

OCTAPACE HRD Culture in Indian Overseas Bank and Axis Bank

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Abstract

A healthy organizational culture rests on eight strong pillars of the –OCTAPACE profile developed by U. Pareek refers to **O**penness, **C**onfrontation, **T**rust, **A**uthenticity, **P**roactive, **A**utonomy, **C**ollaboration and **E**xperimentation. The study the OCTAPACE culture of any organization helps in giving proper training to the employees for maintaining a healthy environment and it also helps in dealing with various problems that exist in the organization.

As many as 8 dimensions were taken to judge the organizational culture. The main objective is to study the OCTAPACE HRD culture in Indian Overseas Bank and Axis Bank.

Keywords: Human Resource Development (HRD), OCTAPACE, organizations, culture, Indian Overseas Bank, Axis Bank.

INTRODUCTION

A culture with OCTAPACE values has the greater chance of achieving high involvement and satisfaction, team work, growth and free flow of communication within the organization. The most important aspect of organizational culture are the values it practices.

OCTAPACE Concept: Actually the OCTAPACE is an abbreviation and to understand its complete meaning, it is necessary to know various terms involved in it which are as follows:

O : Openness

C : Collaboration

T : Trust

A : Autonomy

P : Proactive

A : Authenticity

C : Confrontation

E : Experimentation

OCTAPACE HRD Culture in Indian Overseas Bank and Axis Bank

Dr. Ashok Sharma & Iqbal Khan

In addition to being an acronym for these values, OCTAPACE is a meaningful term, indicating eight (octa) steps (pace) to create functional ethos.

Employee capabilities must continually be developed, sharpened and used. For this an enabling 'organizational culture' is essential. As per Pareek *et al* (2003) when employees use their initiative, take risks, experiment, innovate and make things happen, the organization may be said to have an enabling' culture. It includes, among other things, the values, beliefs and behavioral norms and expectations shared by an organization's members. Organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is, a set of key characteristics that the organization values. Organizational culture is concerned with how employees perceive the characteristics of an organization, not with whether they like them or not. The organizational culture plays a very significant role in making organizations get the best out of themselves. Pettigrew (1979) referred culture as a system publicly and collectively accepted meanings operating in a given group. Culture provides the energy needed to function well by ensuring as it were a proper circulation of blood through all the organs. Corporate culture represents a common perception held by the organization's member.

REVIEW OF LITERATURE

The primary objective of the study conducted by **Constantina Kottaridi, Konstantina Louloudi and Sotiris Karkalakos (2019)** titled "Human capital, skills and competencies: Varying effects on inward FDI in the EU context", is to provide a comprehensive investigation on the role of human capital, skills and competencies in the location of inward FDI by comparing Western (EU15) and Central and Eastern (CEE) European Union (EU) members. The study goes beyond existing studies by examining an extensive list of traditional and newly advanced measures capturing human capital, even differing schooling systems as well as skills and competencies. Authors assessed, for the first time in the FDI literature, vocational vs. general education, following the Vocational and Educational Programs of the EU as well as quality human capital aspects as captured by international scores. Results indicate a major difference regarding theoretical and vocational education programs for both sub-regions; in addition, a major difference is obtained for particular qualifications in international scores. There is evidence for potential internal and external inefficiency in education in CEE countries in contrast to the EU15, which calls for re-evaluation and re-structuring in their education system towards more efficient use of funds; this would earn investors' trust and meet labor markets' demands, thus stimulate more and higher value added foreign investments. Results also point to useful implications for managers who should watch closely education reforms.

Tiago Fonseca, Pedro de Faria and Francisco Lima (2019) studied on "Human capital and innovation: the importance of the optimal organizational task structure". According to the study, management literature has identified high-skilled human capital as a crucial dimension of innovation processes at the firm level. The study introduced an alternative view of human capital based on the tasks that firms' workers perform. It proposed a measure of cognitive analytical and interpersonal tasks: the degree of abstractism. The authors argue that the level of abstractism of a firm has an effect

OCTAPACE HRD Culture in Indian Overseas Bank and Axis Bank

Dr. Ashok Sharma & Iqbal Khan

on a firm's propensity to innovate and on its product innovation performance. The study hypothesized that while the degree of abstractism has a linear positive relationship with the propensity to innovate, the relationship between abstractism and product innovation performance follows an inverted u-shaped relationship. It found partial support to its hypotheses using data from more than six thousand Portuguese firms. The study discusses how these results change our understanding of the relationship between human capital and innovation at the firm level.

Yu Chang, Xinchun Wang and Annie Peng Cui (2019) opined in their study titled "Solving the innovation problem in state-owned firms: The role of entrepreneurial orientation and high-commitment HR practices" that due to the inefficiency in utilizing the rich resources they have, state-owned firms in China are generally not competitive as private firms in developing innovation-related organizational capabilities. This study contributes to the existing literature by identifying an alternative mechanism that can potentially explain the negative association between state ownership and innovation capability. Specifically, this study suggests that state-owned firms have less competitive advantage in innovation because they lack entrepreneurial orientation. To provide a potential solution for this problem, this study examines an important but understudied firm strategy, high-commitment HR practices (HCHR), and investigates the roles it plays on enhancing innovation capability by promoting an entrepreneurial orientation in state-owned firms. More importantly, by studying the contingent effect of firm business nature, this study identifies the boundaries of the positive effect of HCHR.

Aditya Moses and Amalesh Sharma (2020) conducted a study on "What drives human resource acquisition and retention in social enterprises? An empirical investigation in the healthcare industry in an emerging market". According to this study, although healthcare is one of the fastest growing sectors in the world, it faces crucial shortages in human resource (HR) availability and retention. This challenge is worsened in social enterprises. This research build on a multi-method and a multi-study approach. In the first study, using an exploratory qualitative study, authors identified HR practices that influence HR acquisition and retention. Utilizing an institutional logic's lens, they proposed that market logic and community logic-driven HR practices influence a firm's ability to acquire and retain HR.

In the second study, authors tested their hypotheses using primary data from 182 faith-based hospitals in India and a robust empirical model accounting for endogeneity. It was found that while market logic-driven HR practices help with HR acquisition, community logic-driven HR practices help with HR retention. In the third study, through a simple field experiment, authors showcase that, indeed, market and community logic-based HR practices are responsible for HR acquisition and retention.

In Indian Overseas Bank and Axis Bank both, the OCTAPACE concept is well accumulated in their respective organizational culture which has been described here in brief.

OCTAPACE HRD Culture in Indian Overseas Bank and Axis Bank

Dr. Ashok Sharma & Iqbal Khan

HUMAN RESOURCE DEVELOPMENT (HRD) IN INDIAN OVERSEAS BANK

The Bank's staff strength stood at 24,857 comprising 13,586 Officers, 8,845 Clerks and 2,426 Sub-staff as of 31st March, 2020. Of the total staff strength, 4,935 members belonged to SC category, 1,777 to ST Category, and 7,193 to OBC Category.

Staff Strength includes 8,617 Women employees, 1,003 Ex-servicemen and 480 physically challenged members.

Motivation

Succession Planning: To ensure leadership continuity and develop potential successors, succession planning process was initiated. The First phase started with the identification of critical positions in the bank and identifying potential successors.

The Critical positions have been identified on the basis of the risk perceptions at each department as well as taking into account the replacement required. For every position, three successors to be identified and trained for placing them at identified critical positions/ departments and to be in line with succession planning.

Capacity Building: In order to plan the succession and equip the identified officers for identified critical positions, Bank has drawn a Policy on "Capacity Building" in tune with RBI guidelines to build up the capacity of the staff members. In this regard, Bank has identified the following accredited institutes namely:

- (a) Indian Institute of Banking & Finance (IIBF), Mumbai
- (b) National Institute of Banking Management (NIBM), Pune (c) Moody's Analytics
- (d) NISM
- (e) NSEIT & UIDAI Certification
- (f) ISACA - CISA Certification
- (g) SHRM (Society for Human Resource Management) & HR Certification
- (h) CHRMP (Certified Human Resource Management Professional) - HR Certification

Staff members have been advised to obtain the certifications in those areas in order to build up the capacity in the Bank. For the members who are currently working under any of the identified areas have to obtain the requisite certification within two years.

As a part of motivational measure, Bank is reimbursing the course fees for all the identified certifications under capacity building and also giving due weightage for the same in the Promotion process.

Ethics Policy: Ethics policy was introduced covering all the employees of the Bank, to create a culture

OCTAPACE HRD Culture in Indian Overseas Bank and Axis Bank

Dr. Ashok Sharma & Iqbal Khan

of cooperation among the employees in respect of public conduct, communications with the Bank, interactions with external entities including the media and dealing with colleagues. The policy defines the standards of the conduct that is expected of all employees in order that the right decisions are taken in performing roles and responsibilities across various functions in the Bank.

For implementation of the said policy, a Standard Operating Procedure (SOP) has been adopted wherein online affirmation from all the employees confirming adherence to the code of conduct (as detailed in the Ethics policy) is obtained on annual basis.

External Training

The Indian Overseas Bank had also deputed 1045 Executives/ Officers for training programmes conducted by reputed external institutes like Indian Institute of Management (IIMs), IDRBT - Hyderabad, NIBM - Pune, CAB - Pune, RBI, Infosys, BQ Global, IIB&F - Mumbai, CARE Training Institute, SIBSTC - Bangalore, CAFRAL - Mumbai, FIMMDA - Mumbai, FEDAI - Mumbai, IBA, XLRI - Jamshedpur, Thomas Assessment Pvt. Ltd. CORDEX - India, BIRD - Lucknow etc.

Other Initiatives

The Department, in coordination with external agency conducted health awareness sessions by medical professionals. Eye Camp was conducted during the financial year wherein all staff members at Central Office participated.

Training

Keeping in view the corporate goal of making the bank a customer centric one training has been imparted on contemporary issues of banking apart from basic areas of banking through the internal and external mode.

Apart from the above, regular training on Banking topics have been imparted to officers and clerks in the field of Credit Appraisal/ Credit Monitoring, Small & Medium Enterprises Financing, Vigilance. Also Programmes for First Line and Second line managers were conducted for all staff members at Staff College and various Staff Training Centers. Special Training Programmes on Financial Inclusion and issuance of multi travel prepaid card were conducted during the year.

Pre Promotion Training for SC/ST/ OBC/ PH members who are eligible for promotion from Sub Staff to Clerical cadre, Clerk to JMGS I, JMGS I to MMGS II and MMGS II to MMGS III was conducted at various Staff Training Centers. The Pre-Retirement counseling programme was conducted for Officers and Award Staff Members who retired during the year.

Internal Training

Our Bank's internal training system comprises of One Staff College and Twelve Staff Training Centers (STCs). The statistics of Internal Trainings imparted for the FY 2019-20 is furnished here:

Table 1: Internal Training in IOB

Particulars	Officers	Clerical	Substaff	Total	SC (Out of Total)	ST (Out of Total)
Training imparted to Individual Staff members (irrespective of no. of trainings attended)	9481	5841	1806	17128	3725	1339
Training imparted during FY 2019-20 (based on total no. of trainings attended by members)	14188	7044	2292	23524	5306	2093

Source: Annual Report of Indian Overseas Bank, 2019-20, p.57.

E-Paatashala - Online e-Learning Portal

E-Paatashala was made available for all the staff members in the Bank's online module consisting of 27 modules on various areas like Credit, NPA, Treasury, Foreign Exchange etc., during the FY 2019-20. These modules were targeted at enhancing and updating the knowledge of the staff members thereby scaling up our online learning initiative (E-Paatashala). The said portal was updated and maintained by the Bank Staff College Faculty on a regular basis. A total of 12708 Officers (96.56%) completed all four Mandatory modules (out of 27 available modules) under E-Paatashala.

HUMAN RESOURCE DEVELOPMENT (HRD) IN AXIS BANK

The Bank continues to focus on attracting and managing best in class talent to deliver on its goals of Growth, Profitability and Sustainability. Employees remain the most critical drivers for the Bank's growth and success. During the past years, the Bank's people strategy continued to emphasize on building capabilities and capacity, enhancing the employee skills, promoting diversity and inclusion while ensuring safety and health of its employees.

Health, Safety and Well being

During the year 2020-21, the Bank proved its resilience with its over 78,300 employees coming together as One Axis to serve the customers 'Dil Se' in the face of COVID-19 crisis. The Bank proactively implemented business continuity measures and initiated 'work from home' mandate for its employees well before the lockdown was announced. The Bank took conscious and sustained efforts to reach out to all its employees towards maintaining organizational health and employee confidence during the tough times. Health benefits and assistance was extended to affected employees.

OCTAPACE HRD Culture in Indian Overseas Bank and Axis Bank

Dr. Ashok Sharma & Iqbal Khan

During the tough times, the Bank was among the few in the industry that completed its annual appraisal process on time in April. The variable pay was rolled out to all the employees in roles upto mid-management during the regular cycle in April. The variable pay for senior leaders was extended in October 2020 along with annual increments across the Bank.

Building Capabilities and Capacity

The Bank's key talent acquisition processes remained on track during the lockdown. All offers made were honoured and on-boarded virtually. The Bank further increased its hiring activity in second half of the year to support its business growth. During the year, there was greater focus on hiring for specialized skills – IT, Digital Banking, and Customer Experience roles. The Bank maintained a continued focus on hiring from multiple diverse sources – to ensure prudent mix of fresh and experienced candidates. The Bank's internal job platform – Catalyst also provides mobility for employees seeking different and more challenging roles internally.

The Bank continues to engage in hiring and nurturing the young talent from select premier institutes in the country, in the fields of Management, Chartered Accountancy, Engineering and Design. The Bank also has specialized programs to acquire engineering talent to drive Bank's various technology and analytics initiatives. The Bank recruits Chartered Accountants for specialist roles in departments like Risk, Internal Audit, Finance, Accounts and Commercial Banking.

Values Realization as the Cultural Bedrock

The Bank continued to build on extensive work done across the organization to define and create common understanding of the Bank's core values namely Customer Centricity, Ethics, Transparency, Team Work and Ownership through the Axis Values Realization initiative. During the year, the Bank designed 'Values scorecard' for measurement and monitoring the adoption of values across the organization.

The annual employee survey was aligned to values and responses assimilated into the aforementioned scorecard. The survey results along with key findings were cascaded to all employees through Axis Values Realizer network of 1000+ employees who conducted storytelling sessions and conversations around values. The Bank's annual recognition program also celebrates those who have exemplified the Bank's core values and made an impact noteworthy of recognition.

Learning as a Performance Differentiator and Career Builder

The Bank has moved from episodic learning interventions to integrated journeys with certification milestones. This is aimed at delivering distinctive customer experience through differentiated employee capability. As part of the journeys, a total of over 74,000+ employees were covered clocking 2.1 million hours of training through virtual classroom sessions. This included multiple programs such as- 'Go Beyond' a training program focused on both behavioral aspects and domain expertise; and 'Redefine' a first of its kind tie-up with Coursera which ensures that Bank provides its top talent access to world class faculty and best in class content from the top universities in the world. The

Bank's 'Axis Academies' program provides an opportunity for all staff members to familiarize themselves with the basics of credit, risk, trade & forex and business analytics, as well as enabling staff currently in these roles to gain in-depth domain knowledge, thus democratizing the learning process.

Promoting Diversity, Equity and Inclusion

The Bank encourages a culture of diversity, equity and inclusion promoting gender balance and respecting the contribution of all employees across gender, age, race, differential ability and sexual orientation. As on March 31, 2021, 23% of the workforce was women employees. Women employees are spread across all levels of hierarchy, as well as geography. The overall diversity in frontline roles has also increased from 12% in fiscal 2020 to 14% in fiscal 2021.

'We Lead' is Axis Bank's flagship leadership program for hiring women from the country's top ranked business schools like IIM Ahmedabad, IIM Bangalore, IIM Lucknow, ISB and XLRI. With an objective of increasing diversity at the mid-senior level, the Bank recruited 23 women for the 'We Lead' program in fiscal 2021.

CONCLUSION

Human Resource Development departments of both the banks under study namely, Indian Overseas Bank and Axis Bank are actively working for their employees and staff welfare. In Indian Overseas Bank and Axis Bank, the OCTAPACE concept is well accumulated in their respective organizational culture.

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OCTAPACE HRD Culture in Indian Overseas Bank and Axis Bank

Dr. Ashok Sharma & Iqbal Khan

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