

**HUMAN RESOURCE DEVELOPMENT CLIMATE IN  
KERALA KERAKARSHAKA SAHAKARNA FEDERATION  
LTD., (KERAFED), KOLLAM.**

by  
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(2014-31-106)**



**MAJOR PROJECT REPORT**

**Submitted in partial fulfilment of the  
requirement for the post graduate degree of**

**MBA IN AGRIBUSINESS MANAGEMENT**

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**COLLEGE OF CO-OPERATION, BANKING AND MANAGEMENT**

**VELLANIKKARA, THRISSUR-680656**

**KERALA, INDIA**

**2016**

*Declaration*

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## **DECLARATION**

I hereby declare that this project report entitled “**HUMAN RESOURCE DEVELOPMENT CLIMATE IN “KERALA KERAKARSHAKA SAHAKARNA FEDERATION LTD.”, (KERAFED), KOLLAM**” is a bonafide record of project work done by me during the course of project and that the report has not previously formed the basis for the award to me for any degree/diploma, associateship, fellowship or other similar title of any other University or Society.

Vellanikkara  
18-08-2016



**KAVITHA. S**  
(2014-31-106)

*Certificates*

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## CERTIFICATE

Certified that the project report entitled “HUMAN RESOURCE DEVELOPMENT CLIMATE IN “KERALA KERAKARSHAKA SAHAKARNA FEDERATION LTD.”(KERAFED), KOLLAM” is a record of project work done independently by Ms. Kavitha S. under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to her.


Vellanikkara  
18-08-2016



**Dr. G.S. Arularasan**  
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## CERTIFICATE

We, the undersigned members of the advisory committee of Ms. Kavitha S., a candidate for the degree of **MBA in Agribusiness Management**, agree that the project work entitled **HUMAN RESOURCE DEVELOPMENT CLIMATE IN “KERALA KERAKARSHAKA SAHAKARNA FEDERATION LTD.” (KERAFED), KOLLAM** may be submitted by Ms. Kavitha S., in partial fulfilment of the requirement for the degree.



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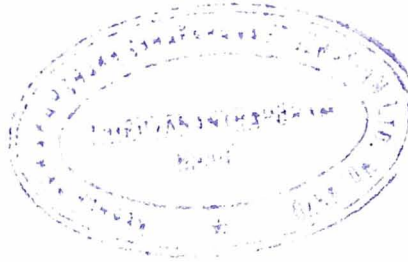
**CERTIFICATE**

This is to certify that **Ms. KAVITHA.S** student of the College of Co - Operation, Banking and Management Kerala Agricultural University has undertaken a Project work in our organisation on the topic "**HUMAN RESOURCE DEVELOPMENT CLIMATE " AT KERAFED , Karunagapally**" for a period of one month as part of her M.B.A. Course.

Her conduct and character during the period were good and we wish her success in all her future endeavours.

01-Aug-2016

  
Manager Projects



*Acknowledgement*

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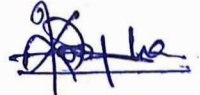
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*I would also use this opportunity to beg pardon to all those who have ever been hurt, knowingly or unknowingly by my words and deeds.*

*Needless to say, I solely am responsible for any errors, which may remain.....*



**KAVITHA S.**

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*Chapter - 1*

*Design of the Study*

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# Chapter-1

## DESIGN OF THE STUDY

### 1.1 Introduction

Human resource is undoubtedly the most challenging and dynamic capital in an organization. They are the contributors to the intellectual capital, social capital and emotional capital of an organization; thereby being the most important instruments behind every success or failure. In an age of bottleneck competition, where the customer has many choices to make from available products and services, it is imperative to develop a competent and retainable manpower base. It becomes further indisputable, in an era where knowledge, information and competencies change fast and becomes obsolete at a faster rate. Therefore human resource development is the inexcusable responsibility of the management.

Over the last two decades, organizations over the world have increasingly become aware of the importance of the human resources. This awareness is very critical for their organizational effectiveness. Organizations will find it very difficult to maintain their growth and effectiveness, unless their human resources are complementary to their operations. The modern world is becoming far more competitive and volatile than ever before, causing organizations to gain competitive advantage whenever and wherever possible in today's globalized and informational world. Organizational survival and success will depend on how they respond to these challenges. For this, organizations have to effectively evolve internal capabilities for enhancing speed, quality, learning and building employee competencies.

Human Resource Development (HRD) climate is an integral part of organizational climate which can be defined as the employee's perception about the working environment of their organization. The concept of climate with special reference to HRD context i. e. HRD climate has been developed by Rao and Abraham (1986) constituting General Climate, HRD Mechanisms and OCTAPAC Culture. HRD practices create the atmosphere for the employees that facilitate their development. General climate highlights the extent to which the management of an organization has sincere intention, determined will and takes supportive actions for developing its manpower. HRD Mechanism constitutes subsystems like performance management, training and

development, potential appraisal, career planning and development, reward management, quality of work life, self-renewal mechanisms etc. The OCTAPAC culture underlines an organizational culture having elements like open and frank communication system, an environment of trust, opportunities to take decision and be authentic approach towards development issues, and positive attitude for settling matters of dispute and grievances forthrightly with positive interaction. Hence HRD climate contributes to the organizations' overall health and self-renewing capabilities which, in turn, increase the enabling capabilities of individuals, team and the entire organization.

## **1.2 Statement of the Problem**

Human resources comprise the aggregate of employee attributes including knowledge, skills, experience and health which are presently and potentially available to organizations for the achievement of its goal. In other words, human resources consist of the value of the productive capacity of the firm's human capital. Of all the resources of an organization, the human resources are recognized as the most vital and the most valuable, it is the quality of human resource that ultimately determines the success of an organization. The importance of the human factor also stems from the fact that the human resources alone appreciate in value through the acquisition of greater knowledge and through experience and thus reflects an inherent dynamism and development potential; whereas all other resources depreciate in value by the passage of time. This is essentially the rationale of increasing attention given to HRD climate by the modern organizations.

A conducive climate in the organizations has a direct impact on the happiness of the employees which, in turn directly affect the increase or decrease of the productivity. The organizations focus much on people orientation in order to maximize the productivity so as to earn maximum profit to the organization. Whatever is the level, whether private sector or public sector or joint sector, profit plays a crucial role and it is the proof for the wellbeing of the organisation. To achieve the above said factor, HRD climate is very important. Hence this study was conducted with an aim to assess the extent of human resource development climate prevailing and to explore the various aspects that determine the human resource development climate in KERAFED, Kollam.

KERAFED is the apex co-operative federation of coconut farmers in Kerala and is the largest producer of coconut oil in India. The federation started commercial production

in 1993. The head office of KERAFED is located in Thiruvananthapuram. KERAFED's coconut oil complex at Karunagappally in Kollam district is one of the biggest such units in India, with a capacity of 200 tonnes per day. The HR department is responsible for the human resource activities of the firm and has got a vital role in the company. The foundation of KERAFED is built on the philosophy of working as a team.

### **1.3 Objectives**

- i. To study the prevailing Human Resource Development Climate and the factors influencing HRD climate in KERAFED, Kollam.
- ii. To elucidate the factors, if any, towards job dissatisfaction and to suggest strategies to improve the HRD climate.
- iii. To have a SWOC analysis on HRD climate at KERAFED, Kollam.

### **1.4 Methodology**

#### ***1.4.1 Sources of data***

The study was based on primary and secondary data.

- a. ***Primary data:*** All primary data required for the study were collected through a pre-structured interview schedule among the employees of KERAFED, Kollam, in order to assess the employee's attitude towards HRD Climate.
- b. ***Secondary data:*** Secondary data were obtained from the various records of organizations, project reports, internet, etc.

#### ***1.4.2 Sampling Design:***

The sample of the study comprised the entire employees of KERAFED, Kollam working at Karunagappally.

#### ***1.4.3 Data Collection:***

The data collection was mainly done through pre-structured interview schedule based on a standard research questionnaire or model developed by Rao and Abraham (1986) at

Centre for HRD Xavier Labour Relations Institute, Calcutta (XLRI, India) to survey the extent to which a development climate exists in the organization.

#### ***1.4.4 Data Analysis:***

The perception of employees with respect to age, experience and division have been found towards each of the three dimensions of the HRD climate viz, general climate, OCTAPAC culture and HRD mechanism, by calculating the index values of the scores obtained for each of the statement. The index values have been worked out based on the total of the actual score obtained for each indicators / dimension of climate and the maximum score that can be obtained for each of them. Thereafter, composite index for each dimension has also been assessed and HRD climate index has been worked out using the formula:

$$\text{HRD climate index} = \frac{\text{Total score obtained for the statement}}{\text{Maximum obtainable score for the statement}} \times 100$$

The HRD index thus computed indicates the level or existence of that particular climate in the organisation. Finally the overall HRD climate in KERAFED incorporating all the three dimensions of the HRD climate has also been computed using the formula:

*Overall index for a parameter*

$$= \frac{\text{Total score obtained for the parameter}}{\text{Maximum score} \times \text{Number of respondents} \times \text{Number of statements}} \times 100$$

The actual score obtained by each respondent for all the 38 statements, has been found out by adding the scores obtained by the respondent for each of the 38 statements. The maximum score that a respondent can thus get will be 38 statements multiplied by four summing up comes the value of 152. This can happen only if the respondent is opting for the most optimistic opinion, i.e. 'always true', having a score of four, for all the 38 statements. The least score that can be obtained by a respondent will be zero in such case, where she/he opted for the most pessimistic option of 'not at all true' for all the 38 statements. On the basis of actual scores obtained by each respondent, for all the 38 statement, HRD climate index respondent wise was worked out which is classified as follows:

| <b>Scores obtained</b> | <b>Index value</b> |
|------------------------|--------------------|
| 152                    | 100                |
| 114                    | 75                 |
| 76                     | 50                 |
| 38                     | 25                 |
| 0                      | 0                  |

Taking the mid values of above index values, a classification of HRD climate has been made and the rating is given which is as follows:

| <b>HRD index</b> | <b>HRD climate</b> |
|------------------|--------------------|
| < 12.5           | Very poor          |
| 12.5 - 37.5      | Poor               |
| 37.5 – 62.5      | Moderate           |
| 62.5 – 87.5      | Good               |
| > 87.5           | High               |

Based on the above classification, the HRD climate in KERAFED has been rated. In the final part of the analysis, the major factors influencing HRD climate has been identified based on the index values of the scores obtained by each statement. These statements with the highest index value have been considered to the major factors contributing to a favourable HRD climate.

### **1.5 Observations made:**

The observations with regard to general climate, OCTAPAC climate, HRD mechanism climate, hygiene and health policies, and welfare measures have been carried out in this study.

### **1.6 Scope and Significance of the Study**

This study was intended to focus only the HRD climate prevailing in the KERAFED, Kollam. A favourable HRD climate is indispensable to an organisation to come out of its supine or indolent stage to undertake its diversification programme, to improve the traditional services and systems, to become more dynamic and to play a role of leadership effectively to ensure stability and growth in the organisation.

The process of HRD not only ensures the development of competencies in people but also enriches the integrity and commitment of people to the organisation, where they have to work for a long time. The unlimited potential of human resources can be used only by creating a climate that can continuously enhance the capabilities of people. Hence this study was significant for understanding the real state of HRD climate prevailing and its impact on each workers in “Kerala Kerakarshaka Sahakarna Federation Ltd”, (KERAFED), Kollam. The SWOC analysis and the strategies would help the KERAFED to improve the HRD climate so as to bring maximum productivity in the human resources.

### **1.7 Limitations of the Study**

1. The survey was conducted specifically among the employees of KERAFED, Kollam so that the findings cannot be generalised to other similar organisations.
2. There is a possibility that accurate response might have not been revealed by the respondents.

### **1.8 Chapterisation**

The study has been designed into the following chapters:

1. Chapter 1 - *Design of the Study*: This chapter presents the statement of the problem, objectives, methodology, scope and significance of the study, and limitations of the study.
2. Chapter 2 - *Review of Literature*: This chapter gives the brief summary of various works carried out previously that are related to the present study.
3. Chapter 3 - *Organization Profile*: This chapter presents the profile of KERAFED.
4. Chapter 4 - *Conceptual Framework*: This chapter is devoted for theoretical framework of the HRD climate.
5. Chapter 5 - *Human Resource Development Climate in KERAFED. - An Analysis*: In this chapter the primary data collected from the survey have been analysed, interpreted and inferences have been drawn.
6. Chapter 6 - *Summary of Findings and Conclusion*: This chapter presents the findings and conclusions of the study in a concise manner.

*Chapter - 2*

*Review of Literature*

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## Chapter-2

### REVIEW OF LITERATURE

A good HRD climate rather than HRD practices are responsible for organizational performance. Various research studies have been conducted to determine and analyze the factors affecting the HRD climate prevailing in organizations. Studies on HRD climate have been reviewed to attain conceptual clarity and to highlight the significance of the topic.

Recognizing the importance of HRD climate, Centre for HRD, Xavier Labour Relations Institutions (XLRI, India) developed a 38-item HRD climate questionnaire to survey the extent to which development climate exists in organizations. The 38 items included in the questionnaire can be grouped into three categories such as general climate, OCTAPAC culture and HRD mechanisms. The general climate items deal with the importance given to human resources development in general by the top management and the managers. 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. Using this instrument the first survey of HRD climate in Indian organizations was carried out by Rao and Abraham (1986) among 41 organizations in India. The study found the general HRD climate in the organizations appears to be at an average level. The most important factor contributing to this seems to be a general indifference on the part of the employees on their own development. This was followed by the top management's lip sympathy and intellectual positivism to HRD but no emotional investment.

Kolekar (1987) in his Ph.D thesis "A study of HRD in selected Public Sector undertakings in Maharashtra and Goa" suggested to imparting long term training, appointing a director (T & D) as concrete step towards HRD, valid and reliable performance evaluation system, and issuing appreciation letters to outstanding employees. Researcher had considered only recruitment, selection, training and development and performance appraisal. He focuses on employee counseling, etc. and use of computer in functioning of HRD effectively.

In another study, Abraham (1989) found that HRD climate is a powerful intervening variable in translating HRD practices into profit.

Venkateswaran (1997) in a note on human resource development climate made a study based on the responses of 132 executives of a large PSU and concludes that early identification of human resource potential and development of their skills represents two major tasks of human resource development. This can be achieved only when a conducive HRD climate prevails. The study found the existence of favourable HRD climate in the organization.

Alphonsa (2000), has published his study conducted in a large private hospital in Hyderabad under the title “HRD Climate in a private hospital in Hyderabad: An Empirical Study” This study has attempted to analyse HRD climate, as perceived by the supervisors, and suggest that top management of the hospital may further advance the hospital policy in enhancing the physical, mental and emotional capabilities of the individuals, in order to create and maintain a productive HRD climate.

Bharadwaj and Mishra (2002) had given an account under the title “HRD Climate: An empirical study among private sector managers” and the study results revealed that the overall HRD climate in the organization covered under study was good. Significant differences were also observed among three levels of management with respect to different dimensions of HRD climate as well as overall HRD climate. Implications of results of the study are discussed.

It has been established by Helena et al. (2003) in their investigation to find out how the perceived organizational climate of a work place was related to symptoms both of the organization and the employees and how these factors varied according to socio demographic and work-related characteristics, it was found that part of the impact of the organizational climate on sickness absence was not caused by an increase in work-related symptoms. Even organizational climate seems to correspond not only with organizational practices and leadership but also with the occupational health. The organizational climate is used as research tool and it attempts to reduce the work-related, ill-health and sickness absenteeism.

Sheth Pinakin (2005), in “HRD through OCTAPACE culture”, has highlighted on OCTAPACE culture. OCTAPACE implies Openness, Collaboration, Trust, Authenticity Protection, Autonomy, Confrontation and Experimentation. The author has examined some of the changes, required in different sub-systems of HRD with special reference to the liberalized and globalized economy in the 21st century.

Mishra and Bhard (2006) in his study said that the nature of work undertaken and the factors which are to be analysed in the various organizations are the major factors that have a greater impact on HRD Climate.

Mufeed and Gurkoo (2006) have attempted, in the paper titled "Enhancing educational Institution effectiveness through HRD climate: An Empirical Assessment" to study the whole gamut of HRD climate in universities and other equivalent level academic institutions by electing employee perceptions on HRD climate for which the University of Kashmir, Srinagar is selected as the main focal point of study by the authors. They found that on the whole HRD climate of the sample study organizations was perceived as significantly more motivational characterized by the OCTAPAC culture. This culture is to be practiced by providing infrastructure facilities. The study indicated that there is still considerable scope for improving HRD practices at the University based on the study findings.

Rateesh (2006) in his thesis "HRD climate in Rubco-Huat Woods Pvt Ltd" examined the HRD practices and employees attitude towards working environment in the company and find out that the overall HRD climate is perceived as only good. Thus the company is having an ample scope for improving the HRD climate because the HRD climate and prospects of the company are positively related.

Battu (2007) studied the profile of Agrigold Private Ltd. HRD climate survey was made by the help of questionnaire designed by Rao. The mean score of general climate, OCTAPAC culture and HRD mechanism and implementation were found to be 3.39, 3.31 and 3.49 respectively. The overall mean score of HRD climate was found to be 3.39. This indicated the fact that HRD climate prevalent in Agrigold farming is just below the desirable level.

Rohmetra (2007) conducted a study in analysing the factors that contribute to the HRD Climate in an organization. But also the effect that the climate had the impact of HRD practices on organizational group outcomes has gained importance areas.

Srimannarayana (2007) has carried out a study to assess the extent of HRD climate prevailing in small trading units in Dubai. HRD climate consists of general HRD climate, OCTAPAC culture and HRD mechanism. Category-wise analysis leads to the conclusion that OCTAPAC culture was more prevalent than HRD mechanism and general HRD climate. Training and performance appraisal appeared to be more mature practices rather than career

planning, rewards and employee welfare. He concluded that average HRD climate was prevalent in the small trading units. The author suggested the units to introduce fair employee welfare programmes and reward systems to improve employee satisfaction levels and subsequently to gain advantage from the satisfied workers to increase sales.

Srimannarayana (2008) in his work assessed the HRD climate prevalent in Indian organization. The data were collected from 1905 employees from 42 different organizations in India. The type of organizations under the study includes manufacturing (18), service (13) and information technology (11). A questionnaire containing 38 items grouped into 3 categories (general climate, OCTAPAC culture and HRD mechanism) developed by Rao was administered for data collection. It was found that more favourable climate was found in manufacturing sector than to service sector and lastly the IT sector. The overall percentage score of HRD climate was calculated to be 59.61 per cent. The paper concluded with remarks that moderate climate was widespread in Indian organizations.

Pillai (2008) in his study on influence of HRD climate on the learning orientation of bank employees stated that competent employees are the greatest asset of any organization. The proficiency of employees plays a vital role in the content of the diverse challenges faced by the contemporary organizations. Talent management, employee engagement and employee retention have become the key concerns of HRD professionals. This is of greater relevance in the banking organizations, being a highly HR intensive sector. The study opined that, in order to maintain and develop their competencies, the employees should have an open mind for learning and change and suggested that proactive approach can be generated by providing adequate opportunities as well as motivation for the employees by fostering a supportive and favourable climate for learning in organizations.

Karunesh and Pankaj (2009) conducted a study on HRD climate in selected public sector banks- an empirical study and found that, HRD climate plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. If the HRD climate is good, then the employees will contribute their maximum for the achievement of the organizational objectives.

Bandgar (2010) attempted to measure the HRD climate in industrial cooperative. The subunits under study constituted sugar, milk, textile, spinning units of cooperative industry in Kolhapur district. The HRD mechanism in the form of induction training and development

existed in all the organizations. Employees were satisfied with developmental policies, and the overall HRD climate in cooperative was found good. Researcher suggested measures to improve HRD climate in cooperatives under study.

The study conducted by Srimannarayana (2010) on human resource development climate in manufacturing sector, having aims to explore extent of HRD climate prevalent in manufacturing organizations in India. Based on the information collected from 726 employees working in 18 organizations in manufacturing sector in India, this study has found that the overall HRD climate prevailing in this sector is of moderate level only. Also category wise analysis leads to the conclusion that OCTAPAC culture has been more prevalent than HRD mechanism and general HRD climate. Training and performance appraisal appear to be more mature practices rather than career planning, rewards and employee welfare. At last of the study, also it appeared that the organization focus more on business rather than people. Ultimately, the researcher suggested that the organizations may introduce fair welfare programmes and reward systems to improve employee satisfaction levels and subsequently to gain advantage from the satisfied workers to increase productivity.

Bais (2011) studied the HRD climate in Life Insurance Corporation of India, Raichur division, Karnataka. The study revealed that organizational culture in LIC was conducive for employee's development. Further dimensions like management development, employee benefit, top management initiatives, employee commitment, support, encouragement and relationship were found to be poor in terms of employee opinion in the organization.

Benjamin (2011) had conducted a study on assessment of HRD climate in Rwanda private sector organizations. The main objective was to investigate the prevalent HRD climate within two leading private sector companies in Rwanda. The result of this study shows that generally there exists a good HRD climate in the organization according to the perceptions of respondents. The employees in general showed a favourable attitude towards HRD policies and practices of the organizations. However, it should be noted that the existing developmental climate within the insurance company is not as favourable as that of the telecommunication company.

Mohanty et. al. (2012) studied the HRD climate and its impact on job performance in private insurance companies of Odisha. Data collected from 250 respondents revealed that average HRD climate and job performance was prevalent in the sector. There existed a

positive relationship between HRD climate and job performance. However, HRD mechanism needed more attention with reference to factors like rewards, feedback counseling, and focus on learning. In context to general climate, dimensions like employee development and psychological climate needed further improvement. The author further suggested improvements in the dimensions like team spirit, trust, employee compensation and career development to improve the OCTAPAC culture prevalent in the sector.

Srinibash and Mohapatra (2012) studied HRD climate in Rourkela steel plant, one of the major steel producing public companies in the country under the control of SAIL. The study was aimed at assessing the extent of developmental climate prevailing, through identifying and measuring the perceived organizational culture and its various dimensions. The findings of the study helped to identify the weaker aspects of culture in terms of values and beliefs that prevail in the organization. On the basis of these diagnoses the management can take the opportunity to work upon the identified aspects and develop better organizational culture. According to the researcher, they also stated that the management should focus on to gain the confidence of employees in its welfare activities through reintroduction of the schemes, which were partially or completely withdrawn; gather information about employees welfare needs through a systematic survey etc. On the conclusion part of the study, they stated that there has considerable scope for the development and implementation of appropriate HRD programmes and interventions in RSP as well as various other sectors in the country.

Mittal and Verma (2013) studied the perception of employees on human resource development climate in SBI, Bhopal. With the help of 100 respondent employees data were obtained on dimensions of OCTAPACE culture, general climate and HRD mechanism implementation. The conclusion resulted in favourable attitude of employees towards HRD policies and practices of the organization.

Sasirekha and Ashok (2013) presented an understanding on HRD climate in government cement company. The study revealed that employees were not fully satisfied with existing HRD climate. The mean score obtained on almost all the dimensions of survey were found to be poor and there were ample of works to be done in this area to improve the prevailing HRD climate.

Srinibash et al. (2013) had conducted a study on correlation of HRD climate with job satisfaction of employees: An empirical investigation on Mcl, Burla, Sambalpur, Odisha. It has provided an opportunity for an in-depth exploration of the perceptions and attitudes of the employees regarding the potential HRD climate variables which have relations with job satisfaction of employees. In this context, for the study, they had taken 60 responses from different demographic profile to make this study succession one. They had used mean, standard deviation, correlation and regression analysis to prove significant relations and also T test had been used for testing hypothesis. The finding indicated that HRD climate has a significant relationship exists with the job satisfaction. It also indicated that there is considerable room for improvement in these areas.

Subrahmanian and Renganathan (2013) studied the organizational culture prevalent in equipment manufacturing company at Chennai. Sample size for the study constituted 206 employees from five different departments. The outcome of study revealed that openness and trust environment was widely prevalent in the organization, however employee communication and proaction culture were needed further development. The authors further observed that all automobile companies were devoted to develop organizational culture by effective implementation of OCTAPACE culture in their organizations.

Wani (2013) examined the nature of HRD climate and OCTAPACE culture existing in Cadbury India Ltd., Thane Plant in Maharashtra. Data were collected from 210 workers and 15 managers of the organization under study. The mean score of general HRD climate, HRD mechanism, cultural dimensions and OCTAPACE culture were compared between respondent workers and managers. A sound HRD climate was prevalent in the organization. Dimensions like top management attitude, potential appraisal, competency building, openness and confrontation required needful improvements.

## **Conclusion**

HRD encompasses the development oriented activities of the organization through employee satisfaction. For an individual to perform productively, the climate prevailing in the organization needs to be conducive for his development. A review of literature in area of 'HRD climate' reveals that it has emerged as crucial factor for competitive advantage in current business scenario.

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*Chapter – 3*

*KERAFED – A Profile*

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## Chapter-3

### KERAFED-PROFILE

#### 3.1 Introduction

“Kerala Kerakarshaka Sahakarna Federation Ltd”, (KERAFED) was registered under the cooperative societies Act in 1987, with assistance of European Economic Community, National Cooperative development Corporation and the Government of Kerala. KERAFED is the Apex Co-operative Federation of coconut farmers in Kerala and is the largest producer of coconut oil in India. The federation started commercial production in 1993. The head office of KERAFED is located in Thiruvananthapuram. KERAFED's coconut oil complex at Karunagapally in Kollam district is one of the biggest such units in India, with a capacity of 200 tonnes per day. The primary objective of KERAFED is to organize coconut growers by bringing them under the cooperative umbrella and to provide them with all supplies and services to augment their income base by increased productivity and value additions through the integrated system of production achievement, storage, processing, diversification and marketing of coconut oil and all/any products of coconut palm at a price remunerative to growers and fair to consumers. As the coconut farmers in Kerala were reeling under the strange hold of powerful country trade cartels that consistently manipulate market conditions and dictate price trend to their advantage, KERAFED aimed at procurement of 50per cent to 60per cent of the total coconut / copra produced in the state which will be processed at its own processing unit and marketed.

KERAFED is the single largest procurer of coconut / copra produced in Kerala from 900 societies all over the state. KERAFED has a good distribution network consisting of stockiest, dealers and suppliers.

For effectively and efficiently carrying out the administrative and operational practices on a day-to-day basis, the state is divided into three regions: the southern region, the northern region and the central region. The southern region consists of the revenue districts - Thiruvananthapuram, Kollam, Pathanamthitta, and Alaphuzha, the northern region consists of Malappuram, Kozhikkode, Wayanad, Kannur and Kasargode districts and the Central region consists of Kottayam, Idukki, Ernakulam, Thrissur, Palaghat districts. 300 primary agricultural credit cooperatives societies in each region are members of the federation to undertake production procurement, marketing activities at the farmer's level.

### **3.2 Motto**

- To get support of coconut farmers.
- Distributing or providing healthy coconut oil to consumers.

### **3.3 Vision**

To become the single largest procurement agency of copra and the biggest coconut products manufacturing company in India.

### **3.4 Mission**

Being the number one producer of the best quality coconut oil, it aims at the following areas:

- Business
- Customer relation
- Innovation
- Social sector

### **3.5 Objectives**

- To reduce edible oil imports.
- To provide an impulse effect on internal production on coconut.
- To provide the agricultural potential of Kerala State.
- To strengthen the co-operative movement.
- To secure the marketing of coconut and its by- products, thereby assuring economic prices to the growers.
- To establish and manage infrastructure facilities for production and supply of inputs and processing, manufacturing and marketing of products and by products of coconut palm.
- To undertake research and development activities on production, processing and marketing.

### **3.6 Farmer Friendly Organisation**

For over 29 lakh coconut farmers in the state, KERAFED has been a beacon offering them attractive support prices for coconut and copra during unfavourable market conditions, procuring copra under the price support scheme on behalf of NAFED, Government of India and rendering value added services to enhance their earning through improved productivity and by assisting them in production and procurement. Apart from these, Federation organizes periodic extension activities to help farmers, like demonstration farms, training camps and seminars. Also KERAFED reimburses the expenses for the establishing copra driers, through the primary agricultural co-operative societies.

### **3.7 Product Profile**

"KERA" brand of coconut oil is produced by KERAFED from copra of the finest quality, directly procured from coconut growers in Kerala – "the land of coconuts". The copra thus procured is processed using the most modern technology. In the selection and processing of copra, KERAFED employs strict quality control measures to ensure product superiority and purity. A unique two stage filtering process is employed by KERAFED to retain the original aroma and flavour of coconut oil for a long period. "KERA" brand of coconut oil is known for its quality, purity, longer shelf life and reasonable price. Its quality is in conformity with the grade specifications laid down by the Bureau of Indian Standards vide IS: 542-1968. Certificate of authorisation to grade "KERA" coconut oil under AGMARK has also been obtained. KERA, the branded oil from KERAFED, apart from being delivered in packages of 100 ml, 200 ml, 500 ml bottles, half and one litre pouches, 8 ml sachets, one litre pet bottles, 5 kg cans and 15 kg tins, is also marketed in bulk. The raw materials used for these packing are of virgin / food grade, approved by CFTRI, Mysore / other Government approved agencies. Secondary packing is done using 3/5 ply corrugated cartons, as per specifications. Apart from meeting the marketing needs in Kerala, Tamilnadu, Karnataka and Andhra Pradesh etc., the programme to popularize the brand in cities like New Delhi, Bangalore, Mumbai and Kolkata is already on the roll. KERA has gone globally with export to Middle East countries. KERAFED had tied up with a leading retail chain in Dubai and Abu Dhabi for the two brands: cooking oil 'KERA' and hair oil 'KERA KESH'. There are also plans to develop more herbal oil products from coconut, as the federation has recently introduced 'Kerajam Kesamrudam' herbal oil in the state.

KERA is proud to be patronized by millions as the tastiest of all cooking mediums and the most ideal hair oil. Truly the colour of gold and the smell of yore, KERA enjoy an undisputed plurality of the market share in Kerala -a feat achieved by ultimate customer satisfaction; a permanent place in the hearts of housewives, chefs and every food loving keralites. Not resting on the laurels, the thought process is already at work at KERAFED. Plans are afoot to enter into the field of producing highly demanded coconut related products like desiccated coconut, coconut cream, bottled tender coconut water, coconut milk and confectionery products etc. It is hoped that the good will of KERAFED built up by high customer satisfaction by the performance of products like KERA, can be thus employed to conquer newer domains.

### **3.8 Organisation Structure**

Organization structure is the systematic arrangement of the people working for the organization to achieve predefined goals. The structure has two dimensions: horizontal and vertical. The horizontal dimension indicates the department and the vertical dimension indicates the hierarchy.

Board of Management elected by the members of the federation is headed by a Chairman. From those members, an Executive Committee and a Chairman are elected. The federation has to get the approval from the board before implementing major decision.

Managing Director appointed by the Government of Kerala is the sequence authority of the federation, normally an outside person. Director (projects) is at the top of the organization hierarchy among the employee of the organization.

### **3.9 Functional Departments**

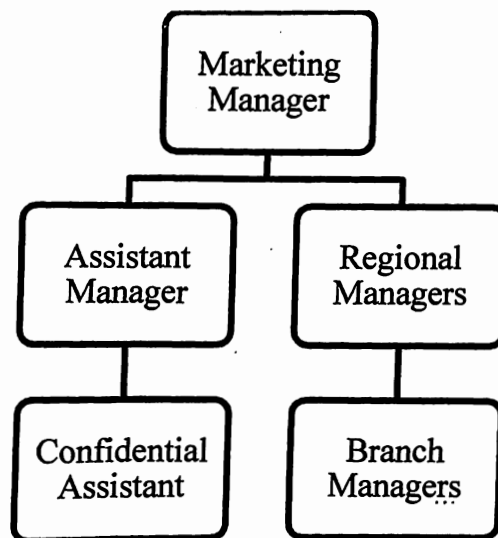
The departments under KERAFED are as follows:

- I. Marketing Department
- II. Cooperative Development Service Department.
- III. Finance Department
- IV. Administrative Department
- V. Production Department
- VI. Quality Control Department

### 3.9.1 Marketing Department

Marketing Department is controlled by Marketing Manager, who is assisted by Junior Manager, three Regional Managers and Branch Managers. Below them are the confidential assistant and clerks. For each district in Kerala, there are two marketing apprentices. The marketing department strategies and efforts help the federation to increase the sales through the advertising, sale offers/discounts and creating proper distributing channels. KERAFED has it all-an aggressive marketing strategy, energetic sales team with an insight into the future.

**Fig 3.1 Organisation Structure of Marketing Department**



The functions of marketing department are:

- To find new markets.
- Deciding pricing strategies.
- Strengthening the agency network.
- Appointment of agencies.
- Forecasting the demand.
- Collection of payments.
- Grievance redressal of customers.
- Keeping relevant information and exchanging with other departments.



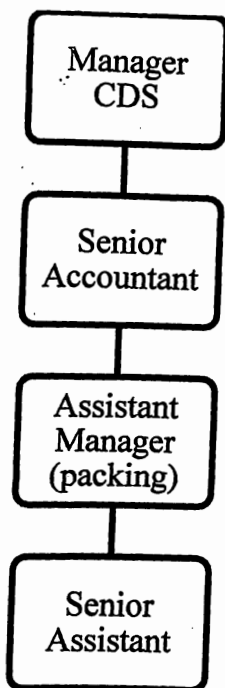
The main objectives of marketing department are:

- Selection and appointment of stockiest/agents/direct sales customers and others.
- Price fixation, fixation of sales commission and overall sales policy including market budget.
- Order evaluation and acceptance of order registers, priority booking registers, dispatch registers.
- The marketing manager monitors the pulse of the market, competition prevailing in the market, activities of competitors, demand levels etc. The other staffs in the department help to strengthen the link with agents.

### ***3.9.2 Cooperative Development Services Department***

Cooperative Development Services department is responsible for the procurement of coconut/copra from PACS and individual coconut farmers. KERAFED is the single largest procurer of coconut in Kerala. Its primary function is to procure coconut and copra from the producers through primary co-operatives with support price declared from time to time by the Union Government. The direct interaction with the farmers eliminating middlemen results in the entire benefits accrued to the farmers and only best of raw materials then sourced goes into the making of KERA. KERAFED gives much importance to the quality of collected copra and therefore lending 'moisture meters' to the PACS at a subsidy, this ensures the quality of copra procured, even at grass root level. CDS departments is also dealt with purchase of packing materials such as cans, pet bottles, carry bags etc. these are purchased by inviting quotations annually.

**Fig 3.2 Organisation Structure of Cooperative Development Services Department**



### **3.9.3 Finance Department**

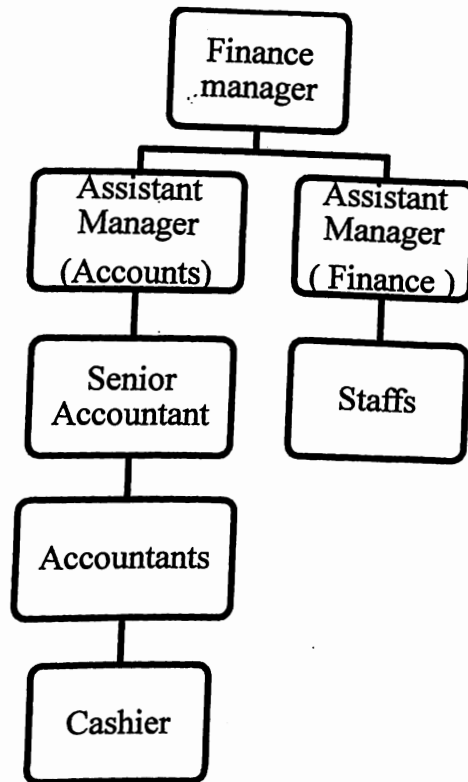
A well-managed financial department is the strength of a good business enterprise. In KERAFED, finance department is headed by finance manager responsible for all the financial transaction, procurement and allocation of funds are the major function of finance department.

The main sources of funds of KERAFED are;-

- 1) Share capital contribution of government of Kerala.
- 2) Share capital contribution by co-operative institutions.
- 3) Loans from NCDC, cooperative banks and Government of Kerala.
- 4) Grants and subsidies.

These funds are employed for the procurement of copra, marketing expenses and administrative expenses etc.

**Fig 3.3 Organisation Structure of Finance Department**



The major functions of the finance department are:

- Accounting.
- Auditing.
  - ✓ Internal Auditing.
  - ✓ Statutory Auditing.
  - ✓ Government Auditing
- Releasing the payments and collecting receipts from contract with outsiders.
- Information management
- Budgeting

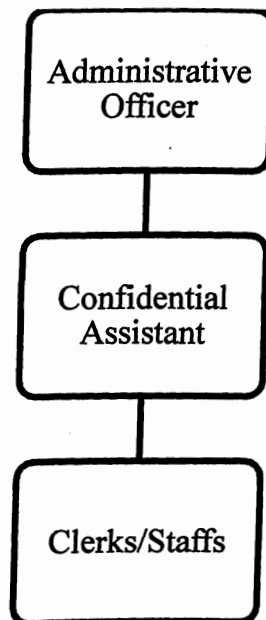
#### **3.9.4 Administrative / HR Department**

In KERAFED, Administrative department is responsible for general as well as personnel administration. Administrative officer is the head of the department. In KERAFED, administrative department is just like the HR department commonly seen in other organization.

The functions of administrative department include:

- i. General as well as personnel administration.
- ii. Administrative functions, includes attendance monitoring, recording and controlling absenteeism etc.
- iii. Other functions like providing canteen services, ESI, Provident fund, accident benefits.
- iv. Keeping and maintaining confidential report of each employee for the purposes like promotion, fringe benefits, training etc.
- v. Maintaining the relationship with workers and organization.
- vi. To provide sufficient and adequate training to employees when any technological changes are introduced.

**Fig 3.4 Organisation Structure of Administrative Department**



This department is responsible for the Human Resource activities of the firm and has got a vital role in the company. The Administrative Officer acts as a link between government and the organization. He has the responsibility to monitor and inform the activities of the organization to government and pass the government to the organization.

Staff and employees are given training in office management in association with HRD. Employees are also given computer training and various training programs are given to workers also.

### ***3.9.5 Production Department***

The Production Department function of KERAFED is to manage the production and to produce the product according to the demand. Production department undertakes the process of transformation of copra into oil and oil cake. A series of processing is used to convert copra into oil. The machines and equipments in KERAFED are installed in straight line basis. The capacity of the plant is 200MTPD (Metric Tonnes per Day).

The raw material copra is sent to the plant by carriage. When it enters the factory gate, it is sent to the weight bridge for checking the weight and then it is sent to the godown and unloaded. The quality department reaches there and do the physical inspection, takes samples of copra to test whether the copra is rubbery or fungus affected and also test the moisture content of copra. Based on the standards prescribed by KERAFED, if all the things are right; it is accepted for processing.

The Production Department of KERAFED has the following three divisions.

1. Storage division.
2. Manufacturing Process.
3. Packing and filling unit.

#### ***3.9.5.a Storage Division***

The godown section is headed by an officer in charge whose office is situated inside the godown. He maintains the records pertaining the intake of copra and also transfer of copra to the manufacturing division. Copra to be transferred to the manufacturing division is done through conveyors whose base starts from within the godown.

#### ***3.9.5.b Manufacturing Division***

The manufacturing unit is headed by a technical officer whose cabin is situated within the manufacturing unit. The production plan of the unit depends on the market demand of the product. It depends or varies on the festival seasons. More products are required during the festival seasons especially during "onam". Fire extinguisher, Gas masks, Safety belts and First Aid box etc. are provided to ensure the safety of employees.

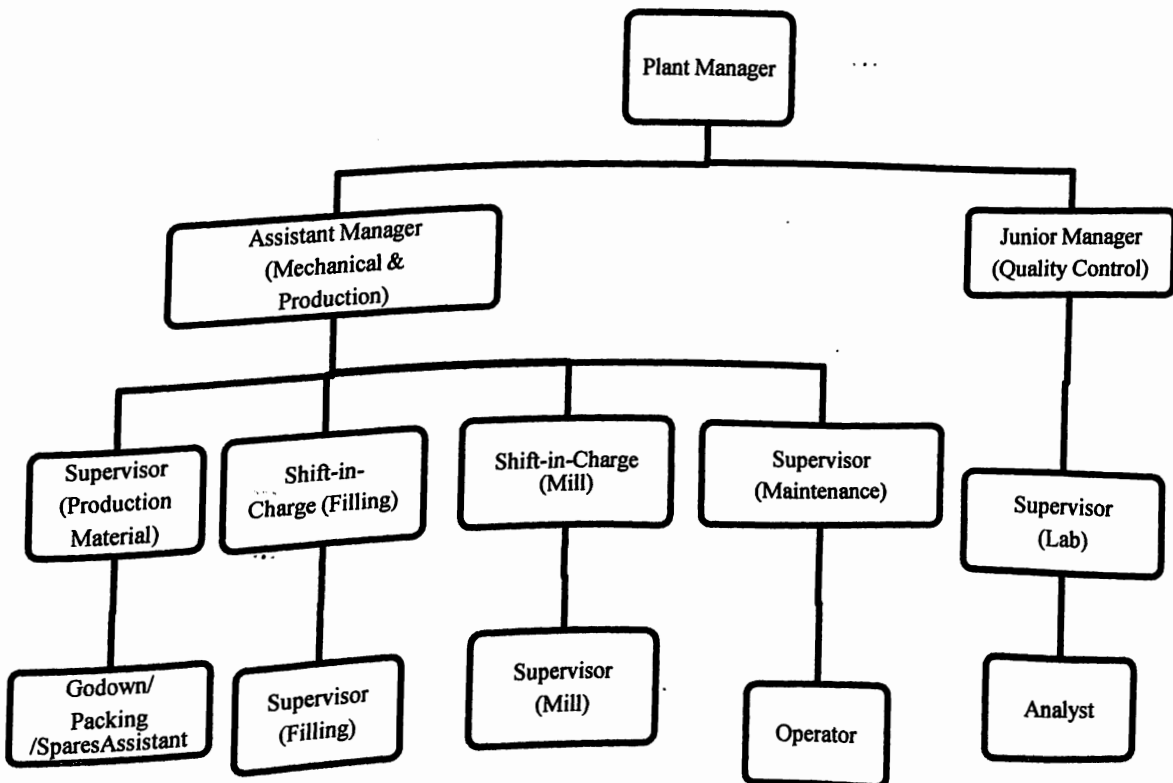
### 3.9.5.c Packing and filling unit

The oil complex at Karunagapally houses state-of the art facilities for extraction, processing and packing of coconut oil under extremely hygienic conditions. Packing and filling unit is highly mechanized and here oil is usually packed in different packs i.e.; from 6ml sachets to 15 kg tins. As per the demand the packing division takes oil from the storage tanks and uses it for filling into sachets, pouches and bottles.

Strict quality specifications are followed in terms of material used as packing material. The raw materials used for these packing are of virgin / food grade, approved by CFTRI, Mysore / other Government approved agencies. Secondary packing is done using 3/5 ply corrugated cartons, as per specifications.

This section is headed by a separate officer, shift-in-charge whose cabin is located inside the packing unit. Due to this layout, the officer can have a complete view of the unit and effective control over the unit. Bottling filling line in the plant can automatically fill and seal bottles .There is also a sachet machine which fills oils in 6ml sachets. The role of manual labours in this unit is limited.

**Fig 3.5 Hierarchy of Production Plant**



### 3.9.6 Quality Control Department

Quality specifications of a global standard are adhered to by KERAFED stringently at all stages of production to the extent that only Grade I copra certified by the Bureau of Indian Standards (BIS) is set aside for processing. KERAFED'S quality control laboratory meeting AGMARK parameters confirms the purity of KERA.

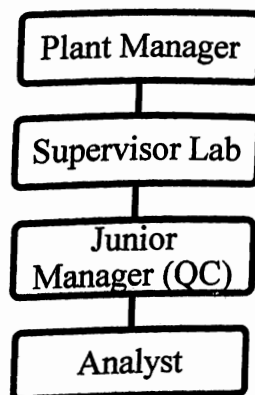
Every load arrived at godown is subjected to quality tests, to detect inferior types of copra. Inferior types of copra are generally:

- 1) Mould affected.
- 2) Immature or rubbery copra made from immature nuts.
- 3) Insect attacked copra.
- 4) Discoloured copra and
- 5) Finding out the Moisture content.

The fungus seriously affects the grade of oil. The moisture content affects the shelf life. If the load fails the Quality test, the load is rejected. If the load passes the quality inspection, the load is accepted and deposited at KERAFED godown.

In order to ensure quality, initially random sampling technique is used. Random sample is drawn for its moisture test at the laboratory. Copra with moisture content below 6 per cent is normally accepted for processing in KERAFED. Once the quality report is ready from section, the material receipt and service request prepared by the procurement section is given to account section for the approval of the cost of material and then passed by plant manager.

**Fig 3.6 Organisation Structure of Quality Control Department**



### **3.10 List of Abbreviations used:**

- i. CDS: Cooperative Development Service
- ii. CFTRI: Central Food Technological Research Institute
- iii. ESI: Employee State Insurance
- iv. NAFED: National Agricultural Co-operative Marketing Federation of India Ltd.
- v. NCDC: National Centre for Disease Control
- vi. PACS: Primary Agricultural Credit Societies



*Chapter - 4*  
*Conceptual Framework*

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## **Chapter-4**

### **HUMAN RESOURCE DEVELOPMENT- A CONCEPTUAL FRAMEWORK**

#### **4.1 Introduction**

In these days, organisations are accepting that human beings are their most important asset. The success of any organisation depends upon that how much they are utilizing and satisfying their existing human resource according to its desirable goals. In a knowledge economy, optimizing human and intellectual capital is the biggest challenge, which an organisation has to face. Human resource development is a continuous process, by which employees' capabilities are sharpened, their full potential is realized and life-long training is provided to them, to prepare them to play a vital role in present and future jobs.

#### **4.2 Concept of Human Resource Development**

The HRD concept was first introduced by Len Nadler of American Society for Training and Development in United States of America in 1969. Len Nadler has defined human resource development as "an organised learning experience within a given period of time with the objective of producing the possibility of performance change".

Human resource development is the process of helping people to acquire expertise. In an organizational context, it is the process by which organizations help their employees in a continuous and planned way in order to:

- i. acquire or sharpen the abilities required to perform various functions associated with their present or expected future roles;
- ii. develop their general skills as individuals, discover and utilize their inner potential for their own and/or organizational development purposes;
- iii. 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.

#### **4.3 Theoretical Foundations of HRD**

The field of Human Resource Development (HRD) in the organizational context has been borrowed from other disciplines such as psychological theory, economic theory, and

system theory. A theory is a general statement or set of related statements about cause and effect, actions and reactions. The main purpose of discussing these various foundations is to acknowledge the fact that HRD should continue to develop as a discipline and the integration of economic, psychological and system theories serve as a unique theoretical foundation of human resource development.

#### ***4.3.1 Economic Foundation of HRD***

Business traced its roots in the early stages of human civilization in one form or the other and every business activity is necessarily an economic activity. To give and to take has been the two aspects over which the base of business lies. In the earlier period of time, it was carried out on individual basis, but with the passage of time it turn out in the shape of a formal and an organized structure, which is popularly known as an 'Organization'.

An organization is an organic entity through which business is carried out primarily for achieving economic objectives of the organization. It is being represented that the economic theory holds the epicentre position in the evolution of the concept of human resource development in context of an organization. Economics is the study of how scarce resources are optimally utilized and how these scarce resources are allocated. It consists of certain concepts of efficiency which could help in designing a framework for ensuring maximum societal well-being. Thus, economics is considered to be the theory of Human Behaviour.

#### ***4.3.2 Psychological Foundation of HRD***

From the organizational point of view, psychology is concerned about the individual behaviour at work. For an organization to be effective and well-organized in the present competitive edge and global scenario, it must take great care of maintaining a cohesive working environment where the working conditions are integrated with the talents and skills of the human resource. The application of psychological tools to solve problems of the employees working in the organizations facilitates their integration with the organizational climate and results in enriched and enhanced performance.

This theory operates at the individual level as well as at a group and at organizational level. It explains the way how the perceptions, attitudes, behaviour of an individual can affect upon the technologies, internal sub-systems, processes, goals and objectives of the

organization. Understanding the psychological perspective is critical to the organizational performance because it brings key skills and perspectives that effectively facilitate change in culture and shifts in strategy to address the complex challenges and risks facing organizations. To nurture the organizational effectiveness, there is a need to strike a balance between the individual needs and goals with that of the organization. Human considerations such as adapting with the dynamic changes of time, organizational decisions based on the performance of the employees, perceived equity has immense impact on individual performance and ultimately sways over organizational performance. The working environment should be so congenial that the employees working there should feel relaxed and satisfied.

#### ***4.3.3 Systems Foundations of HRD***

Systems theory was founded by Ludwig von Bertalanffy, William Ross Ashby and others in the mid of 1940s-1970s on the principles from the fields of physics, biology and engineering and later on included further fields of philosophy, sociology, organizational theory, management and economics among others. It sees the world in terms of 'systems' where each system is a 'whole' that is more than the sum of its parts, but also itself a part of larger system. System theory is the trans-disciplinary study of the abstract organization of phenomena, independent of their substance, type, or spatial or temporal scale of existence. Systems theory or General system theory is an interdisciplinary field, which studies the systems as a whole. Since organizations interact with the external environment and maintain a synch between the internal affairs of the organization and the business environment, it is termed as an open system. This theory is based on the assumption that an organization or an individual cannot develop in vacuum, they have to expose themselves to the external world for growth and development. In the organizational context, HRD is a sub-system and a system of its own because human resources are the prime movers of all other physical resources and transform those input resources into valuable output in the form of product and/or services. This transformational process involves a host of human resource development processes; because of the reason that human efforts are required to augment the performance by familiarizing changes in human behaviour.

An organization is the composition of various agents, viz; customers, suppliers, government, competitors and distributors and several approaches followed in the

organizations viz; Goal approach, Resource based approach and Internal process approach to achieve the organizational goals on a continuous basis.

The focus of these theories is to maintain a continuous trend of development in the practices of HRD.

#### **4.4 Human Resource Development Climate**

An organization becomes dynamic and growth oriented if their people are dynamic and pro-active. Through proper selection of people and by nurturing their dynamism and other competencies, an organization can make their people dynamic and pro-active. 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. A general supportive climate is important for HRD function, that is, if its programmes have to be implemented effectively. HRD climate reveals the perceptions of the employees regarding 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). A good HRD climate rather than HRD practices is responsible for organizational performance. HR practices create the atmosphere for the employees that facilitate their development. HRD climate is the perception of the employees about the prevailing HRD culture in the organization.

##### **4.4.1 Meaning of HRD Climate**

HR means employees in organization, who work to increase the profit for organization. Development is acquisition of capabilities that are needed to do the present job, or the future expected job. After analysing human resource and development, it can be simply stated that, HRD is the process of helping people to acquire competencies. Climate is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders.

The conventional implication with which the term 'climate' has been used in literature is 'Organizational Climate'. The concept of climate with specific reference to the human resource development context, i.e. human resource development climate, has been introduced by Rao (1996). Since then, HRD climate as concept has gained greater significance and now it is viewed as an important tool of motivating and developing employees in an

organization. HRD climate is an integral part and a component of the prevailing wider organizational climate, (Rao and Abraham, 1986; Akinyemi and Iornem, 2012) that refers to perceptions about the prevailing conditions within an organization which affects the life of employees (work and personal life) and the activities within the organization.

#### ***4.4.2 Prerequisites to develop HRD Climate in an organization***

- i. **Top to Bottom effort:** Organization is considered to be complete organization after including top authority to bottom line of workers. And whenever we talk about development at organizational level effort is needed from top level to bottom level. Top authority should not have thinking in their mind that their task is to only take decisions but they should also emphasized on proper implementation of decision by adopting various controlling technique. Bottom level workers should have loyal mind-set towards their organization. Bottom level workers have to work with dedication. They should have realization that organization is their own. To prepare human resource development climate, manager and supervisor's responsibilities are more; or we can say that they are the key players. Manager and Supervisors have to help the employees to develop the competencies in the employees. To help the employees at lower level, they need to be updated properly and they need to share their expertise and experience with employees.
- ii. **Team spirit:** - There must be feeling of belongingness among the employees, and also willingness to work as a team.
- iii. **Faith upon employees:** In the process of developing HRD Climate, employer should have faith in the employee's capabilities. Top management should trust the employees that after making huge effort to develop employees, employees will work for the well-being of organization.
- iv. **Feedback:** Feedback should be taken regularly to know the drawbacks in system. This will help to gain confidence in employees mind. Employee will trust on management and he can express his opinion freely which is very good for HRD Climate. Feedback will help to remove the weakness.
- v. **Free expression of feelings:** Whatever top management feels about employees, they have to express to employees and whatever employees think about top management, it

must be expressed. In other words, we can say that there should not be anything hidden in the communication process. Clear communication process will help to establish the HRD Climate.

- vi. **Helpful nature of employees:** Whenever we talk about 100per cent effort then we have to talk about employee's effort too. Nature of employees should be helping for management and for its colleagues. They should always be ready to help customers too.
- vii. **Supportive personnel management:** Personnel policies of organization should motivate employees to contribute more from their part. Top management's philosophy should be clear towards Human Resource and its wellbeing to encourage the employees.
- viii. **Encouraging and risk taking experimentation:** Employees should be motivated by giving them authority to take decision. This concept is risky but gradually it will bring expertise in employees to handle similar situation in future. It will help to develop confidence in employees mind. Organization can utilize and develop employees more by assigning risky task.
- ix. **Discouraging stereotypes and favouritism:** Management needs to avoid those practices which lead to favouritism. Management and managers need to give equal importance. Those people who are performing good need to be appreciated and those who are not performing well need to be guided. Any kind of partial behaviour should be avoided.

#### ***4.4.3 Components of HRD Climate***

The organizational climate consists of:-

##### **a) Organizational Structure**

An organization's structure is actually a 'snapshot' of a work process, frozen in time so that it can be viewed. The structure enables the people's energy to be focused towards process achievement and goal achievement. Employee must have a clear definition of not only the work structure but also the role used to organize the work. If the structure and the

role is not clear, people will not know what the work process is, who is responsible for what, whom to go for help and decision, and who can assist in solving problems that may arise.

## **b) Organizational Culture**

Organizational culture is the pattern of beliefs, knowledge, attitudes, and customs that exists within an organization. Organizational culture may result in part from senior management beliefs or from the beliefs of employees. Organizational culture can be supportive or unsupportive, positive or negative. It can affect the ability or willingness of employees to adapt or perform well within the organization.

The most effective work culture is one that supports the organization's HR strategies by aligning behaviours, processes and methods with the desired results. It is not just achieving results but the methods through which they are achieved that are critical to long-term success. Before any HR strategy is designed there must be a clear understanding of the organization, its current values, its structure, its people as well as its goals and vision for the future.

## **c) HR Processes**

The HR system of an organization should be comprehensive enough to take care of employees from the time they join till the time they leave. Their demands must not be ignored, but a feeling of belongingness be created. Process should be very clear and impartial, so that employee's faith in organization. From recruitment to retirement whole process should be according to employee's expectation and ability of employer.

### **4.4.4 Elements of HRD Climate**

Human resource development climate can be further grouped into three-broad categories;

- General climate
- OCTAPAC culture
- Human resource development mechanisms.

To begin with, the *General Climate* items focus on the importance given to human resources development by the top management and line managers, in general. The



*OCTAPAC* items deal with the extent to which openness, confrontation, trust, autonomy, proactivity, authenticity and collaboration are valued and promoted in the organization. The items dealing with *Human Resource Development Mechanisms*, measure the extent to which human resource development mechanisms are implemented seriously. These three groups were taken with the following assumptions:

- a) *General Climate*: A supportive climate overall is important for human resource development to be effectively implemented. Such supportive climates consist of not only top management and line management's commitment but also good personnel policies and positive attitudes towards development;
- b) *OCTAPAC culture*: It is essential for facilitating human resource development. Openness is present when employees feel free to discuss their ideas, activities and feelings with each other. Confrontation involves bringing problems and issues into the limelight with a view to solving them, rather than hiding them for fear of hurting or getting hurt. Trust is taking people at face value and believing them. Autonomy is the freedom to allow people to work independently with responsibility. Proactivity is encouraging employees to take initiative and risks. Authenticity is the tendency of interdependencies, to be helpful to each other and work as teams. Collaboration is required so the employees can cope up with the changes and upcoming trends in an organization.
- c) *HRD Mechanism*: It looks at human resource development and efforts to use as many human resource development mechanisms as possible will result in the successful implementation of human resource development. These mechanisms include: performance appraisal, potential appraisal, career planning, performance rewards, feedback and counseling training, employee welfare for quality work life, job-rotation etc.

#### **4.5 Conclusion**

The human resource development climate of an organization plays a significant role in ensuring the competency, motivation and development of its employees. The human resource development climate can be created using appropriate human resource development systems and leadership styles of top management. The human resource development climate is both a means to an end as well as an end in itself.

*Chapter – 5*

*HRD Climate in KERAFED –*

*An Analysis*

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## **Chapter-5**

### **HRD CLIMATE IN KERAFED—AN ANALYSIS**

The business organizations are attaching great importance to human resource because human resources are the biggest source of competitive advantage and have the capability of converting all the other resources into desirable product/service. The organization's success is determined by the skills and motivation of the employees. Competent employees are the greatest assets of any organization. By giving the opportunities and by providing right type of climate in an organization, individuals can be helped to give full contribution to their potentials, to achieve the goals of the organization and thereby ensuring the optimization of human resources. For this purpose a congenial HRD climate is extremely important. Thus an optimal HRD climate is essential for facilitating HRD.

This study intended to assess the extent of HRD climate prevailing in KERAFED, Karunagappally, on the basis of the primary data collected from the employees. The perception of employees towards the HRD practices in KERAFED was collected through a structured interview schedule consisting of 38 statements, besides their socio-economic characteristics. These 38 statements have been grouped into three namely General climate, OCTAPAC culture and HRD mechanism climate. The perceptions of 100 sample respondents drawn from the 2 categories viz. office staff and workmen were taken for the analysis. The study also needed to find out the difference in the perception of employees regarding HRD climate on the basis of age, designation and years of experience. Hence the first part of this section deals with the socio- economic profile of the respondents. The perception of the employees regarding the above said three aspects of HRD climate are presented in the second sections followed by the overall HRD climate and HRD climate based on employee segments in third and fourth sections. The factors influencing the HRD climate form the fifth section. The level of employee satisfaction based on selected parameters and the overall satisfaction index form the sixth and seventh section of the analysis. SWOC analysis forms the last but not the least part of the analysis section.

## Section I

### 5.1 Socio economic characteristics of respondents

The general factors include details like age, sex, marital status, educational qualification etc. The personnel characteristics of respondents have very significant role to play in expressing and giving the responses about the problem. Every individual has his/her own qualities which are different from that of others and it will reflect in his/her general behaviour. There is a linkage between behaviour of an employee and his/her perception regarding the HRD climate. So it is important to examine how these personal characteristics influence the HRD climate.

#### 5.1.1 Age

Age of the respondents is one of the most important characteristics in understanding their views about the particular problems; by and large age indicates level of maturity of individuals in that sense age becomes more important to examine the response.

**Table 5.1 Distribution of respondents according to age group**

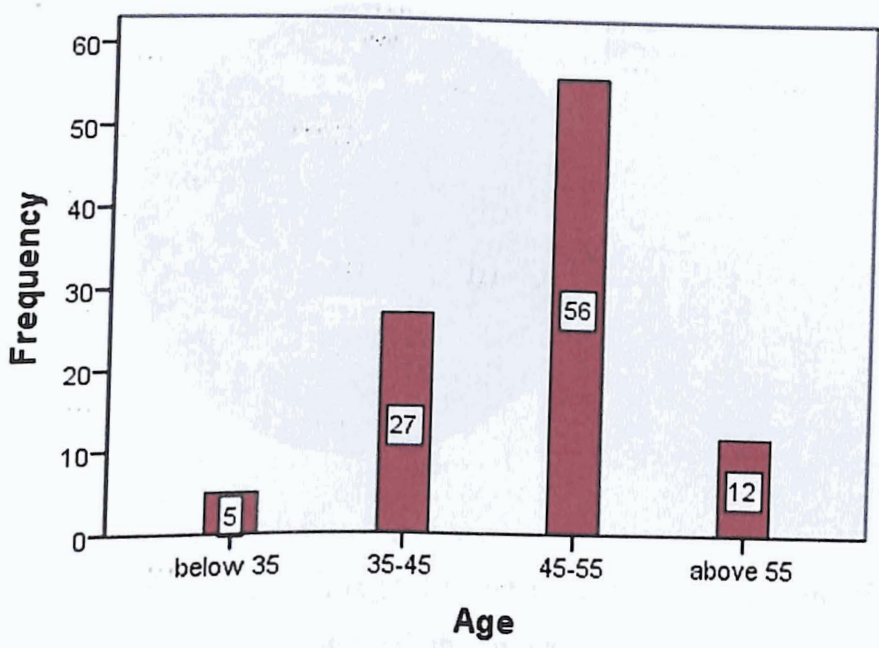
**N=100**

| Age group    | No. of respondents | Percentage |
|--------------|--------------------|------------|
| Below 35     | 5                  | 5          |
| 35-45        | 27                 | 27         |
| 45-55        | 56                 | 56         |
| Above 55     | 12                 | 12         |
| <b>Total</b> | <b>100</b>         | <b>100</b> |

Source: Primary data

From the table 5.1 and figure 5.1 we can found that most of the respondents (56%) belonged to the age group of 45-55 years and those below 35 years constituted only five per cent of the total respondents. 27 per cent of the respondents belonged to the age group 35-45 years and 12 per cent of the respondents were in the age group above 55 years. The number of middle agers in the work force is very high, this leads to efficient and effective work.

**Fig 5.1 Distribution of respondents according to age group**



**5.1.2 Gender**

The type of work is always based on the sex of people. The nature of work for men and women are different. Normally heavy works are allotted to men and women will be allotted with simple work. But now the situation has changed and both gender are treated as equal and doing same kinds of job.

**Table 5.2 Distribution of respondents according to gender**

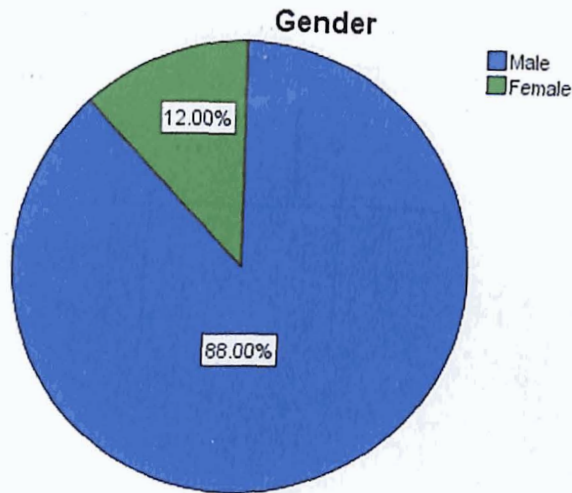
**N= 100**

| Gender       | No. of respondents | Percentage |
|--------------|--------------------|------------|
| Female       | 12                 | 12         |
| Male         | 88                 | 88         |
| <b>Total</b> | <b>100</b>         | <b>100</b> |

Source: Primary data

It was quite clear that out of the total respondents investigated for this study, overwhelming majority (88%) of them were male and only 12 per cent constituted female. That means male employees dominate the female employees.

**Fig 5.2 Distribution of respondents according to gender**



### 5.1.3 Marital status

It indicates one's situation with regard to whether one is single, married, separated, divorced, or widowed. Marriage is one of the most important social institutions. The perceptions and attitudes of the person can also differ by the marital status of the persons because the marriage might make the persons little more responsible and matured in understanding and giving the responses to the questions asked.

**Table 5.3 Distribution of respondents according to marital status**

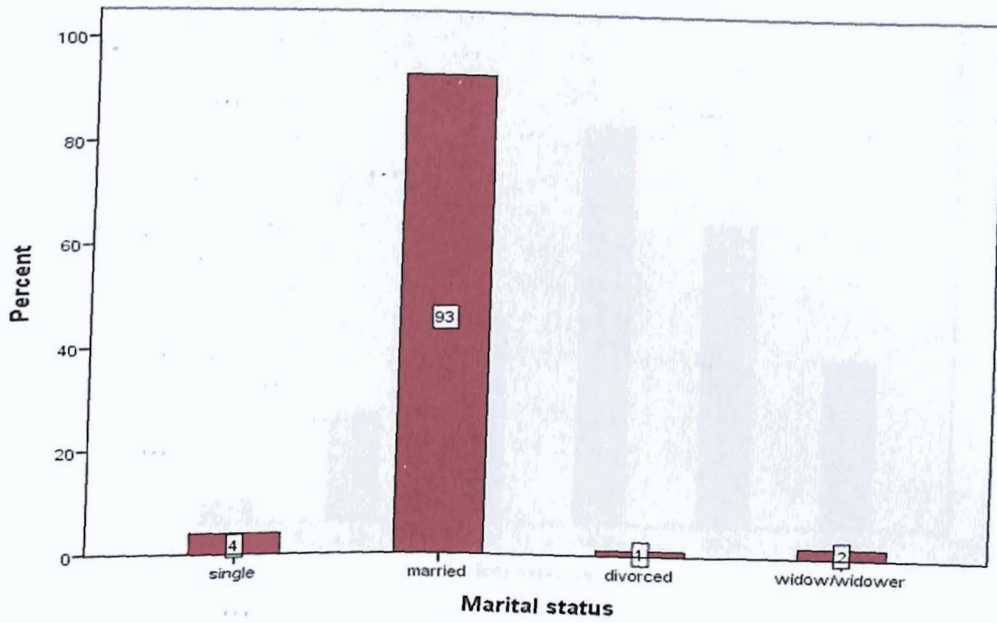
**N=100**

| Marital status | No. of respondents | Percentage |
|----------------|--------------------|------------|
| Single         | 4                  | 4          |
| Married        | 93                 | 93         |
| Divorced       | 1                  | 1          |
| Widow/widower  | 2                  | 2          |
| <b>Total</b>   | <b>100</b>         | <b>100</b> |

Source: Primary data

The table 5.3 and figure 5.3 showed that overwhelming number of respondents (93%) were married and remaining (4%) were unmarried, whereas three per cent of the respondents were found to be widows/widower and divorced. The respondents under the category separated and widower were extremely negligible.

**Fig 5.3 Distribution of respondents according to marital status**



#### 5.1.4 Experience of Employees

Only experienced employees can understand the organisation well.

**Table 5.4 Distribution of respondents according to experience**

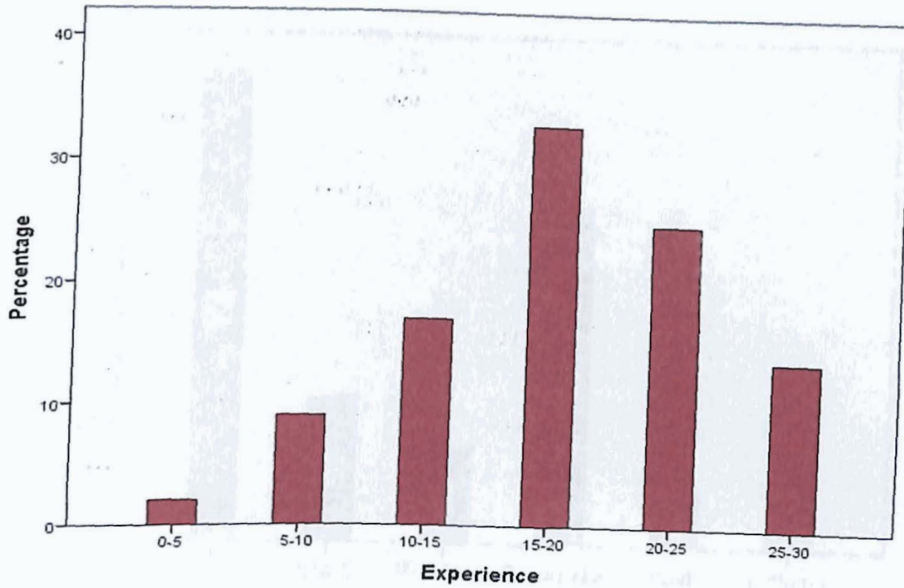
**N=100**

| Year of service | No. of respondents | Percentage |
|-----------------|--------------------|------------|
| 0 – 5           | 2                  | 2          |
| 5 – 10          | 9                  | 9          |
| 10 – 15         | 17                 | 17         |
| 15 – 20         | 33                 | 33         |
| 20 – 25         | 25                 | 25         |
| 25 – 30         | 14                 | 14         |
| <b>Total</b>    | <b>100</b>         | <b>100</b> |

Source: Primary data

The table and figure revealed that the majority of the employees i.e. 33 per cent had an experience of 15-20 years in the company followed by 20-25 years of experience (25%). Only 2 respondents had the experience between 0-5 years. Majority of them had experience of more than 10 years.

**Fig 5.4 Distribution of respondents according to experience**



### 5.1.5 Educational qualification

Education is an important attribute of an individual, which has bearing on his/her performance. If an employee has good educational base, it will positively reflect on their work. They will think more sharply and act smartly than others.

**Table 5.5 Distribution of respondents according to educational qualification**

N=100

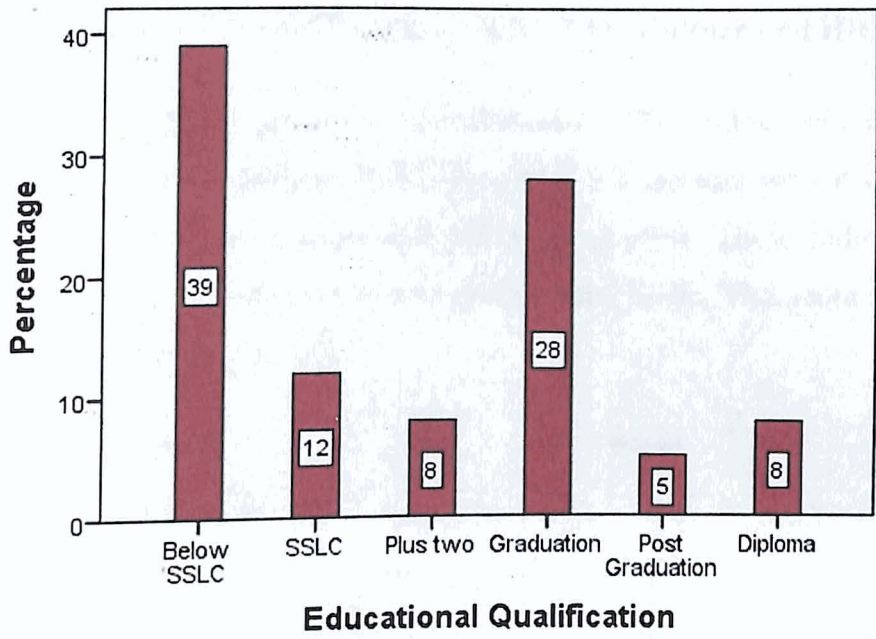
| Educational qualification | No. of respondents | Percentage |
|---------------------------|--------------------|------------|
| Below SSLC                | 39                 | 39         |
| SSLC                      | 12                 | 12         |
| Plus Two                  | 8                  | 8          |
| Graduation                | 28                 | 28         |
| Post-Graduation           | 5                  | 5          |
| Diploma                   | 8                  | 8          |
| <b>Total</b>              | <b>100</b>         | <b>100</b> |

Source: Primary data

The table and figure revealed that only 5 per cent of the respondents have completed post-graduation, 28 per cent of the respondents have completed their graduation, 8 per cent of them completed diploma in IT, 8 per cent of the respondent completed their higher secondary education, 12 of them completed SSLC and 39 per cent of the respondents marked their qualification as below SSLC.



**Fig 5.5 Distribution of respondents according to educational qualification**



## Section II

### 5.2 HRD Climate based on General Climate, OCTAPAC Culture and HRD Mechanism

This part of analysis studied the indicator-wise HRD index with the help of 38 statements based on Rao and Abraham HRD climate. The indicators were divided into three i.e. general climate, OCTAPAC culture and HRD mechanism. These indicators included various statements, which were graded in five point Likert Scale. The score allotted for the responses were in the following manner

| Responses       | Score |
|-----------------|-------|
| Always true     | 4     |
| Mostly true     | 3     |
| Sometimes true  | 2     |
| Rarely true     | 1     |
| Not at all true | 0     |

Based on these scores, index of each indicators and statements was calculated. The index for general climate, OCTAPAC culture and HRD mechanism was calculated separately. The formula for calculating index is:

$$\text{Index for the statement} = \frac{\text{Total score obtained for the statement}}{\text{Maximum obtainable score for the statement}} \times 100$$

Maximum obtainable score for a statement =

$$\text{Maximum score obtained for the opinion} \times \text{Total number of respondents}$$

When the individual index was calculated, the next step is to find out the overall index of the parameters. It was calculated by using the formula:

$$\text{Overall index for a parameter} = \frac{\text{Total score obtained for the parameter}}{\text{Maximum score} \times \text{Number of respondents} \times \text{Number of statements}} \times 100$$

The level of satisfaction was categorised as Very Good, Good, Moderate, Poor and Very Poor based on the HRD index obtained.

| <b>HRD Index</b> | <b>Level of satisfaction</b> |
|------------------|------------------------------|
| < 12.5           | Very poor                    |
| 12.5 - 37.5      | Poor                         |
| 37.5 – 62.5      | Moderate                     |
| 62.5 – 87.5      | Good                         |
| > 87.5           | Very Good                    |

### **5.2.1 General climate**

The general climate deals with the attitude of the top management of an organisation in the implementation of the personnel policies, and its role in human resource development. Eight statements which reflect the following aspects were included in this section.

- A. The concern of top management regarding the work enjoyment of the employees
- B. Significance given to human aspect of production by the top management
- C. Importance given to development of subordinates
- D. Opinion on the personal policy in the organisation
- E. Willingness of top management to invest their time and other resource in the development of employees
- F. Concern of senior executive about their juniors with regard to their work
- G. Attitude towards employees lacking competence in their job
- H. Attitude of managers towards making behavioural change in employees

The perception of the employees regarding the general HRD climate in KERAFED, is depicted in Table 5.6

**Table 5.6 HRD Index showing General Climate in KERAFFED**

**N=100**

| General Climate | Indicators  | Total Score  | Composite Index | Rank |
|-----------------|-------------|--------------|-----------------|------|
|                 | A           | 279          | 69.75           | 6    |
|                 | B           | 293          | 73.25           | 2    |
|                 | C           | 294          | 73.50           | 1    |
|                 | D           | 283          | 70.75           | 5    |
|                 | E           | 275          | 68.75           | 8    |
|                 | F           | 291          | 72.75           | 3    |
|                 | G           | 285          | 71.25           | 4    |
|                 | H           | 278          | 69.50           | 7    |
| <b>Total</b>    | <b>2278</b> | <b>71.18</b> |                 |      |

Source: Primary data

The eight statements stated above were given as indicators in the chronological order from A to H in the table. Using the scores given by employees for each of the indicators, index value has been calculated indicator-wise. According to the ratings of the HRD climate, the respondents have opined as good about the general HRD climate of the organisation having an overall index of 71.18per cent. It should be noted that among the statements, they provided high score for the statement ‘importance given to development of subordinates’ with an index value of 73.50per cent.

The indicator E i.e. willingness of top management to invest their time and other resource in the development of employees, has comparatively low index value (68.75) but still it holds the rating as good according to the perception of respondents.

It can be inferred from the Table 5.6 that the respondents perceive a good General HRD climate in the organization. But the scope for improving the attitude of top management is still there in respect to the concern for work enjoyment, bringing change in employee behaviour etc.

### 5.2.2 OCTAPAC Culture

After observing the perception of different categories of employees regarding the general HRD climate, an attempt was made to observe their attitude regarding OCTAPAC culture. The OCTAPAC culture items deal with the extent to which Openness, Confrontation,

Trust, Autonomy, Pro-activity, Authenticity, and Collaboration are valued and promoted in the organisation. When employees feel free to discuss their ideas and activities with one another, openness is existing in the organisation, confrontation enables to bring out problems and issues with a view to solving them rather than widening them, trust is taking employees into confidence, autonomy is giving freedom to employees to work independently and with responsibility, pro-activity is encouraging employees to take initiative and undertake risk, authenticity is the tendency on the part of the employees to do what they state and collaboration is to accept the inter-dependencies to be helpful to one another and work with team spirit.

For examining the perceptions of the employees towards the OCTAPAC culture ten statements covering the above aspects have been included. These statements relate to the following factors:

- A. Existence of personal relationship among the employees of the organisation
- B. Degree of informal relation between supervisors and employees
- C. Prevalence of psychological climate in the organisation.
- D. Guidance given by seniors to their juniors to take up future responsibilities.
- E. Identification and utilisation of potential of the employees by the top management
- F. Mental impression of employees about each other
- G. Presence of mutual trust among the employees
- H. Freedom of expressing feelings with the supervisors
- I. Freedom of expressing feelings with the subordinates
- J. Freedom of work to employees without waiting for instructions from supervisors
- K. Existence of team spirit in the organisation
- L. Joint efforts for solving a problem
- M. Encouragement given to employees to experiment with new methods and ideas
- N. Outlook of the supervisors regarding the mistakes committed by the employees
- O. Confidence of the employees in their supervising officers or colleagues to understand the strength and weakness of employees

The perception of the employees of KERAFED with respect to the OCTAPAC culture prevailing in the organisation was depicted in Table 5.7. The fifteen indicators stated above are given in the chronological order from A to O in the following table.

**Table 5.7 HRD Index showing OCTAPAC Climate in KERAFED**

**N=100**

| OCTAPAC Culture | Indicators  | Total Score  | Composite Index | Rank |
|-----------------|-------------|--------------|-----------------|------|
|                 | A           | 354          | 88.50           | 5    |
|                 | B           | 321          | 80.25           | 8    |
|                 | C           | 304          | 76.00           | 11   |
|                 | D           | 306          | 76.50           | 10   |
|                 | E           | 298          | 74.50           | 12   |
|                 | F           | 167          | 41.75           | 14   |
|                 | G           | 362          | 90.50           | 3    |
|                 | H           | 360          | 90.00           | 4    |
|                 | I           | 385          | 96.25           | 1    |
|                 | J           | 172          | 43.00           | 13   |
|                 | K           | 367          | 91.75           | 2    |
|                 | L           | 353          | 88.25           | 6    |
|                 | M           | 104          | 26.00           | 15   |
|                 | N           | 307          | 76.75           | 9    |
| O               | 327         | 81.75        | 7               |      |
| <b>Total</b>    | <b>4487</b> | <b>74.78</b> |                 |      |

Source: Primary data

In general, respondents recorded a higher HRD index with respect to OCTAPAC culture, compared to the General HRD climate as shown in the Table 5.6. It could be observed from the table that the respondents expressed good HRD index score for OCTAPAC culture with an overall index of 74.78 per cent. Indicator I i.e. freedom of expressing feelings with the subordinates, has the highest index value (96.25) recorded by respondents.

The table further revealed that among the statements, mental impression of employees about each other (F) and freedom of work to employees without waiting for instructions from supervisors (J) had least score having moderate HRD climate.

The indicators I, K, G, H, A and L were found to have excellent HRD index which indicated that employees in the organization trust each other and they are not afraid to express or discuss the feelings with their subordinates and supervisors, they confront their problem rather than accusing each other behind the back and there exists a good personal relationship among the employees and for all other statements, the HRD index was good.

### **5.2.3 HRD Mechanism Climate**

The HRD mechanism climate takes into account the potential appraisal, performance appraisal, training and development, career planning and development and related activities.

The following parameters will be considered:

- A. Existence of delegation of authority to juniors in organisation
- B. Utilisation of delegated authority by the juniors
- C. Communication of career opportunities to juniors by senior officers
- D. Communication of future plans of the organisation
- E. Decision on promotion
- F. Performance reward mechanism in the organisation
- G. Consideration or appreciation given by the supervisors for the good work done
- H. Mechanism of performance appraisal in the organisation
- I. Method of communication of weakness of employees
- J. Attitude of employees towards behaviour feedback system
- K. Attitude of the employees towards training programmes
- L. Opportunity for on the job utilization of training programmes by employees
- M. Assessment of training needs
- N. Existence of employee welfare measures
- O. Use of job rotation as a method of employee development

The perception of the employees of KERAFED with respect to the HRD Mechanism prevailing in the organisation was depicted in table 5.8. The fifteen indicators stated above are given in the chronological order from A to O in the following table.

**Table 5.8 HRD Index showing HRD Mechanism in KERAFED**

N=100

| HRD Mechanism | Indicators  | Total Score  | Composite Index | Rank |
|---------------|-------------|--------------|-----------------|------|
|               | A           | 216          | 54.00           | 14   |
|               | B           | 311          | 77.75           | 11   |
|               | C           | 295          | 73.75           | 13   |
|               | D           | 349          | 87.25           | 6    |
|               | E           | 303          | 75.75           | 12   |
|               | F           | 358          | 89.50           | 4    |
|               | G           | 368          | 92.00           | 2    |
|               | H           | 355          | 88.75           | 5    |
|               | I           | 359          | 89.75           | 3    |
|               | J           | 345          | 86.25           | 7    |
|               | K           | 342          | 85.50           | 8    |
|               | L           | 320          | 80.00           | 10   |
|               | M           | 375          | 93.75           | 1    |
|               | N           | 345          | 86.25           | 7    |
| O             | 326         | 81.50        | 9               |      |
| <b>Total</b>  | <b>4934</b> | <b>82.23</b> |                 |      |

Source: Primary data

The table indicated that respondents expressed a good level of HRD climate towards HRD mechanism with an overall HRD index of 82.23 per cent, as it had the highest index value scored by the respondents when compared to the other 2 aspects i.e., General climate and OCTAPAC culture.

Among the HRD mechanisms category, the index value for indicators M, G, F, I and were found to be higher than other items which indicated that the employees were quite satisfied with the reward and recognition programmes, appreciation by the supervisors, performance appraisal mechanism, method of communication of weakness and most importantly training activities. This showed that company was having a reasonable level of development orientation and employees were contended with the same. On the other side, the existence of delegation of authority to juniors in organisation scored the lowest index value in the opinion of the respondents (54.00).



## Section III

### 5.3 Overall HRD Climate

The previous sections of this chapter have dealt with the analysis of the perceptions of employees towards HRD practices prevailing in KERAFED, based on three major parameters viz. General climate, OCTAPAC culture and HRD mechanism climate separately. This section intends to analyze the overall HRD climate in KERAFED, incorporating the perceptions of employees with respect to these major parameters as stated earlier in the methodology. The overall HRD index of the employees is calculated using the formula:

*Overall index for a parameter*

$$= \frac{\text{Total score obtained for the parameter}}{\text{Maximum score} \times \text{Number of respondents} \times \text{Number of statements}} \times 100$$

Table 5.9 depicts the contribution of the individual parameter to total HRD index. The perception of employees with respect to general climate, OCTAPAC culture and HRD mechanism was found separately in the table.

**Table 5.9 Overall HRD Climate in KERAFED**

N=100

| Indicators      | Total Score  | Composite Index | Rank |
|-----------------|--------------|-----------------|------|
| General Climate | 2278         | 71.18           | 3    |
| OCTAPAC Culture | 4487         | 74.78           | 2    |
| HRD Mechanism   | 4934         | 82.23           | 1    |
| <b>Total</b>    | <b>11699</b> | <b>76.96</b>    |      |

Source: Primary data ...

The result indicated that the prevailing HRD Climate in 'KERAFED' was good with an overall HRD index of 76.96 per cent. Among the three HRD Climate elements: the general climate, OCTAPAC culture and HRD mechanism, the highest HRD index was for HRD mechanism with an index value of 82.23 per cent and lowest for general climate with an index value of 71.18 per cent.

Hence it can be undoubtedly observed that the KERAFED had a uniformly good HRD climate, among that it can be understood that performance management, training and development, potential appraisal, career planning and development, reward management, quality of work life, self-renewal mechanisms etc. is strongly supporting the good HRD climate in KERAFED. It also implies that there is still scope for improvement and the management should take efforts and consider the improvement of HRD climate in the organization, because the success is not limited.

## Section IV

### 5.4 HRD Climate based on employee segments

The perception regarding the HRD climate will be different for different respondents. Hence an attempt was made to examine whether there is any difference in the HRD climate based on age, experience and department of employees. These three major segments of respondents namely age group, years of experience and department in which employee belonged to were selected for analysis. Tables 5.10, 5.11 and 5.12 represent the details.

**Table 5.10 HRD Climate based on age group**

N=100

| Indicators             | Age Group  |              |      |             |              |      |
|------------------------|------------|--------------|------|-------------|--------------|------|
|                        | 25-45yrs   |              |      | 46-65yrs    |              |      |
|                        | Score      | Index        | Rank | Score       | Index        | Rank |
| <b>General Climate</b> |            |              |      |             |              |      |
| A                      | 81         | 63.28        | 8    | 198         | 72.79        | 4    |
| B                      | 93         | 72.65        | 1    | 201         | 73.89        | 3    |
| C                      | 91         | 71.09        | 2    | 212         | 77.94        | 1    |
| D                      | 86         | 67.18        | 4    | 197         | 72.42        | 5    |
| E                      | 85         | 66.40        | 5    | 190         | 69.85        | 7    |
| F                      | 89         | 69.53        | 3    | 202         | 74.26        | 2    |
| G                      | 83         | 64.84        | 6    | 202         | 74.26        | 2    |
| H                      | 82         | 64.04        | 7    | 195         | 71.69        | 6    |
| <b>Total</b>           | <b>690</b> | <b>67.38</b> |      | <b>1597</b> | <b>73.39</b> |      |
| <b>OCTAPAC Culture</b> |            |              |      |             |              |      |
| A                      | 112        | 87.50        | 5    | 242         | 88.97        | 5    |
| B                      | 102        | 79.68        | 7    | 219         | 80.51        | 8    |
| C                      | 90         | 70.31        | 11   | 214         | 78.67        | 9    |
| D                      | 93         | 72.65        | 9    | 213         | 78.30        | 10   |
| E                      | 91         | 71.09        | 10   | 207         | 76.10        | 12   |

|                      |             |              |    |             |              |    |
|----------------------|-------------|--------------|----|-------------|--------------|----|
| F                    | 51          | 39.84        | 12 | 116         | 42.64        | 14 |
| G                    | 117         | 91.40        | 2  | 245         | 90.07        | 4  |
| H                    | 113         | 88.28        | 4  | 247         | 90.80        | 3  |
| I                    | 122         | 95.30        | 1  | 263         | 96.69        | 1  |
| J                    | 46          | 35.93        | 13 | 126         | 46.32        | 13 |
| K                    | 114         | 89.06        | 3  | 253         | 93.01        | 2  |
| L                    | 113         | 88.28        | 4  | 240         | 88.23        | 6  |
| M                    | 26          | 20.31        | 14 | 78          | 28.67        | 15 |
| N                    | 98          | 76.56        | 8  | 209         | 76.83        | 11 |
| O                    | 104         | 81.25        | 6  | 223         | 81.98        | 7  |
| <b>Total</b>         | <b>1392</b> | <b>72.50</b> |    | <b>3095</b> | <b>75.85</b> |    |
| <b>HRD Mechanism</b> |             |              |    |             |              |    |
| A                    | 65          | 50.78        | 14 | 151         | 55.51        | 13 |
| B                    | 101         | 78.90        | 9  | 210         | 77.20        | 11 |
| C                    | 92          | 71.87        | 13 | 203         | 74.63        | 12 |
| D                    | 110         | 85.93        | 5  | 239         | 87.86        | 7  |
| E                    | 93          | 72.65        | 12 | 210         | 77.20        | 11 |
| F                    | 115         | 89.84        | 3  | 243         | 89.33        | 5  |
| G                    | 116         | 90.62        | 2  | 252         | 92.64        | 2  |
| H                    | 105         | 82.03        | 7  | 250         | 91.91        | 3  |
| I                    | 114         | 89.06        | 4  | 245         | 90.07        | 4  |
| J                    | 104         | 81.25        | 8  | 241         | 88.60        | 6  |
| K                    | 105         | 82.03        | 7  | 237         | 87.13        | 8  |
| L                    | 95          | 74.21        | 11 | 225         | 82.72        | 10 |
| M                    | 117         | 91.40        | 1  | 258         | 94.85        | 1  |
| N                    | 106         | 82.81        | 6  | 239         | 87.86        | 7  |
| O                    | 97          | 75.78        | 10 | 229         | 84.19        | 9  |
| <b>Total</b>         | <b>1535</b> | <b>79.94</b> |    | <b>3432</b> | <b>84.11</b> |    |

Source: Primary data

In Table 5.10, perception differences based on respondents' age were examined. The result indicated that all the respondents irrespective of age perceived the prevailing HRDC climate (HRDC) at good level. However, the respondents of age group 45-65 years recorded slightly higher scores than others on all the dimensions of HRDC measured, but this slightly higher score is negligible and does not change the level of HRDC scores, significantly.

For general climate, the indicator C i.e. 'importance given to development of subordinates', had the highest score value of 77.94 according to the perception of respondents of age group 45-65 years, whereas it had only 71.09 index value given by respondents of age group 25-45 years. They perceived the indicator B i.e. 'significance given to human aspect of production by the top management', as having the highest index value (72.65).

The indicator A i.e. 'concern of top management regarding the work enjoyment by the employees', had comparatively low index value (63.28) but still, it holds the rating as good according to the perception of the respondents of age group 25-45 years. The respondents of age group 45-65 years had low index value (69.85) for the indicator E i.e. 'willingness of top management to invest their time and other resource in the development of employees'.

In general, the respondents of both the categories recorded a higher HRD index with respect to OCTAPAC culture, compared to the General HRD climate as shown in the Table 5.10. Both the respondent categories opined that the OCTAPAC culture prevailing in the organization was good. The respondents of age group 45-65 years perceived the highest index value (75.85).

The respondents of age group 45-65 years opined that the indicator I i.e. 'freedom of expressing feelings with the subordinates' was the most influencing factor (96.69) in OCTAPAC culture and the respondents of age group 25-45 years also agreed the same (95.30).

Both the respondent categories had perceived that the 'encouragement to employees to experiment with new methods and new ideas' (indicator M) had the lowest index value compared to other factors (20.31) and (28.67) respectively. The indicator J i.e. 'freedom of work to employees without waiting for instructions from supervisors', also had scored comparatively low index value respectively. So it can be observed that in general the employees are not given much freedom to work and try out their own ideas without the instructions of the superiors in the organization.

It can be seen from the Table 5.10 that the HRD mechanism climate of the organization was good and it had the highest index value scored by both respondent categories(79.94 and 84.11 respectively) when compared to the other two aspects i.e. General climate and OCTAPAC culture. Among the two categories, the highest value was scored by the respondents of age group 45-65 years (84.11). Both categories of respondents perceived that the indicator M i.e. 'assessment of training needs' had the highest value (91.40 and 94.85 respectively) among indicators, whereas the indicator A i.e. 'existence of delegation of authority to juniors in organisation' had the lowest index value (50.78 and 55.51 respectively).

### 5.11 HRD Climate based on years of experience

N=100

| Indicators             | Experience |              |      |             |              |      |                 |              |      |
|------------------------|------------|--------------|------|-------------|--------------|------|-----------------|--------------|------|
|                        | 0-10yrs    |              |      | 10-20yrs    |              |      | More than 20yrs |              |      |
|                        | Score      | Index        | Rank | Score       | Index        | Rank | Score           | Index        | Rank |
| <b>General Climate</b> |            |              |      |             |              |      |                 |              |      |
| A                      | 28         | 63.63        | 4    | 138         | 69.00        | 3    | 113             | 72.43        | 6    |
| B                      | 29         | 65.90        | 3    | 141         | 70.50        | 2    | 120             | 76.92        | 3    |
| C                      | 31         | 70.45        | 1    | 143         | 71.50        | 1    | 122             | 78.20        | 1    |
| D                      | 27         | 61.36        | 5    | 136         | 68.00        | 5    | 120             | 76.92        | 3    |
| E                      | 28         | 63.63        | 4    | 135         | 67.50        | 6    | 112             | 71.79        | 7    |
| F                      | 29         | 65.90        | 3    | 141         | 70.50        | 2    | 121             | 77.56        | 2    |
| G                      | 30         | 68.18        | 2    | 137         | 68.50        | 4    | 118             | 75.64        | 4    |
| H                      | 29         | 65.90        | 3    | 135         | 67.50        | 6    | 114             | 73.07        | 5    |
| <b>Total</b>           | <b>231</b> | <b>65.62</b> |      | <b>1106</b> | <b>69.12</b> |      | <b>940</b>      | <b>75.32</b> |      |
| <b>OCTAPAC Culture</b> |            |              |      |             |              |      |                 |              |      |
| A                      | 36         | 81.81        | 6    | 178         | 89.00        | 5    | 143             | 91.66        | 3    |
| B                      | 33         | 75.00        | 8    | 153         | 76.50        | 8    | 134             | 85.09        | 5    |
| C                      | 32         | 72.72        | 9    | 144         | 72.00        | 10   | 128             | 82.04        | 8    |
| D                      | 32         | 70.45        | 10   | 145         | 72.50        | 9    | 130             | 83.33        | 6    |
| E                      | 30         | 68.18        | 11   | 143         | 71.50        | 11   | 125             | 80.12        | 9    |

|                      |            |              |    |             |              |    |             |              |    |
|----------------------|------------|--------------|----|-------------|--------------|----|-------------|--------------|----|
| <b>F</b>             | 16         | 36.36        | 13 | 87          | 43.50        | 12 | 64          | 41.02        | 12 |
| <b>G</b>             | 34         | 88.63        | 3  | 180         | 90.00        | 3  | 143         | 91.66        | 3  |
| <b>H</b>             | 38         | 86.36        | 4  | 179         | 89.50        | 4  | 143         | 91.66        | 3  |
| <b>I</b>             | 42         | 95.45        | 1  | 192         | 96.00        | 1  | 157         | 96.79        | 1  |
| <b>J</b>             | 15         | 34.09        | 14 | 84          | 42.00        | 13 | 94          | 60.25        | 11 |
| <b>K</b>             | 40         | 90.90        | 2  | 183         | 91.50        | 2  | 144         | 92.30        | 2  |
| <b>L</b>             | 37         | 84.04        | 5  | 176         | 88.00        | 6  | 140         | 89.74        | 4  |
| <b>M</b>             | 10         | 22.72        | 15 | 49          | 24.50        | 14 | 45          | 28.84        | 13 |
| <b>N</b>             | 28         | 63.63        | 12 | 153         | 76.50        | 8  | 122         | 78.20        | 10 |
| <b>O</b>             | 35         | 79.54        | 7  | 163         | 81.50        | 7  | 129         | 82.69        | 7  |
| <b>Total</b>         | <b>251</b> | <b>71.30</b> |    | <b>1209</b> | <b>75.56</b> |    | <b>1010</b> | <b>80.92</b> |    |
| <b>HRD Mechanism</b> |            |              |    |             |              |    |             |              |    |
| <b>A</b>             | 20         | 45.45        | 10 | 106         | 53.00        | 14 | 90          | 57.69        | 12 |
| <b>B</b>             | 34         | 77.27        | 6  | 154         | 77.00        | 11 | 123         | 78.84        | 10 |
| <b>C</b>             | 29         | 65.90        | 9  | 146         | 73.00        | 13 | 120         | 76.92        | 11 |
| <b>D</b>             | 34         | 77.27        | 6  | 170         | 85.00        | 6  | 145         | 92.94        | 4  |
| <b>E</b>             | 29         | 65.90        | 9  | 148         | 74.00        | 12 | 126         | 80.76        | 9  |
| <b>F</b>             | 38         | 86.36        | 3  | 173         | 86.50        | 4  | 147         | 94.23        | 3  |
| <b>G</b>             | 39         | 86.63        | 2  | 174         | 87.00        | 3  | 155         | 99.35        | 2  |
| <b>H</b>             | 36         | 81.81        | 4  | 172         | 86.00        | 5  | 147         | 94.23        | 3  |
| <b>I</b>             | 38         | 86.36        | 3  | 178         | 89.00        | 2  | 143         | 91.66        | 5  |
| <b>J</b>             | 35         | 79.54        | 5  | 167         | 83.50        | 7  | 143         | 91.66        | 5  |
| <b>K</b>             | 34         | 77.27        | 6  | 165         | 82.50        | 8  | 143         | 91.66        | 5  |
| <b>L</b>             | 31         | 70.45        | 7  | 157         | 78.50        | 10 | 132         | 84.61        | 8  |
| <b>M</b>             | 31         | 88.63        | 1  | 180         | 90.00        | 1  | 156         | 100          | 1  |
| <b>N</b>             | 34         | 77.27        | 6  | 170         | 85.00        | 6  | 141         | 90.38        | 6  |
| <b>O</b>             | 30         | 68.18        | 8  | 158         | 79.00        | 9  | 138         | 88.46        | 7  |
| <b>Total</b>         | <b>259</b> | <b>73.57</b> |    | <b>1243</b> | <b>77.68</b> |    | <b>1053</b> | <b>84.37</b> |    |

Source: Primary data

In Table 5.11, perception differences based on respondents' years of experience were examined. It could be observed from the table that the prevailing HRDC was at good level. However, the respondents having experience more than 20 years recorded slightly higher scores than others on all the dimensions of HRDC measured, but this slightly higher score was negligible and did not change the level of HRDC scores.

For general climate, the indicator C i.e. 'importance given to development of subordinates', had the highest score value (77.94) according to the perception of all the categories of respondents.

The indicator D i.e. 'opinion on the personal policy in the organisation', had comparatively low index value (63.28) but still it holds the rating as good according to the perception of the respondents with experience 0-10 years. The respondents with experience 10-20 years had low index value (667.50) for the indicators E and H i.e. 'willingness of top management to invest their time and other resource in the development of employees' and the 'attitude of managers towards making behavioural change in employees', whereas 'willingness of top management to invest their time and other resource in the development of employees' (indicator E) scored the lowest index value among the respondents, whose experience was more than 20 years.

In general, the respondents of all categories recorded a higher HRD index with respect to OCTAPAC culture, compared to the General HRD climate as shown in the Table 5.11. All the respondents opined that the OCTAPAC culture prevailing in the organization was good. The respondents with more than 20 years experience perceived the highest index value (80.92).

Among all the indicators, indicator I i.e. 'freedom of expressing feelings with the subordinates', had the highest index value recorded by the respondents of all categories (95.45, 96.00 and 96.79 respectively). It was also noted that the respondents of all categories had perceived that the 'encouragement to employees to experiment with new methods and new ideas' (indicator M) had the lowest index value compared to other factors (22.72, 24.50 and 28.84 respectively).

It can be seen from the Table 5.11 that the HRD mechanism climate of the organization was good which had the highest index value scored (73.57, 77.68 and 84.37 respectively) when compared to the other 2 aspects, i.e. General climate and OCTAPAC



culture. Among the three categories, the highest value was scored by the respondents having experience more than 20 years (84.37). All the categories of respondents perceived that the indicator M i.e. 'assessment of training needs' had the highest value (88.63, 90.00 and 100.00 respectively) among indicators, whereas the indicator A i.e. existence of delegation of authority to juniors in organisation had the lowest index value (45.45, 53.00 and 57.69 respectively).

**Table 5.12 HRD Climate based on Division**

**N=100**

| Division               |            |              |      |                |              |      |
|------------------------|------------|--------------|------|----------------|--------------|------|
| Indicators             | Managerial |              |      | Non-Managerial |              |      |
|                        | Score      | Index        | Rank | Score          | Index        | Rank |
| <b>General Climate</b> |            |              |      |                |              |      |
| A                      | 85         | 70.83        | 6    | 194            | 69.28        | 3    |
| B                      | 93         | 77.50        | 2    | 199            | 71.07        | 1    |
| C                      | 94         | 78.30        | 1    | 199            | 71.07        | 1    |
| D                      | 91         | 75.83        | 4    | 192            | 68.57        | 4    |
| E                      | 92         | 76.66        | 3    | 183            | 65.30        | 6    |
| F                      | 92         | 76.66        | 3    | 195            | 69.64        | 2    |
| G                      | 91         | 75.83        | 4    | 194            | 69.28        | 3    |
| H                      | 87         | 72.50        | 5    | 191            | 68.21        | 5    |
| <b>Total</b>           | <b>725</b> | <b>75.52</b> |      | <b>1551</b>    | <b>69.24</b> |      |
| <b>OCTAPAC Culture</b> |            |              |      |                |              |      |
| A                      | 114        | 95.00        | 2    | 240            | 85.71        | 6    |
| B                      | 106        | 88.33        | 6    | 215            | 76.78        | 8    |
| C                      | 96         | 80.00        | 9    | 208            | 74.28        | 10   |
| D                      | 95         | 76.16        | 10   | 211            | 75.35        | 9    |
| E                      | 96         | 80.00        | 9    | 202            | 72.14        | 12   |
| F                      | 58         | 48.33        | 11   | 109            | 38.92        | 14   |
| G                      | 110        | 91.60        | 4    | 252            | 90.00        | 3    |
| H                      | 111        | 92.50        | 3    | 249            | 88.92        | 4    |

|                      |             |              |    |             |              |    |
|----------------------|-------------|--------------|----|-------------|--------------|----|
| I                    | 117         | 97.50        | 1  | 268         | 95.71        | 1  |
| J                    | 53          | 44.16        | 12 | 119         | 42.50        | 13 |
| K                    | 111         | 92.50        | 3  | 256         | 91.40        | 2  |
| L                    | 107         | 89.16        | 5  | 246         | 87.85        | 5  |
| M                    | 39          | 32.50        | 13 | 65          | 23.21        | 15 |
| N                    | 101         | 84.16        | 7  | 206         | 73.57        | 11 |
| O                    | 97          | 80.83        | 8  | 230         | 82.14        | 7  |
| <b>Total</b>         | <b>1411</b> | <b>78.38</b> |    | <b>3076</b> | <b>73.23</b> |    |
| <b>HRD Mechanism</b> |             |              |    |             |              |    |
| A                    | 76          | 63.33        | 13 | 140         | 50.00        | 14 |
| B                    | 92          | 76.60        | 12 | 219         | 78.20        | 11 |
| C                    | 103         | 85.83        | 9  | 192         | 68.50        | 13 |
| D                    | 113         | 94.16        | 4  | 236         | 84.28        | 7  |
| E                    | 100         | 83.33        | 10 | 203         | 72.50        | 12 |
| F                    | 111         | 92.50        | 5  | 247         | 88.21        | 3  |
| G                    | 115         | 95.83        | 2  | 253         | 90.35        | 2  |
| H                    | 113         | 94.16        | 4  | 242         | 86.42        | 5  |
| I                    | 114         | 95.00        | 3  | 245         | 87.50        | 4  |
| J                    | 105         | 87.50        | 8  | 240         | 85.71        | 6  |
| K                    | 106         | 88.33        | 7  | 236         | 84.28        | 7  |
| L                    | 98          | 81.66        | 11 | 222         | 79.28        | 10 |
| M                    | 116         | 96.60        | 1  | 259         | 92.50        | 1  |
| N                    | 110         | 91.60        | 6  | 235         | 83.92        | 8  |
| O                    | 103         | 85.83        | 9  | 223         | 79.64        | 9  |
| <b>Total</b>         | <b>1575</b> | <b>87.52</b> |    | <b>3392</b> | <b>80.76</b> |    |

Source: Primary data

In Table 5.12, perception differences based on respondents' division / department were examined. The result indicated that the respondents of managerial level recorded higher

scores than others on all the dimensions of HRDClimate measured, and showed an excellent level for HRD mechanism climate with index value of 87.52per cent.

The perception of non-managerial employees regarding the 'willingness of top management to invest their time and other resources for the development of employees' had the lowest score value (E), which shows the general lack of confidence among the employees regarding the attitude of the top management with respect to HRD; whereas the 'significance given to human aspect of production by the top management' (B) and 'importance given to development of subordinates by the superiors' (C) had the highest index value.

It was observed that the perception of managerial employees with respect to the concern of top management regarding the 'work enjoyment of the employees' had the lowest index value and their perception regarding the 'importance given to development of subordinates by the superiors'(C) had the highest score value.

It can be inferred from the table that an equal level of perception about the general climate was given by both the managerial and non-managerial respondents.

The highest HRD index was depicted by the managerial level employees and lower by non-managerial employees with respect to OCTAPAC culture. A uniformly excellent HRD climate was seen with respect to indicators G, H, I, K and L. There was 'mutual trust among the employees' (G), 'they can express their feeling with their subordinates and supervisors' (H, I) and 'they take joint effort for solving problems' (L). Both categories of employees agreed that 'there was high team spirit in the organisation' (K). In their perception, high index value was exhibited regarding the 'expression of their feeling with their subordinates' (indicator I).

The perception of non-managerial employees regarding the 'encouragement given to experiment with new methods and ideas' (M) it had the lowest HRD index. It is to be noted that the managerial level employees also perceived a lower HRD index for this indicator. Both categories of employees showed uniformly moderate HRD index for the indicators F and J. The employees have fixed mental impression about each other (F), they are not encouraged to take initiative and do things on their own without having instructions from supervisors (J). All other indicators showed good HRD index for both managerial and non-managerial category of employees.

It can be seen from the Table 5.12 that the HRD mechanism climate of the organization was good and it had the highest index value (87.52 and 80.76 respectively) when compared to other two aspects i.e. General climate and OCTAPAC culture. Among the managerial and non-managerial category, the highest value was scored by the managerial employees (87.52). Both categories of respondents perceived that the indicator M i.e. 'assessment of training needs' had the highest value (96.60 and 92.50 respectively) among other indicators, whereas the indicator A i.e. 'existence of delegation of authority to juniors in organisation' had the lowest index value (63.33 and 50.00 respectively).

## Section V

### 5.5 Factors influencing HRD Climate in KERAFED.

The study of HRD climate in KERAFED will not be complete unless the factors which are influencing the HRD climate in the organization are examined. Hence this section of the analysis aims to find out the perception of employees towards the highly influencing factors of HRD climate, which are the indicators showing high values. It has been found out by taking the index values of the total scores for each 38 indicators of HRD climate obtained from the 100 employees including both office staff and workmen of the organization. The factors influencing the HRD climate includes the factors which are contributing more and the factors contributing less to the HRD climate. The top 10 factors which are highly contributing to the HRD climate of KERAFED and top 10 factors which are contributing less to the HRD climate with their index values have been presented in the following Tables.5.13 and 5.14. It is based on the assumption that the statements scoring highest index value will be the highly contributing factors and vice-versa in creating such a good HRD climate in KERAFED.

**Table 5.13 Highly contributing factors to the HRD climate in KERAFED**

| Rank | Indicator No | Factors   | Index |
|------|--------------|---|-------|
| 1    | 17           | Freedom of expressing feelings with the subordinates                          | 96.25 |
| 2    | 36           | Assessment of training needs  | 93.75 |
| 3    | 30           | Consideration or appreciation given by the supervisors for the good work done | 92.00 |
| 4    | 19           | Existence of team spirit in the organisation                                  | 91.75 |
| 5    | 15           | Presence of mutual trust among the employees                                  | 90.50 |
| 6    | 16           | Freedom of expressing feelings with the supervisors                           | 90.00 |
| 7    | 32           | Method of communication of weakness of employees                              | 89.75 |
| 8    | 29           | Performance reward mechanism in the organisation                              | 89.50 |
| 9    | 31           | Mechanism of performance appraisal in the organisation                        | 88.75 |
| 10   | 9            | Existence of personal relationship among the employees of the organisation    | 88.50 |

Source: Estimated values based on the primary data

It can be observed from the Table 5.13 that there were 10 factors with excellent rating which were highly influencing the HRD climate in KERAFED. The most leading factor of HRD climate was 'freedom of expressing feelings' (96.25) which belonged to the aspect of

OCTAPAC culture. The table 5.13 indicated that among the major contributors of HRD climate, five factors were coming under the OCTAPAC culture (Table 5.2) and the rest five of them under the HRD mechanism climate (Tables 5.3 and 5.4 respectively). So if the 'freedom of expressing feeling, appreciation, team spirit' etc. could be extended to other, which had low index value, then the HRD climate in KERAFED would become excellent from the present 'good' status.

**Table 5.14 Least contributing factors to the HRD climate in KERAFED.**

| Rank | Indicator No | Factors   | Index |
|------|--------------|---|-------|
| 1    | 21           | Encouragement given to employees to experiment with new methods and ideas                             | 26.00 |
| 2    | 14           | Mental impression of employees about each other   | 41.75 |
| 3    | 18           | Freedom of work to employees without waiting for instructions from supervisors                        | 43.00 |
| 4    | 24           | Existence of delegation of authority to juniors in organisation                                       | 54.00 |
| 5    | 5            | Willingness of top management to invest their time and other resource in the development of employees | 68.75 |
| 6    | 8            | Attitude of managers towards making behavioural change in employees                                   | 69.50 |
| 7    | 1            | The concern of top management regarding the work enjoyment of the employees                           | 69.75 |
| 8    | 4            | Opinion on the personal policy in the organisation  | 70.75 |
| 9    | 7            | Attitude towards employees lacking competence in their job  | 71.25 |
| 10   | 6            | Concern of senior executive about their juniors with regard to their work                             | 72.75 |

Source: Estimated values based on primary data

The Table 5.14 shows the 10 factors which are contributing least to the HRD climate prevailing in KERAFED. Out of the total 38 factors influencing HRD climate, these factors have scored relatively less index values. Among the 10 factors, six of them (ranks 5 to 10) belonged to the general climate, three factors were contributed from OCTAPAC culture (ranks 1 to 3) and the rest one factor belonged to HRD mechanism climate (rank 4). The factor which scored the lowest index value (26.00) and ranked first i.e. 'Encouragement to employees to experiment with new methods and try out creative ideas', belonged to the OCTAPAC culture. It is very clear from the Table 5.14 that four of the factors have fallen down into the range, below good degree. Hence even though the HRD climate in KERAFED sounds generally good, improvement of these factors with low index are inevitable for transforming such a good HRD climate into an excellent one.

## Section VI

### 5.6 Level of employees' satisfaction based on selected parameters:

This part of analysis studied the parameter-wise employee satisfaction with the help of selected parameters. The parameters are: physical facilities, welfare measures, wage and salary. These parameters included various statements, which were graded in five point Likert scale. The scores allotted for the responses are in the following manner.

| Responses               | Score |
|-------------------------|-------|
| Strongly Agree (SA)     | 5     |
| Agree (A)               | 4     |
| No Opinion              | 3     |
| Disagree (DA)           | 2     |
| Strongly Disagree (SDA) | 1     |

Based on these scores, index of each parameter and statements were calculated. The index for the parameters was calculated separately. The formula for calculating index is:

$$\text{Index for the statement} = \frac{\text{Total score obtained for the statement}}{\text{Maximum obtainable score for the statement}} \times 100$$

Maximum obtainable score for a statement =

$$\text{Maximum score obtained for the opinion} \times \text{Total number of respondents}$$

When the individual index was calculated, the next step was to find out the overall index of the parameters. It was calculated by using the formula:

$$\text{Overall index for a parameter} = \frac{\text{Total score obtained for the parameter}}{\text{Maximum score} \times \text{Number of respondents} \times \text{number of statements}} \times 100$$

The level of satisfaction was categorised as High, Good, Moderate, Poor and Very Poor based on the satisfaction index obtained.

| Satisfaction Index | Level of satisfaction |
|--------------------|-----------------------|
| < 20               | Very poor             |
| 20-39              | Poor                  |
| 40-59              | Moderate              |
| 60-79              | Good                  |
| > 80               | High                  |

### 5.6.1 Physical facilities

The employees in any organisation prefer to work in a safe and comfortable work place. This parameter includes satisfaction regarding safety, adequate space, lunch rooms and guest room, proper ventilation etc. These will make the employees to perform well in the company.

**Table 5.15 Employee satisfaction towards physical facilities**

|                     |   | N=100       |                 |      |
|---------------------|---|-------------|-----------------|------|
| Particulars         |   | Total score | Composite index | Rank |
| Physical facilities | Hours of work                               | 483         | 96.60           | 1    |
|                     | Rest intervals                              | 440         | 88.00           | 6    |
|                     | Lighting and ventilation facilities         | 480         | 96.00           | 2    |
|                     | Safety arrangement made by the organisation | 471         | 94.20           | 3    |
|                     | Work place atmosphere                       | 460         | 92.00           | 5    |
|                     | Physical working condition as a whole       | 466         | 93.20           | 4    |
|                     | <b>Total</b>                                | <b>2800</b> | <b>93.33</b>    |      |

Source: Primary data.

The table showed that respondents had a high level of satisfaction towards the quality of physical facilities provided by the company (93.33 %). It should be noted that among the statements, they provided high score for the statement 'hours of work' (96.60 %) and low score for the rest intervals (88 %). For all the statements, the level of satisfaction was high.



### 5.6.2 Welfare Measures

Welfare measures are concerned with general wellbeing and efficiency of workers. The various welfare measures provided by the organisation will have immediate impact on the health, physical and mental efficiency alertness, morale and overall efficiency of the worker and thereby contributing to the higher productivity.

**Table 5.16 Employee Satisfaction towards welfare measures**

N=100

| Particulars      |   | Total score | Composite index | Rank |
|------------------|---|-------------|-----------------|------|
| Welfare measures | Safety measures taken by the management | 423         | 84.60           | 6    |
|                  | First aid facilities                    | 471         | 94.20           | 3    |
|                  | Medical facilities                      | 469         | 93.80           | 4    |
|                  | Provident fund scheme                   | 424         | 84.80           | 5    |
|                  | Children education allowance            | 393         | 78.60           | 7    |
|                  | Uniforms supplied by the organisation   | 485         | 97.00           | 2    |
|                  | Maintenance of rest rooms               | 487         | 97.40           | 1    |
|                  | <b>Total</b>                            | <b>3152</b> | <b>90.05</b>    | -    |

Source: Primary data

The table showed the fact that employees' satisfaction towards the parameter, 'welfare measures' had a high level of satisfaction. For all the statements, employees' response were the same except for children education allowance having an index value of 78.60 per cent which indicated good level of satisfaction but for all other statements, the satisfaction level was high. The overall satisfaction index was 90.05.

### 5.6.3 Wage and Salary

Salary or wages is very important in maintenance factor. From the social point of view, salary of a person determines his status in the society. Determining a good wage structure is a difficult task encountered by management and this task is usually vested with the personnel management. An employee should be compensated equitably for the services rendered to the organisation.

**Table 5.17 Employee Satisfaction towards wage and salary****N=100**

| <b>Particulars</b>     |   | <b>Total score</b> | <b>Composite index</b> | <b>Rank</b> |
|------------------------|---|--------------------|------------------------|-------------|
| <b>Wage and Salary</b> | Scale of pay, allowances                                  | 412                | 82.4                   | 2           |
|                        | Amount of annual payment of bonus given by the management | 417                | 83.4                   | 1           |
|                        | Pay revision period                                       | 396                | 79.2                   | 3           |
|                        | <b>Total</b>  | <b>1225</b>        | <b>81.66</b>           |             |

Source: Primary data

It could be revealed from the above table that the employees expressed high level of satisfaction for the parameters 'wage and salary' with an overall index of 81.66 per cent. The table further revealed that among the statements, 'pay revision period' had the least score (79.20 %) but the satisfaction level was good and for all the other statements, the satisfaction index was high.

## Section VII

### 5.7 Overall Job Satisfaction Index based on selected parameters

This part of analysis shows the overall job satisfaction with respect to the selected parameters. The overall job satisfaction index of the employees was calculated using the formula:

*Overall index for a parameter*

$$= \frac{\text{Total score obtained for the parameter}}{\text{Maximum score} \times \text{Number of respondents} \times \text{Number of statements}} \times 100$$

**Table 5.18 Overall Job Satisfaction Index based on selected parameters**

| Parameters          | Total score | Composite index | Rank |
|---------------------|-------------|-----------------|------|
| Physical facilities | 2800        | 93.33           | 1    |
| Welfare measures    | 3152        | 90.50           | 2    |
| Wage and salary     | 1225        | 81.66           | 3    |
| <b>Total</b>        | <b>7177</b> | <b>88.49</b>    | -    |

N=100

Source: Primary data

It is clear that the respondents of 'KERAFED' had a high level of satisfaction towards the three parameters with an overall index value of 88.94 per cent. Among the three parameters, physical facilities ranked first with a satisfaction index of 93.33 per cent. The lowest satisfaction index was for the parameter wage and salary (81.66%). Companies need to have a mechanism in place to evaluate the employees' performance and provide accordingly the salary, increment and incentives to top performers.

## Section VIII

### 5.8 Factors contributing to dissatisfaction and the measures to improve the HRDC

#### 5.8.1 Factors of dissatisfaction

- i. Inadequate delegation of power and autonomy to the concerned implementing officers at various levels.
- ii. Discouraging risk taking and experimentation.
- iii. Non conformity of actions with the declaration of the top management.
- iv. Behavioural issues which are varying from person to person, occupied at the key position of management.
- v. Inadequate basic qualification of some of employees in top management position.
- vi. Various religious and cultural elements come in the way of effective implementation of a healthy climate.
- vii. Inadequate freedom to work independently with responsibility.

#### 5.8.2 Suggestions to improve HRD climate

- i. Money alone is not enough to motivate employees in today's workforce. Besides financial motivations, other ways need to be adopted to motivate employees such as involving them in decision making – process, autonomy in work which ensures a healthy environment. Employees should be encouraged to commit themselves to create a dedicated workforce.
- ii. The organisation needs to increase employees' pay satisfaction by introducing a differential pay system based on one's merit and effort. To maintain satisfied and dedicated work force, performance based compensation package should be introduced in KERAFED.
- iii. The existing welfare facilities may be improved. Facilities such as subsidized canteen, productivity-linked annual bonus and educational facilities should be considered.
- iv. The organisation should introduce motivational measures such as 'suggestion scheme' and 'quality circles'.

## Section IX

### 5.9 SWOC Analysis of HRD Activities

SWOC analysis is a method or model to analyse the competitive position of a company. SWOC analysis uses SWOC matrix to access both internal and external aspects of a business. This is basically a tool for auditing an organization and its environment. It is the first stage of planning and helps decision makers to focus on key issues. Each letter in the word SWOC represents one strong word STRENGTH, WEAKNESS, OPPORTUNITIES, CHALLENGE. Strength and Weakness in SWOC are internal factors, while Opportunities and Challenges are external factors.

#### 5.9.1 Strength

The analysis revealed that the overall elements of HRD climate, i.e., General Climate, OCTAPAC Culture, and HRD Mechanisms were in favourable condition which shows strength of HRD activities. The factors contributing to favourable dimensions of HRD culture that could be termed as the strengths of the organisation were:

- i. Experienced and skilled work force.
- ii. Positive and motivating attitude of supervisors and executive staff.
- iii. Dedicated and committed line managers.
- iv. Cultural heritage.
- v. High rate of literacy in the state.
- vi. Positive attitude of some trade unions of the employees.
- vii. Well developed and signified cohesion and trust in employees' personal relationship.
- viii. A general climate of trust.

#### 5.9.2 Weakness

The analysis of HRD Climate revealed that overall scores were in favourable condition. But some elements of General Climate, OCTAPAC Culture and HRD Mechanisms were found in unfavourable condition, which reveals the weakness of HRD activities. The factors contributing to weakness of HRD activities were:

- i. Inadequate delegation of power and autonomy to the concerned implementing officers at various levels.
- ii. Discouraging risk taking and experimentation.
- iii. Non conformity of actions with the declaration of the top management.
- iv. Varying behavioural issues of staff, who have occupied the key positions in management.
- v. Inadequate basic qualification of some of the employees.
- vi. Various religious and cultural elements come in the way of effective implementation of a healthy climate.
- vii. Inadequate freedom to work independently with responsibility.

### ***5.9.3 Opportunities***

- i. Changes in government policy.
- ii. Implementation of e-learning programs.
- iii. Leadership training for possible advancement.
- iv. Development of employees through succession planning.
- v. Employee learning through group dynamics and empowerment
- vi. Development of employees through managerial and behavioural skills.

### ***5.9.4 Challenges***

- i. The pace of technological development is very high and the new technologies are replacing the older ones quickly. Since the majority of workforce was having primary level of education, developing appropriate training methodologies, tools and techniques to satisfy the employees was a challenge for KERAFED. Also, the training methodology, techniques and technologies used at present are still traditional and age old.
- ii. Understanding the habits of the employees and the life style of the employees; and then deciding the training that needs to be imparted for bringing a change in the habits of the employees.

*Chapter - 6*

*Summary of Findings and  
Suggestions*

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## Chapter-6

### SUMMARY OF FINDINGS AND SUGGESTIONS

#### 6.1 Introduction

The HRD climate of an organization plays a very crucial role in ensuring the competency, motivation and development of its employees. The HRD climate can be created using the appropriate HRD systems and leadership styles of the top management. Hence the HRD climate is both a means to an end as well as an end in itself. Hence the study entitled Human Resource Development Climate in "Kerala Kerakarshaka Sahakarna Federation Ltd.", (Kerafed), Kollam, primarily aims to explore extent of HRD climate prevailing in the organization. The primary data collected from 30 employees from the office staff and 70 employees from the workmen category constituted the total sample size of the study i.e. 100. This chapter covers the summary of findings and conclusions of the study. The major findings from the analysis of HRD climate in KERAFED are grouped into seven covering socio – economic profile of the respondents, general climate, OCTAPAC culture, HRD mechanism climate, overall HRD climate, employee-wise perception of HRD climate and factors influencing HRD climate.

#### 6.2 Major Findings

The major findings of the study were as follows:

##### Socio economic characteristics of respondents

1. The study revealed that the majority of respondents (68%) were elders, aged between 46-65 years and the rest belonged to the age group 25-45 years.
2. Majority of the respondents (88%) were male.
3. The marital status showed that most of the respondents (93%) were married.
4. 89 per cent of the respondents were working in the organization for more than 10 years.
5. The educational qualification of the respondents indicated that majority of the workmen did not have SSLC whereas majority of the office staff members were degree holders.



## **HRD Climate based on General Climate, OCTAPAC Culture and HRD Mechanism**

### **A. General Climate**

- a. The general climate deals with the attachment and attitude of the top management towards their subordinates.
- b. According to the rating of HRD climate, all the eight indicators of general climate had been rated as good (71.18%).
- c. Among the eight indicators, importance given to development of subordinates ranked first (73.50%) and the willingness of top management to invest their time and other resource in the development of employees ranked the least (68.75%).

### **B. OCTAPAC Culture**

- a. OCTAPAC stands for openness, confrontation, trust, autonomy, pro-activity, authenticity and collaboration.
- b. The respondents rated the overall HRD climate as good (74.78%) on the basis of OCTAPAC culture.
- c. Among the 15 indicators, the respondents had rated six indicators as excellent and one indicator (encouragement given to employees to experiment with new methods and ideas) as poor (26%).

### **C. HRD Mechanism**

- a. The HRD mechanism climate deals with the extent to which HRD practices are implemented in an organization. Implementation of HRD mechanisms such as training, performance appraisal and feedback, potential appraisal, career planning, rewards, and employee welfare were examined under this aspect of HRD climate.
- b. The analysis of the 15 factors identified under this head put together indicated that, the respondents had a good degree (82.23%) of implementation of HRD mechanisms in KERAFED.
- c. Among the 15 indicators, the respondents had rated nine indicators as excellent and one (existence of delegation of authority to juniors in organisation) as moderate (54%).

## **Overall HRD Climate**

1. The overall HRD climate in KERAFED was good (76.96%).
2. Among the three aspects of HRD climate, HRD mechanism was relatively more prevalent in KERAFED. The OCTAPAC culture has attained the second position and the last but not the least position was the general climate in the organization.

## **HRD Climate based on employee segments**

1. The prevailing HRD climate in KERAFED according to the age group of respondents showed that respondents of 46-60 years age group recorded slightly higher scores than others on all the dimensions of HRD climate measure.
2. The experience level of respondents showed that the respondents having experience more than 20 years recorded slightly higher scores than others on all the dimensions of HRD climate measured.
3. The prevailing HRD climate in KERAFED according to the respondent category indicated that the respondents of managerial level recorded higher scores than others on all the dimensions of HRD Climate measured. ...

## **Factors influencing HRD Climate in KERAFED**

1. The top four highest scored factors i.e. team spirit, mutual trust, freedom of expressing feelings with subordinates and supervisors, three factors among the least scored factors i.e. encouragement to employees for experimenting their own new ideas, mental impression of employees about each other and freedom to the workers without instructions, were also contributed by the OCTAPAC culture. Hence it can be inferred that the most influential aspect of HRD climate was OCTAPAC culture and it was more prevalent in KERAFED.
2. The factors like the 'concern of top management regarding the work enjoyment of the employees, willingness of top management to invest their time and other resource in the development of employees, concern of senior executive about their juniors with regard to their work, attitude towards employees lacking competence in their job, attitude of managers towards making behavioural change in employees and opinion on the personal policy in the organisation', related to the general climate were the

major factors least contributed to the HRD climate. Without improving these factors which scored the lowest index especially from the general climate, KERAFED cannot reach to the excellent state of HRD climate.

### **Level of employees' satisfaction based on selected parameters**

1. The respondents were highly satisfied with the working condition provided by the company (93.33%).
2. The respondents showed a high level of satisfaction with the welfare measures (90.05%).
3. Wage and salary provided by the company was highly satisfactory (81.66%).

### **Overall Job Satisfaction**

1. The respondents of KERAFED had a high level of satisfaction towards the three parameters with an overall index value of 88.94 per cent.
2. Among the three parameters, the respondents were more satisfied with the working condition.

### **SWOC Analysis**

1. Strengths, Weaknesses, Opportunities, and Challenges (SWOC) Analysis revealed that changes in internal and external factors need to be made for organisational development and to meet the expectations of employees.
2. The major strength of HRD climate was motivated workforce with great level of trust.
3. Inadequate delegation of power and discouraging risk taking were the key weakness as far the organisation is considered.
4. Changes in government policies will pave great opportunity ahead for KERAFED.
5. Since the majority of workforce was having primary level of education, developing appropriate training methodologies, tools and techniques to satisfy the employees was a challenge for KERAFED.

### 6.3 Suggestions

The following are the suggestions to the management to transform the HRD climate in KERAFED into an excellent one:

- i. KERAFED deals with the production of coconut oil. So, creative methods and ideas of the employees from non-managerial and low profile sections cannot be always invited by the management. But still the management can listen to those ideas contributed by these sections of the employees. It will help the employees to feel as they are also a part of decision making and will enrich their creative thinking. It will build up a 'we-feeling' attitude among all the employees, which will develop the performance and pave way for a very cordial HRD climate.
- ii. The management cannot allow the workers to work without the instructions of the supervisors. But the instructions can be transferred to the employees in a friendly manner or in the form of suggestions.
- iii. Management should discourage the stereotypes and favouritism. They should treat all employees equally and objectively without any prejudice.
- iv. The management should put a step forward in order to ensure that the workers are enjoying their work.
- v. The top management of this organization does not give due attention and encouragement to the highly skilled (potential) employees of various departments. This affects good HRD Climate of the organization and it reflects in their job satisfaction which may affect the productivity. Hence it is suggested that the top management should give due emphasis in the development of employees by evolving proper recognition and incentive mechanisms.
- vi. It was identified that the employees are not given separate training for their non-technical skill development. Hence it is suggested that an exclusive training centre may be organized and the employees may be directed to utilize it effectively to improve their efficiency.

- vii. In general, psychological climate such as job feedback, opportunities for growth and advancement, planning, coordination etc. in the organization should be improved and efforts should be initiated to make it conducive to the development of employees. Besides, there is an urgent need for restructuring the various personnel policies in the organization.
- viii. A scientific system of appraising the performance of employees should be introduced in the organisation identifying the key performance areas.

#### **6.4 Conclusion**

The study on Human Resource Development Climate in “Kerala Kerakarshaka Sahakarna Federation Ltd.”, (KERAFED), Kollam was an attempt to identify the prevailing HRD Climate in KERAFED and the factors influencing HRD climate and to identify the job satisfaction of employees based on selected parameters. The study highlighted the fact that the overall HRD climate in KERAFED was good and the employees are highly satisfied with the selected parameters.

It could be further observed that among the three aspects of HRD climate, the respondents rated high score for the HRD mechanism and the least for the general climate. Regarding the satisfaction level, the respondents were highly satisfied with the physical working condition. A very conducive climate in the organizations has a direct impact on the happiness of the employees which, in turn directly affect the increase or decrease of the productivity. So the company should give more focus towards the general climate and the satisfaction parameters. This will ensure an excellent state of HRD climate and better work performance by the employees.

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*Appendix*

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## APPENDIX I

# HUMAN RESOURCE DEVELOPMENT CLIMATE IN "KERALA KERAKARSHAKA SAHAKARNA FEDERATION LTD.", (KERAFED), KOLLAM.

### Interview Schedule for Employees in KERAFED.

**General Information:**

1. Name & address :
2. Sex : [ ] Female [ ] Male
3. Age :
4. Education :
5. Designation / Capability :
6. Year of experience :

**I. Give your assessment by putting ticks in appropriate columns**

4 = always true, 3 = mostly true, 2 = sometimes true  
1 = rarely true, 0 = not always true

| Sl. No. | a) GENERAL CLIMATE   | 4 | 3 | 2 | 1 | 0 |
|---------|--|---|---|---|---|---|
| 1       | The top management of this organization goes out of its way to make sure that employees enjoy their work   |   |   |   |   |   |
| 2       | The top management believes that human resources are an extremely important resource and that they have to be treated more humanly                             |   |   |   |   |   |
| 3       | Development of the subordinates is seen as an important part of their job by the managers/officers herein  |   |   |   |   |   |
| 4       | The personnel policies in this organization facilitate employees' development  |   |   |   |   |   |
| 5       | The top management is willing to invest a considerable part of their time and energy including other organizational resources to ensure employees' development |   |   |   |   |   |

|   |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
| 6 | Senior officers/executive in this organization take active interest in their juniors and help them learn their job                  |  |  |  |  |  |
| 7 | People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended                    |  |  |  |  |  |
| 8 | Managers in this organization believe that employee behaviour can be changed and people can be developed at any stage of their life |  |  |  |  |  |

**b) OCTAPAC CULTURE**

|    |   |  |  |  |  |  |
|----|---|--|--|--|--|--|
| 9  | People in this organization are helpful to each other   |  |  |  |  |  |
| 10 | Employees in this organization are very informal and do not hesitate to discuss their personal problems with their Supervisors  |  |  |  |  |  |
| 11 | The psychological climate in this organization is very conducive to any employee interested in developing oneself by acquiring new knowledge and skills                 |  |  |  |  |  |
| 12 | People in this organization do not have any fixed mental impressions about each other   |  |  |  |  |  |
| 13 | Employees are not afraid to express or discuss their feelings with their superiors  |  |  |  |  |  |
| 14 | Employees are not afraid to express or discuss their feelings with their subordinates   |  |  |  |  |  |
| 15 | Employees in this organization take pains to find out their strengths and weaknesses from their supervising officers or colleagues                                      |  |  |  |  |  |
| 16 | When problems arise people discuss these problems openly and try to solve them rather than keep accusing each other behind the back                                     |  |  |  |  |  |
| 17 | Freedom of work to employees without waiting for instructions from supervisors  |  |  |  |  |  |
| 18 | When any employee makes a mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing or discouraging him or her |  |  |  |  |  |
| 19 | People trust each other in this organization  |  |  |  |  |  |
| 20 | The top management of this organization makes efforts to identify and utilize the potential of the employees  |  |  |  |  |  |
| 21 | Employees are encouraged to experiment with new methods and try out creative ideas  |  |  |  |  |  |
| 22 | Seniors guide their juniors and prepare them for future responsibilities/roles they are likely to take up   |  |  |  |  |  |
| 23 | Team spirit is of high order in this organization   |  |  |  |  |  |

**c) HRD MECHANISMS CLIMATE**

|    |   |  |  |  |  |  |
|----|---|--|--|--|--|--|
| 24 | Promotion decisions are based on the suitability of the promotee rather than based on any favouritism or partiality |  |  |  |  |  |
|----|---|--|--|--|--|--|

|    |  |  |  |  |  |
|----|--|--|--|--|--|
| 25 | There are mechanisms in this organization to reward any good work done or any contribution made by employees                                       |  |  |  |  |
| 26 | When an employee does good work his supervising officers take special care to appreciate it  |  |  |  |  |
| 27 | Performance appraisal reports in this organization are based on objective assessment and adequate information and not on favouritism or partiality |  |  |  |  |
| 28 | Weaknesses of employees are communicated to them in a non-threatening way  |  |  |  |  |
| 29 | When employees are sponsored for training, they take it seriously and try to learn from the programmes they attended                               |  |  |  |  |
| 30 | Employees returning from training programmes are given opportunities to explore what they have learnt  |  |  |  |  |
| 31 | Employees are sponsored for training programmes based on identification of training needs  |  |  |  |  |
| 32 | Career opportunities are pointed out to juniors by senior officers in the organization   |  |  |  |  |
| 33 | The organization's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future              |  |  |  |  |
| 34 | This organization ensures employee welfare to such an extent that the employees can save a lot of their mental energy for work purposes            |  |  |  |  |
| 35 | When behavior feedback is given to employees they take it seriously and use it for development   |  |  |  |  |
| 36 | Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this organization                      |  |  |  |  |
| 37 | When seniors delegate authority to juniors, the juniors use it as an opportunity for development   |  |  |  |  |
| 38 | Job-rotation in this organization facilitates employee development   |  |  |  |  |

**II. Please indicate the extent to which you agree with the following statements:**

(Kindly put tick (✓) in the appropriate column)

|                              |                                  |                    |
|------------------------------|----------------------------------|--------------------|
| <b>HS – Highly Satisfied</b> | <b>S – Satisfied</b>             | <b>N – Neutral</b> |
| <b>DS – Dissatisfied</b>     | <b>HDS – Highly Dissatisfied</b> |                    |

| Sl. No | Questions  | HS | S | N | DS | HDS |
|--------|--|----|---|---|----|-----|
| 1.     | Physical working condition in the company.                       |    |   |   |    |     |
| 2.     | Welfare facilities provided to the employees by the organisation |    |   |   |    |     |
| 3.     | Scale of pay, allowances   |    |   |   |    |     |
| 4.     | Annual payment of bonus  |    |   |   |    |     |
| 5.     | Pay revision period  |    |   |   |    |     |
| 6.     | Safety measures taken by the management                          |    |   |   |    |     |
| 7.     | First aid facilities   |    |   |   |    |     |
| 8.     | Medical facilities   |    |   |   |    |     |
| 9.     | Work place atmosphere  |    |   |   |    |     |
| 10.    | Provident Fund Scheme  |    |   |   |    |     |
| 11.    | Children Education allowances                                    |    |   |   |    |     |
| 12.    | Uniforms supplied by the Organisation                            |    |   |   |    |     |
| 13.    | Maintenance of rest rooms  |    |   |   |    |     |
| 14.    | Hours of work  |    |   |   |    |     |
| 15.    | Lighting and ventilation facilities                              |    |   |   |    |     |
| 16.    | Rest Intervals   |    |   |   |    |     |
| 17.    | Safety arrangement made by the organisation                      |    |   |   |    |     |

