization should be considered as a functional necessity for any dynamic and growth oriented enterprise.
2. There should be adequate recognition for work done. The management of the bank should devise ways to recognize the virtuous performers by rewarding the employees, as and when, they innovate.
3. Human resources must be termed as an asset having ultimate potentials & are indispensable for a dynamic and growth oriented enterprise.
4. Human resources should no longer be treated as a commodity.
5. Recognition and reward for efficient workers.

6. Personnel Department should be equipped with well qualified executives.
7. Continuous review of HRD interventions based on internal feedback & external changes.
8. Staff meetings in all branches should be encouraged to develop a sense of belongingness toward the organisation, and for the diagnosis of the problems.

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