

## A Study on HRD Climate Analysis of Tata Power

### Abstract

*Human Resource Management is a multidisciplinary organizational function, dealing with effective management of people at work. In this case organizational climate especially the HRD climate has a major role to play. Organizational climate (sometimes known as Corporate Climate) is the process of quantifying the "culture" of an organization. It is a set of properties of the work environment, perceived directly or indirectly by the employees, that is assumed to be a major force in influencing employee behavior. Organizations having the best climate can achieve their objectives in the most effective way. The paper mainly discusses the HRD climate with reference to OCTAPACE profile in TATA Power-Thermal Power Generating Station, Trombay, Navi Mumbai.*

**Key Words:** HRD climate, Organizational climate.

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*If an institution wants to be adaptive, it has to let go of some control and trust that people will work on the right things in the right way*

(Robert B. Shapiro, CEO of chemical company Monsanto in Harvard Business Review, Jan-Feb 1997)

### Introduction

**H**uman Resource Management is a multidisciplinary organizational function, dealing with effective management of people at work. Today raw materials and technology are available to every organization in every country in the world. The only thing that separates the winners from the losers is the quality, character, training, and commitment of the workforce. People are the main resource in any organization. They have the power to make or break the organization. Various studies confirm that most successful managers are not necessarily those with the most business skills, rather they are those with the most finely honed people skills-those who have been able to get ordinary people to do extraordinary things. Managers have to believe the power and potential of the people.

The human resource is much more valuable than the capital resource. Hence corporations must start capitalizing on the hearts and brains of their people, not just their backs and hands. All these are possible



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through proper human resource management. According to Story (1955), HRM is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an array of cultural, structural and personnel techniques. Human resources of an organization must be best managed for its development and success (Banu, 2007). HRM has been defined as the total knowledge, skill, creative abilities, talents, attitudes, and beliefs of the individuals involved.

Effective human resource management is possible if the organization has the best Human Resource Development (HRD) climate and so that the employees can give their best performance in order to achieve the goal of the organization. HRD climate affects the employees' performance by influencing their motivational levels. It acts as a catalyst to encourage employees and enhance their commitment to achieve the goal of the organization.

### Literature Review

Organizational climate studies were prominent during the 1960s and 1970s (Denison, 1990). Employees in every organization are being affected both directly and indirectly by the climate of the organization. Here climate indicates the HRD climate. Organizational climate (sometimes known as Corporate Climate) is the process of quantifying the "culture" of an organization. It is a set of properties of the work environment, perceived directly or indirectly by the employees, that is assumed to be a major force in influencing employee behavior. The climate of an organization refers to those aspects of the environment that are consciously perceived by organizational members (Armstrong, 2003). In short, it refers to how the members of an organization perceive it as it goes about its daily business. Organizational climate is comprised of mixture of norms, values, expectations, policies and procedures that influence work job satisfaction, motivation and commitment (Famina, 2009). Positive climate encourages the performance of the organization both tangible and intangible. Negative climate obstructs the growth of the organization. In narrow sense organization climate is the quality of working environment (Shukla & Mishra, 2006). The five dimensions given by Litwin and Stringer (1968) to study organizational climate are achievement, expert influence, control, extension, dependency and affiliation.

The two most important approaches to organizational climate are: the cognitive schema approach and the shared perception approach.

The cognitive schema approach regards the concept of climate as an individual perception and cognitive representation of the work environment. From this perspective climate assessments should be conducted at an individual level.

The shared perception approach emphasizes the importance of shared perceptions as underpinning the notion of climate. Organizational climate has also been defined as "the shared perception of the way things are around here". There is a great deal of overlap in the two approaches.

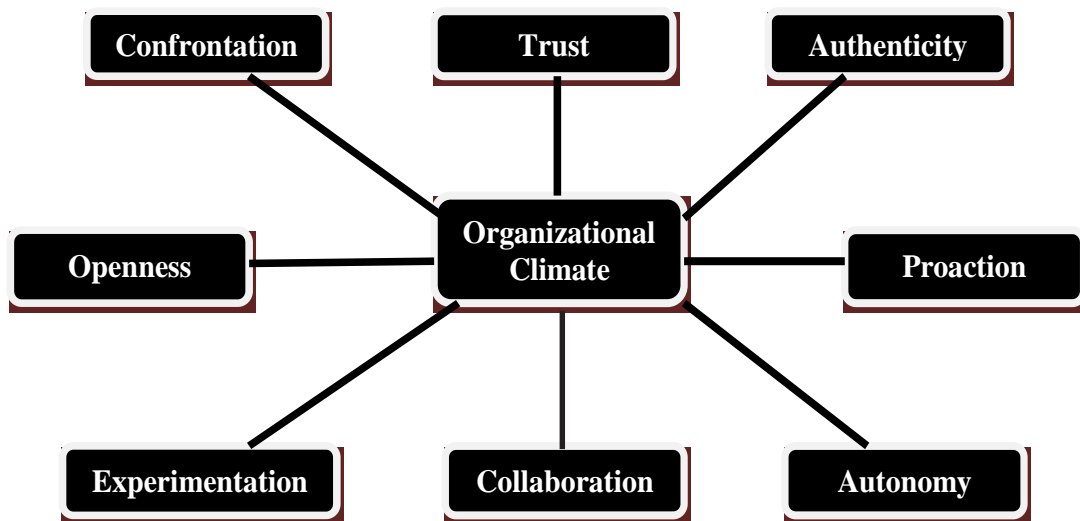
Recognizing the importance of HRD climate the centre for HRD, Xavier Labour Relations Institute (XLRI, India) has developed a 38 item HRD climate questionnaire to survey the extent to which a conducive climate exists in the organization. The 38 items are categorized into three groups such as general climate, OCTAPACE culture and HRD mechanisms.

The general climate items deal with the importance given to HRD in general by the top management and the line managers. The various components in OCTAPACE culture are Openness, Confrontation, Trust, Autonomy, Proactivity, Authenticity, Collaboration and Experimentation. Using these instruments the first survey was carried out in India by Rao and Abraham (1986)

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among 40 organizations in India. The finding of the study was general HRD climate in organizations is at an average level.

**Figure-1:** Eight Factors of Organizational Climate



**Openness**-It is the freedom to communicate, share feelings and interact without hesitation. It is the spontaneous expression of feelings and thoughts, and the sharing of these without defensiveness. Openness is both receiving and giving. Both these may relate to ideas (including suggestions), feedback (including criticism), and feelings. Some examples of openness may be offices without wall, Chief Executive having no separate cubical etc. A high score on this dimension in any organization indicates that organization conducts productive meetings, implements systems and innovations, and encourages feedbacks from customers and colleagues.

**Confrontation**-It indicates facing problems and challenges boldly. One should not shy away from problems. It implies deeper analysis of interpersonal problems. A high score on this dimension in any organization indicates that employees are always ready to face difficult situations.

**Trust**-It indicates maintaining confidentiality of information shared by others, and not misusing of information. A high score on this dimension in any organization indicates that employees build a sense of assurance and confidence in each other. They offer moral support and help to others in a crisis.

**Authenticity**-It is the congruence between what one feels, says and does. It is reflected in owing up one's mistakes, and in unreserved sharing of feelings. A high score on this dimension in any organization indicates that there is reduced distortion in communication.

**Proaction**-It means taking the initiative, preplanning and taking preventive action, and calculating the payoffs of an alternative course before taking action. A high score on this dimension in any organization indicates that it gives initiative to the person to start a new process or set a new pattern of behavior.

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Autonomy-It indicates using and giving freedom to plan and act in one's own sphere or zone of indifference. It means respecting and encouraging individual and role autonomy. It leads to mutual respect and is likely to result in willingness to take on responsibility, individual initiative, better succession planning. A high score on this dimension in any organization indicates that there is effective delegation and reduction in references made to senior people for approval of planned actions.

Collaboration-It is giving help and asking for help from others. It indicates team work to solve any problem. A high score on this dimension in any organization indicates that there is timely help, team work, sharing of experiences, improved communication, involvement of staff, more joint discussion and better resource utilization.

Experimentation-It indicates using and encouraging innovative approaches to solve problems, using feedback for improving, taking a fresh look at things and encouraging creativity. A high score on this dimension in any organization indicates that there is scope for research and development.

The various aspects of HRD mechanism are HRD Department, Performance Appraisal, Review, Discussion, Feedback, Counseling Sessions, Role Analysis Exercises, Potential Development Exercises, Training, Communication Policies, Job Rotations, OD Exercises, Rewards, and Job Enrichment Programmes.

### **Objectives & Scope**

1. To study and understand the HRD climate of Tata Power.
2. To analyze the OCTAPACE profile of Tata Power.
3. To study and analyze the perception of employees about the organization.
4. To find out the human resource management areas of improvement in Tata Power.

Researcher has conducted the study in TATA Power Thermal Power Generating Station, Trombay, Navi Mumbai. The result of the study can be used by the OD practitioners and HRD professionals to make their organizations effective and efficient.

### **Methodology**

#### **Sources of Data**

The data for the present study were collected from two sources i.e. primary and secondary. (i) The primary data refers to the attitude of employees towards HRD climate, were collected by administering structured questionnaire to the officials and wherever felt necessary interviews were held with concerned officials to elicit relevant data. (ii) Data relating to the history of the organization, size and structure of manpower, production, profit, cost, and training were collected from secondary sources like company records, leaflets, and bulletin etc.

#### **Sample Technique and Size**

For the purpose of the present study, 120 managerial employees were selected randomly from different levels in the organization.

#### **Development of Instrument (Question Schedules)**

The instrument (OCTAPACE) used for the purpose of data collection and analysis have already been developed and tested by management guru Prof. Udai Pareek in his book entitled "Training and Instruments in HRD and OD" and Prof. T.V Rao in his book entitled "The HRD Missionary".

The instrument contains two parts. In part-1 values are stated in items 1 to 24 (three statements of each of the eight values), and the respondents are required to answer (on a 4-point scale) how much each item is valued in his/her organization. In part-2 there are sixteen statements on

belief, two each for eight values and the respondents are required to answer (on a 4-point scale) how widely each of them is shared in the organization. From the key, items marked with an asterisk are first reversed so that 4 becomes 1, 3 becomes 2, and 2 becomes 3 and 1 becomes 4. This makes them unidirectional.

**Table 1: Eight Variables**

<b>Variables</b>	<b>Question Number</b>
Openness	1,9,17,25*,33
Confrontation	2,10,18,26*,34
Trust	3,11,19,27,35*
Authenticity	4,12,20,28*,36
Proaction	5,13,21,29,37
Autonomy	6,14*,22*,30*,38
Collaboration	7,15,23*,31*,39
Experimentation	8,16,24,32,40*

## Organization

Tata Power is recognized as India's largest private sector power utility, with a reputation for trustworthiness, built up over nearly nine decades, Tata Power surges ahead into yet another year with plans of sustained growth, greater value to consumer and reliable power supply. Tata Power is the one company with presence in all aspects of Power, be it Thermal, Hydro, Solar, Wind Energy, Transmission and Distribution.

Led by a powerful vision, Tata Power pioneered the generation of electricity in India. It has now successfully served the Mumbai consumers for over ninety years and has spread its footprints across the nation. Today, it is the country's largest private player in the sector. Apart from Mumbai and Delhi, the company has generation capacities in Jojobera, Jharkhand and Karnataka. They have an installed power generation capacity of about 3000 Mega Watts, with the Mumbai power business, which has a unique mix of Thermal and Hydro Power, generated at the Thermal Power Station, Trombay, and the Hydro Electric Power Stations at Bhira, Bhivpuri and Khopoli, accounting for 1797 MW. Its diverse generation capability facilitates the company in producing low cost energy, thereby giving its consumers a greater value for money.

Among its many achievements that Tata Power can proudly boast of are the installation and commissioning of India's first 500 MW unit (at its Thermal Power Generating Station, Trombay) the 150 MW Pumped Storage Unit at its Hydro Generating Station, Bhira, and environmental control systems like the Flue Gas Desulphurization plant. Tata Power has a first of its kind joint venture with Power Grid Corporation of India for the 1200 km Tala Transmission Project.

Thermal Power Generating Station, Trombay, Navi Mumbai has total manpower of 2998 (management-1324, non management-1624, contract workmen-50)

## Data Analysis

The data collected were analyzed using SPSS package. The reliability test for alpha coefficient was found to be 0.8234. It indicates that the items have high internal consistency.

Factor analysis is used for data reduction and summarization. It is a set of techniques which, by analyzing correlations between variables, reduces their number into fewer factors which explain much of the original data, more economically. A subjective interpretation can result from a factor analysis output. The various steps in conducting factor analysis are: formulating the problem, constructing the correlation matrix, determining the method of factor analysis (principal component analysis or common factor analysis), determining the number of factors, rotating the factors, interpreting the factors (calculating the factor scores and selecting the surrogate variables) and determining the model fit.

By using Principal Component Method as well as Rotation Method (Varimax with Kaiser Normalization) 12 factors were extracted, having cumulative loading of 73.85%.

**Table 2: First Round of Factor Analysis**

Dimension	Description of Items	Factor Loading
Openness	Free interaction among employees (1)	0.788
	Free and frank communication (33)	0.679
Confrontation	Facing challenges inherent in the work situation(18)	0.769
Trust	Surfacing problems is not enough: we should find the solutions(34)	0.741
	Offering moral support and help to employees and colleagues in a crisis(3)	0.752
Proaction	Preventive action on most matters(5)	0.824
	Considering both positive & negative aspects before taking action(21)	0.658
Authenticity	Tactfulness, smartness, and even a little manipulation to get things done(12)	0.789
Collaboration	Team work and team spirit(7)	0.896
	Performing immediate tasks rather than being concerned about large organizational goals(23)	0.658
Autonomy	A good way to motivate employees is to give them autonomy to plan their work(38)	0.892
Experimentation	Encouraging employees to take a fresh look at how things are done(16)	0.828

In the second round of factor analysis factors having factor loading of less than 0.7 were rejected. Hence some items such as “Free and frank communication”, “Considering both positive and negative aspects before taking action” and “Performing immediate tasks rather than being concerned about large organizational goals” were removed from the analysis. The numbers in the bracket indicate the question numbers in OCTAPACE questionnaire.

**Table 3: Second Round of Factor Analysis**  
It gave rise to a four factor structure.

Description of Items		Factor 1	Factor 2	Factor 3	Factor 4	Items Deleted
<b>Table 4: Final Items</b>						
Free interaction among employees(1)		0.799				
Offering moral support and help to employees and colleagues in a crisis(3)		0.788				
Preventive action on most matters(5)		0.867				0 799
Teamwork and team spirit(7)		0.864				0 855
Tactfulness, smartness, and even a little manipulation to get things done(12)		0.876				0 786
Encouraging employees to take a fresh look at how things are done(16)		0.765				0 788
Facing challenges inherent in the work situation(18)		0.855				0 876
Considering both positive and negative aspects before taking action(21)		0.678				2 <sup>nd</sup> stage 0 867
Performing immediate tasks(23)		0.633				2 <sup>nd</sup> stage 0 789
Free and frank communication(33)		0.654				2 <sup>nd</sup> stage 0 864
8 Experimentation						stage 0 765
Surfacing problems is not enough things should find the solutions(34)		0.786				
A good way to motivate employees is to give them autonomy to plan their work(38)					0.789	

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## Findings

### ***Openness***

From among the five questions pertaining to openness, respondents gave the most importance to “free interaction among employees”. In Tata Power there is good communication between senior and junior level employees. The concept of Johari-Window is fully applicable here. Employees both disclose information as well as receive feedback from others in order to enhance their effectiveness.

### ***Confrontation***

The analysis found that confrontation is one of the most important factors in Tata power. From among the five questions pertaining to confrontation respondents gave more importance to “facing challenges inherent in the work situation” and “surfacing problems is not enough: we should find the solutions”. It is clear that organization always encourages the employees to face challenges boldly and find suitable solutions to the problems. This motivates the employees and makes them committed towards the organization.

### ***Trust***

From among the five factors related to trust respondents gave the most importance to “offering moral support and help to employees and colleagues in a crisis”. This indicates that in the organization the interpersonal relationship is very good. Employees are always ready to help their colleagues at the time of need, which leads to an atmosphere of trust in the organization.

### ***Authenticity***

The data analysis found that the top officials in Tata Power are used to tactful, smart and manipulative to get their work done.

### ***Proaction***

Employees in Tata Power take preventive action on most matters in order to reduce delay in work. They believe in the philosophy of prevention is better than cure.

### ***Autonomy***

The respondents viewed that in order to motivate the employees the organization has to give them autonomy in their work. Autonomy is considered as a major factor to enhance the effectiveness of the employees. Everybody wants to work in their zone of indifference.

### ***Collaboration***

From among the five factors related to collaboration respondents gave the most importance to “team work and team spirit” It is clear that the culture in Tata Power inculcates the practice of team work. Team has synergistic effect. Work done in a team is faster and more effective than individual work.

### ***Experimentation***

From the views of the respondents it was clear that the organization encourages the employees to use innovative approaches to solve the problem. From among the five factors pertaining to experimentation the respondents gave importance to “encouraging employees to take a fresh look at how things are done”.



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### Findings of Mean Analysis

**Table 5: Results of Mean Analysis**

<b>Dimensions</b>	<b>Mean</b>
Openness	2.52
Confrontation	2.91
Trust	2.86
Authenticity	2.84
Proaction	2.87
Autonmy	2.78
Collaboration	2.92
Experimentation	2.85
Average Mean Score	2.82

The above result indicated that Tata Power gives the most importance to Collaboration followed by Confrontation, Proaction, Trust, Experimentation and Authenticity. The average mean score was found to be 2.82.

#### Conclusion

The study concluded that the overall HRD climate of Tata Power is good. It has used the parameters of OCTAPACE in an effective manner. The organization has given the most emphasis on Collaboration followed by Confrontation, Proaction, Trust, Experimentation and Authenticity. It has given more importance on factors such as Free interaction among employees, Facing challenges inherent in the work situation, Surfacing problems is not enough: we should find the solutions, Offering moral support and help to employees and colleagues in a crisis, Tactfulness, smartness, and even a little manipulation to get things done, Preventive action on most matters, Team work and team spirit, A good way to motivate employees is to give them autonomy to plan their work and Encouraging employees to take a fresh look at how things are done. Due to this Tata Power has achieved both tangible and intangible success. Side by side it has to give emphasis upon increasing openness among the employees as well as should give space to employee autonomy.

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