
Auditing HRD Culture

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ABSTRACT

“Culture is the soul of the organization that holds it together and gives it life force” (Henry Mintzberg)

Culture is the personality of an organization. Therefore, culture governs much of how people think, act, interact with each other, and do their work. In organizations, the prevailing culture acts as a catalyst in revolutionizing the emotional competence and motivational levels among employees. It is extremely powerful in determining the present and future success and the direction of any organization.

An HRD Audit is like an annual health check-up, it plays a vital role in instilling a sense of confidence in the management of HR functions of an organization. In terms of T.V.Rao “HRD audit is a comprehensive evaluation of the existing human resource development strategies, structure, systems, styles and skills in accordance with both short-term and long-term business plans of the organization. This evaluation helps the organization to have a clear understanding of the lacunae and then align the HR processes with Business goals”

The article highlights the basic elements of HRD culture. It focuses on the importance of audit of HRD culture, and then attempts to throw some light on methods of improvements expected when organizations take initiative in Auditing HRD Culture.

Keywords: HRD Culture, Evaluations, Interventions, Business plan

INTRODUCTION TO ORGANIZATIONAL CULTURE:

An Organizational Culture (OC) is like an iceberg, having both visible and invisible elements. Culture operates at various levels – from the visible artifacts to the deeply rooted and unconscious values and beliefs. The observable factors include physical structures, language, stories, rituals ceremonies, behaviors, and dress. The invisible aspects of OC include the underlying values, assumptions, beliefs,

attitudes and feelings of members about the environment, time, space, relationship and activities.

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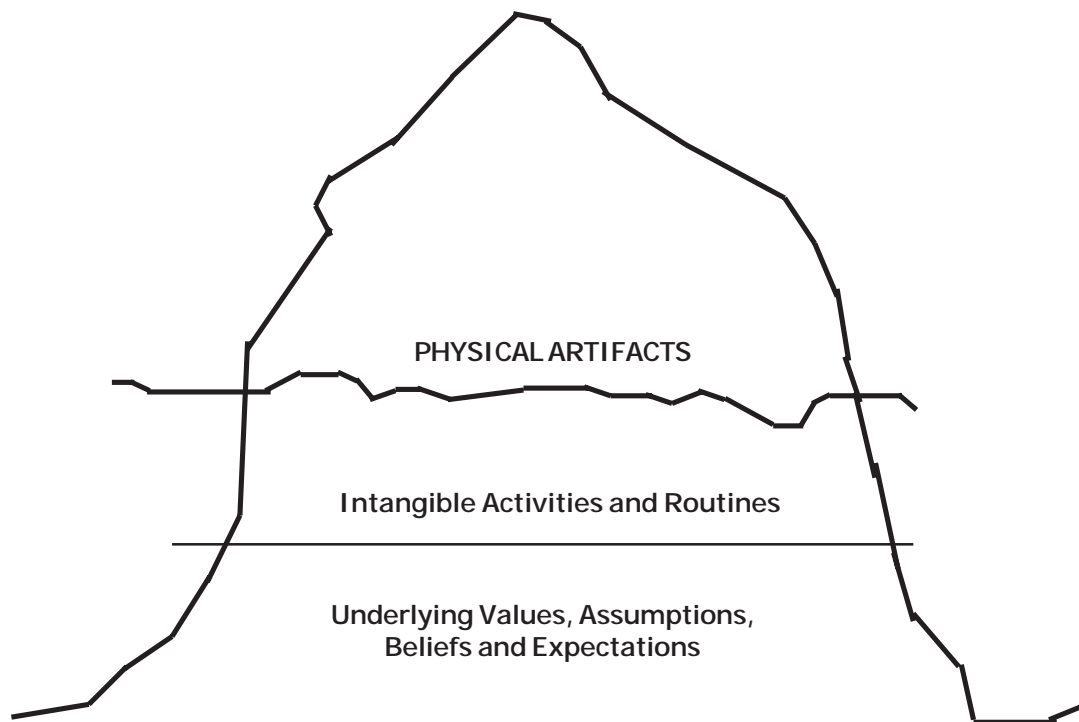


Figure 1 : Levels of Organizational Culture

Some aspects of culture are visible and tangible and others are intangible and unconscious. Basic assumptions that guide the organization are deeply rooted and are often taken for granted. Some of the most visible expressions of the culture are called artifacts. These include the architecture and décor, the clothing people wear, the organizational processes, structures, the rituals, symbols and celebrations. Other concrete manifestations of culture are found in commonly used language and Jargons, Logos, brochures, company slogans, as well as status symbols such as cars, etc, and of course value statements and priorities.

SOURCES AND INFLUENCES ON ORGANIZATIONAL CULTURE:

An Organization culture does not exist by itself. It is influenced by internal and external factors.

Founders and Ceo's: The philosophies, examples, stories of an organization's founders and its CEO'S

are strong influences on the formation and conditioning of the corporate culture.

For e.g.: Walt Disney's original business philosophy lives on in the company's practices and continues to shape its culture. "Give the people everything you can give them. Keep the place as clean as you can keep it, keep it friendly, and make it a fun place to be".

National Cultures : National culture influences the extent to which the activities of leadership, teams and employee are socially valued and meaningfully supported. e.g. of German software Firm SAP indicates that its culture is not representative of more formal aspects of the German national culture. The culture of Sweden and Japan strongly support employee involvement in organizational activities.

Industry Determinants of Organisational Culture : Organizational assumptions about an industry's competitive environment, customer's requirements

and societal expectations also influence a firm's strategies, structures, work process, its performance and even survival. These intern create a distinguitive form of organisational culture.

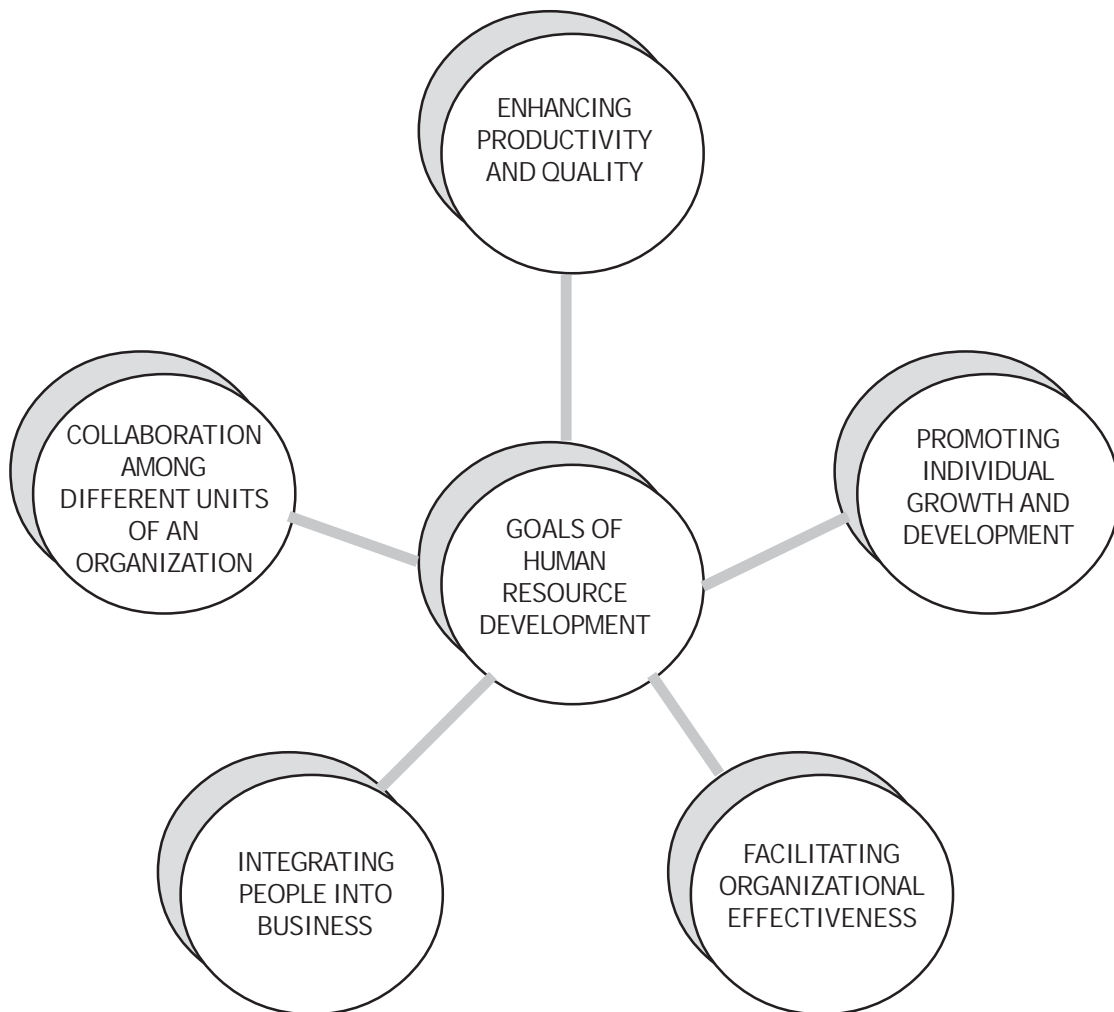
Human Resource Development

HRD is an organized learning experience within a given period of time with the objectives of producing the

possibility of performance change. "Human Resource" refers to the talents and energies of people who are available to an organization as potential contributors to the conception and realization of the organization's mission, vision, values and goals.

"Development" refers to the process of dynamic learning from experience, leading to systematic and purposeful development of the whole person.

Goals of HRD



Thus, while Human Resource Development can simply be stated as the process of helping people to acquire competencies. The Culture/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.

“Organizational climate is a set of characteristics of an organization which are referred in the descriptions employees make of the policies, practices and conditions which exist in the working environment”. (Abraham)

This developmental climate will have the following characteristics (Rao and Abraham, 1986)

- A tendency at all levels starting from top management to the lowest level to treat the people as the most important resource
- A perception that developing the competencies in the employees is the job of every manager/supervisor
- Faith in the capability of employees to change and acquire new competencies at any stage of life
- A tendency to be open in communications and discussions rather than being secretive (fairly free expression of feelings)
- Encouraging risk-taking and experimentation
- Making efforts to help employees recognize their strengths and weaknesses through feedback
- A general climate of trust
- A tendency on the part of employees to be generally helpful to each other and collaborate with each other
- Espirit de Corps
- Tendency to deject stereotypes and favoritism.
- Supportive personnel policies
- Supportive HRD practices including performance appraisal, training, reward management, potential development, job-rotation, career planning, etc.

HRD climate contributes to the organizations' overall health and self-renewing capabilities which in turn, increases the enabling capabilities of individual, team and the entire organization.

Elements of HRD Culture

The elements of HRD climate can be grouped into three broad categories — general climate, OCTAPAC culture and HRD mechanisms.

The general climate deals with the importance given to human resources development in general by the top management and line manager. The OCTAPACE 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 HRD mechanisms measure to the extend these mechanisms are implemented seriously. These groups were taken with the following assumptions :

- a) A general supportive climate is important for HRD if it has to be implemented effectively. Such supportive climate consists of not only top management, line management and commitment but good personnel policies and positive attitudes towards development.
- b) Successful implementation of HRD involves an integrated look at HRD) and efforts to use as many HRD mechanisms as possible. These mechanisms include: performance appraisal, potential appraisal, career planning, performance rewards feedback and counselling, training, employee welfare for quality work life, Job-rotation, etc.
- c) OCTAPACE culture is essential for facilitating HRD. Openness is there when employees feel free to discuss their ideas, activities and feelings with each other. Confrontation is a way to bring out problems and issues into the open with a view to solving them rather than hiding them for fear of hurting or getting hurt. Trust is taking people at their face value and believing what they say. Autonomy is giving freedom to let people work independently with responsibility. Proactivity is encouraging employees to take initiative and risks. Authenticity is the tendency on the part of people to do what they say. Collaboration is to accept interdependencies to be helpful to each other and work as teams.

The conventional connotation with which the term 'climate' has been used in literature is 'Organisational Climate'. The concept of climate with specific

reference to HRD context, i.e. HRD climate, has been recently introduced by Rao and Abraham (1986).

What contributes to HRD Culture?

The following factors may be considered as contributing to HRD climate:

- 1) **Top Management Style and Philosophy.**
- 2) **Personnel Policies:** Personnel policies that are highly employee oriented rather than task oriented that lay emphasis on equity and objectivity in appraisals policies, focus on sufficient resource allocation for welfare and developmental activities, go a long way in creating the HRD climate.
- 3) **HRD Instruments and Systems:** A number of HRD instruments have been found to generate a good HRD climate. Particularly open systems of appraisal with emphasis of counseling, career development systems, informal training mechanisms, potential development systems etc. contribute to HRD climate.
- 4) **Self-renewal Mechanisms:** Organizations that have built in self-renewal mechanisms are likely to generate a positive HRD climate.
- 5) **Attitudes of Personnel:** An attitude of collaboration and cooperation on the part of HRD and personnel people plays a very critical role in generating the HRD climate.
- 6) **Commitment of Line Managers:** The commitment of line managers to the development of their subordinates is a very important determinant of HRD climate. If line managers are willing to spend a part of their time for their subordinates, it is likely to have a positive impact.

HRD Culture Audit

"HRD Audit is a systematic assessment of the strengths, limitations, and developmental needs of its existing human resources in the context of organizational performance". Flamholtz, 1987.

HRD Audit reports provide directions for business improvement (Rao 1999). It prompts

- Top Management to think in terms of strategic and long-term business plans.
- Changes in the style of top management
- Role clarity of the HRD department and the line managers
- Improvements in HRD systems
- Increased focus on human resources and their competencies
- Better recruitment policies and more professional staff
- Better planning and more cost effective training
- Strengthening accountability through appraisal systems and other mechanisms
- Streamlining of other management practices
- TQM interventions
- Enhancement of the return on HR investment.

Importance of Auditing HRD Culture

By conducting an audit of HRD Culture we can find out the following major issues.

- The degree to which the leadership and managerial styles are empowering and
- Competence building is assessed by assessing the leadership and supervisory styles;
- The extents to which the HRD culture and values are practiced and stabilized in the corporation are measured;
- Whether the HRD culture is promoting the human potential and development;
- Whether the HRD culture is acting as a catalyst to promote a learning organization;
- Whether the planning and execution related to HRD Culture correspond with each other;
- Audit of HRD Culture also tries to check the lacuna's in the prevalent organizational climate;
- As Socrates said "Things that get measured, get managed", Therefore Auditing HRD culture helps the organization to measure its current climate, prevalent culture and then analyze it in terms of the long term contributions it makes to the organizational efficiency and effectiveness;
- Once measured and analyzed, if there are any deviations attempts can be made to inculcate

values that lead to building of a favorable culture and environment.

Methods of Audit of HRD Climate

In recent past, several instruments have been developed to measure the HRD Climate in organizations. They include items relating to general climate, OCTAPACE Culture and HRD Mechanisms.

A. HRD Score card

T.V.Rao (1999) introduced the concept of HRD score card. The score card is series of four letter grades assigned by the auditors on the basis of the HRD Audit. At the end of the audit, the auditors assign letters for the following dimensions.

1. **HRD Systems maturity** indicating the extent to which the firm has a mature, appropriate, well designed and managed system in place.

2. **HRD Competencies maturity** indicating the extent to which the HRD managers have the required competencies to handle the HR function professionally, the extent to which the line managers have the attitudes required to learn and grow to the extent which the top management styles are aligned to the HRD philosophy and make facilitate learning among all etc.

3. **HRD Climate** indicating the extent to which the firm has the required HRD Culture.

4. **Business linkage maturity** indicating the extent to which the above three are aligned to the business goals or organizational objectives.

B. HRD Climate Survey

The centre for HRD at the Xavier Labour Relations Institute, Jamshedpur, has prepared a schedule for finding out the HRD Climate of an organization. The schedule has 38 statements. 16 of these relate to HRD climate, the rest are related to either general climate or HRD Mechanisms. The employees have to rate each statement on 5 point scale.

A rating of 5 indicates that the statement is almost always true with the organization; a rating of 4

indicates that the statement is mostly true; a rating of 3 indicates that the statement is sometimes true; a rating of 2 indicates that the statement is rarely true and rating of 1 indicates that the statement is not at all true about your organization.

Conclusion

HRD Audit acts as a diagnostic tool and a comprehensive evaluation of the current human resource development strategies, structure, systems, styles and skills in the context of the short and long term business plans of the company. HRD audit attempts to find out the future HRD needs of the company after evaluating the current HRD activities and inputs that exist. Auditing the HRD Culture helps organizations can to keep a check on the prevalent trends in the organizational culture, their alignment with business goals and if in case there are any deviations, necessary interventions can be planned for.

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