



## HUMAN RESOURCES PRACTICES IN AUTOMOBILE INDUSTRY

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### Abstract

The automotive industry in India is one of the larger markets in the world. It had previously been one of the fastest growing globally, but is currently experiencing flat or negative growth rates. Human Resources are the most important and valuable resource in any organization in the form of its employees. HRD variables are designed to link with Human Resource planning whereby employees contribute the maximum to the organization satisfying their own personal goals. Demographic profiles as well as organizational details of the employees are very crucial in determining their perception towards HR practices. This perception towards is classified on the basis of gender, age, educational qualification, designation, experience and annual income of the employees. These demographics and their internal classification are very much useful to distinguish the perceptual difference among the employees towards HR practices.

**Key Words:** Human Resources, Development, Organization.

### INTRODUCTION

The **automotive industry in India** is one of the larger markets in the world. It had previously been one of the fastest growing globally, but is currently experiencing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry are the sixth largest in the world, with an annual production of more than 3.9 million units in 2011. In today's competitive environment, high performing organizations have learned how to deploy human resources (HR) practices to enhance competitive advantage. Human resources management faces challenges of bringing better fitted workers in the organization and meeting the workers' needs and expectations. Thus, there is a compelling demand to better ideas, strategies to improve the interface between employees and employers, and to elaborate comprehensive insight that can help human managers get better results and improved performance.

The main purpose of HRD, Sampson (2005) stressed that it "is to change behavior training and other incentives". McKenna (2000) is one of the view that developing employees' skills on the job, including interactive skill results in favourable impact on the level of morale, which in turn, enhances commitment to the organization. Management of human resources basically aims at contributing human efforts through personnel employed in the organization towards achieving the objectives of the organization, and these should come out willingly with dedication and high degree of morale amongst the employees. HRM systems are proactive and are anticipated to bring about a cultural change in the organization. It seeks power equalization for trust and collaboration.

The human resource practices need to be revamped and rejuvenated to be more dynamic, effective and in tune with changing situation. The people management in the organization should cultivate a climate characterizing values such as open communication, trust and respect for human resources in order to promote employee and organizational performance. Management of human resources basically aims at contributing human efforts through personnel employed in the organization towards achieving the objectives of the organization, and these should come out willingly with dedication and high degree of morale amongst the employees. HRM systems are proactive and are anticipated to bring about a cultural change in the organization. It seeks power equalization for trust and collaboration.

There are many resources in an organization. Human resource is one such resource highly essential for an organization. The process of developing human resources is done systematically by an organization to Procure capabilities required to perform various functions associated with their present or expected future roles of an organization. It Improves their capabilities and discover and use of their own potentials for their own and/or organizational developmental purposes. Organize a culture in which a supervisor-subordinate relationships, team works and collaboration among sub-units are strong and contribute to the professional well being, motivation, and pride of employees. The HRM mechanisms and techniques include performance appraisal, counseling and training, and organization development interventions are used to initiate, facilitate, and promote this process in a continuous way. As the HRM has no limits, the mechanisms may need to be examined periodically to see whether they are promoting (or) hindering the process. Organizations can facilitate this process of development by planning for it, and allocating organizational resources for the purpose.



A dynamic and growth oriented organizations do require HRM to succeed in a fast-changing environment, organizations flourish only through the efforts and competencies of their human resources personnel policies of the organizations to provide the morale and motivation of employees high, but these efforts are not enough to make the organizational dynamic and take it in new directions. Employee capabilities must continuously be acquired, sharpened, and used. When employees use their initiative, take risks, experiment, innovate, and make things happen, the organization may be said to have a 'good' culture. Even an organization that has reached its peak has to adapt to the changing environment. All the organizations do require the need for processes that help to acquire and increase its capabilities for stability and renewal. HRD climate is an integral part of the prevailing general organizational climate which may include characteristics such as: important given to human resource, openness of communication, encouragement given to risk-taking and experimentation, feedback given to employees to make them aware of their strengths and weaknesses, a general climate of trust, faith in employee's capabilities, employees' tendency to assist and collaborate with each other team spirit, tendency to discourage stereotypes and favouritism, and supportive personal policies and practices.

### **STATEMENT OF THE PROBLEM**

The HR practices and strategies followed by the automobile companies are designed to attract and retain the professionals and are formulated to meet the current market conditions. The organisation formulates strong HR practices along with effective strategies to accomplish goals utilizing human resource to the optimum extent. The study aims at examining the human resource practices in automobile manufacturing companies in Chennai. Hence this empirical study is directed towards automobile companies regarding HR practices and its outcome to trigger thoughts in the minds and find solution to face the future challenges.

### **OBJECTIVES OF THE STUDY**

1. To study the socioeconomic profile of employees in the automobile companies.
2. To make suggestions on HR practices in the Industry.

### **RESEARCH METHODOLOGY**

The study is conducted using both analytical and descriptive type of methodology. The study primarily depends on primary and secondary data. The Survey is conducted in automobile manufacturing Companies located in Chennai city. Chennai hosts a number of automobile companies making the study realistic and meaningful. Chennai is referred to as the Detroit of South Asia. As automobile manufacturing companies have entered the economic arena, their level of play has raised the economic standing of young and educated professionals. Chennai, being the metropolitan city, truly represents employees belonging to various strata of the society. The primary data are collected through survey method. The survey is conducted using well formulated Questionnaire. Multi Stage Random Sampling is applied for generating data. Samples for the purpose of the study are selected systematically. Totally 850 Questionnaires were distributed and 585 collected out of which 540 completed questionnaires were found usable. The multistage random sampling method is applied to collect the primary data. The random sampling method is applied to obtain the responses from the employees. Hence, the multistage sampling method is justified to collect the samples from the automobile companies.

### **REVIEW OF LITERATURE**

Sombut Booleaing (2010), in an empirical study dealt the expectation of the capabilities and efficiencies of human resource executive officer at the top management level of local administrative organization and also explores the guidelines for the development. This study is based on primary data and obtained data from 123 local administrative organizations in Petchabun province. The study found that in every organization, the HR department has the same job descriptions, such as HR planning, wage and salary evaluation, handling complaints from employees, managing the welfare of and benefits for employees, job orientation, training and development, work data and statistical records, work assessment, writing job descriptions, consulting, managing the relationship between the employer and the employees and the development of job efficiencies. Richa Chaudhary, Santosh Rangnekar & Mukesh Kumar Barua (2011), in his research study attempt to find how HRD climate existing in Indian organizations and occupational self – efficacy of employees. The study is based on primary data which is obtained from 66 respondents. The applications of mean, co-efficient of correlation and regression analysis were used with the help of SPSS. The research concluded that the occupational self - efficacy is a stronger predictor of employee engagement as compared to HRD climate. The study also highlights the importance of occupational self efficacy and HRD climate in the organizational +context and adds to the academic literature on occupational self-efficacy, a construct which remained relatively unexplored. Aamir Sarwar, Ayesha Khalid (2011), in a research study focused on employee empowerment and how empowerment is related to job satisfaction and employee's commitment to the organization in the banking sector of Pakistan. This study is based on primary data which is obtained from 334 employees from different branches of banks in Lahore. The application of regression analysis and co-efficient of determination was used to clearly

reviewed the study. The findings of the study revealed that job satisfaction has a positive impact on employee's commitment to the organization. Peter Hwang and Ajai S. Gaur, in this study present theoretical explanation for MNE's choice of governance structure. This research is based on literature's and finally suggest that this may not be the case once transaction values obtained from interacting with local firms in the context of host country institutional environment are considered. It finds that MNEs would be indifferent between organization activities within versus outside the firm when transaction values. Moreover, the hierarchy is adopted when transaction costs exceed transaction values, and integration ends when the reverse it, true and that institutional dynamics would shape the costs and value comparison, and therefore influence the choice of the governance structure of MNEs and finally suggest that this may not be the case one transaction values obtained from interacting with local firms in the context of host country institutional environment are considered. Colin Coulson Thomas (2003), it highlights the job support tools can use whatever formats, from text and graphics with animations, visual images and video and audio material, best help understanding building knowledge in to job support tools can make it easier for workgroups to excel at complex tasks significant improvements in individual performance and sales force productivity can be achieved. The greatest benefits are usually achieved with relatively homogeneous groups of people undertaking similar tasks. Timothy C. Stansfield, Clinton O. Lomgenecker (2006), in an innovative paper describe the conduct and outcomes of a field experiment in a US manufacturing facility using goal setting and feedback as productivity improvement tools. The field experiment was done with the training of supervisors and staff for a six week period. The applications of ANOVA test were clearly reviewed the study. The findings reveal that goal setting and timely feedback will lead to improved work performance, greater efficiency, and the establishment of more challenging goals and it also that information systems which facilitate goal setting and feedback are more effective than traditional supervision systems at improving performance.

## DISCUSSIONS AND ANALYSIS

Demographic profiles as well as organizational details of the employees are very crucial in determining their perception towards HR practices. This perception towards is classified on the basis of gender, age, educational qualification, designation, experience and annual income of the employees. These demographics and their internal classification are very much useful to distinguish the perceptual difference among the employees towards HR practices.

### GENDER OF THE RESPONDENTS

Gender of the employees decides their involvement in job, interpersonal relationship and the liking for the work environment. The male and female employee differs in their perception towards organizational HR practices. The following table indicates male and female employee's distribution over the sample unit

**Table 1.1: Gender of the respondents**

Gender	Frequency	Percentage
Male	410	75.93
Female	130	20.07
Total	540	100.00

Source: primary data

From the above table, it is found that 410 (75.93%) of the respondents were male employees and 130 (20.07%) of the respondents were female employees. This shows that employees in automobile companies are male dominated.

### AGE OF THE RESPONDENTS

Age of the respondents is one of the most important characteristics in understanding their views about the particular concept (or) problem; by and large age indicates a level of maturity of individuals in the sense age becomes more important to examine the response.

**Table 1.2: Age of the respondents**

Age	Frequency	Percentage
< 25 years	221	40.93
25 – 35	199	36.85
35 – 45	105	19.44
Above 45	15	2.78
Total	540	100.00

Source: primary data

From the above table, it is found that 221 (40.93%) respondents were in the age group of less than 25 years, 199 (36.85%) respondents were in the age group of 25-35 years, 105 (19.44%) respondents were in the age group of 35-45 years and 15 (2.78%) respondents were in the age group of above 45 years.

### MANAGERIAL LEVEL OF THE RESPONDENTS

The HRD practices in Indian organization are not uniformly distributed overall level of employees. Several studies argued that top level, middle level managers, operational level managers has different HRD practices in their organization. In many companies, they generally segment the employees into two major categories, namely junior levels and senior level respectively.

**Table 1.3: Managerial level of the respondents**

Managerial level	Frequency	Percentage
Junior level	262	48.52
Senior level	278	51.48
Total	540	100.00

Source: primary data

From the above table, it is revealed that 262 (48.52%) of the respondents were in the junior level and 278 (51.48%) of the respondents were senior level. This shows that automobile companies are influenced by senior level employees.

### EXPERIENCE OF THE RESPONDENTS

The experience of the respondents is one of the most important characteristics to determine knowledge and status or position of a person towards the job. Experience plays a major role in income aspects of a person which means more experience gives more income.

**Table 1.4: Experience of the respondents**

Experience	Frequency	Percentage
<10 years	89	16.48
10 – 20 years	38	7.04
20 – 30 years	162	30
Above 30 years	251	46.48
Total	540	100.00

Source: primary data

From the above table, it reveals that 89 (16.48%) respondents were in the experience of less than 10 years, 38 (7.04%) respondents were in the experience of 10-20 years, 162 (30%) respondents were in the experience of 20-30 years and 251 (46.48%) respondents were in the experience of above 30 years.

### INCOME OF THE RESPONDENTS

The income of a plays an important role in shaping the economic condition of an individual which in turn is likely to have a bearing on the responses about a problem posed to him / her. The researcher therefore added income as variable and the data related to income of the respondents.

**Table 1.5: Income of the respondents**

Income	Frequency	Percentage
< 25,000	118	21.85
25,000-35,000	48	8.89
35,000-45,000	162	30

Above 45,000	212	39.26
Total	540	100.00

Source: primary data

From the above table, it shows that 118 (21.85%) respondents were in the income group of less than 25000, 48 (8.89%) respondents were in the income group of 25,000 – 35,000, 162 (30%) respondents were in the income group of 35,000 – 45,000 and 212 (39.26%) respondents were in the income group of above 45,000.

### FINDINGS

From the above table, it is revealed that 410 (75.93%) of the respondents were male employees and 130 (20.07%) of the respondents were female employees. This shows that employees in automobile companies are male dominated.

- From the above table, it is found that 221 (40.93%) respondents were in the age group of less than 25 years, 199 (36.85%) respondents were in the age group of 25-35 years, 105 (19.44%) respondents were in the age group of 35-45 years and 15 (2.78%) respondents were in the age group of above 45 years.
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### SUGGESTIONS

- The goal setting is not crystal clear among the employees. Therefore, the HRD department should transparently communicate the individual goals for each and every employee which will increase the personal and organizational performance.
- The study revealed training and development programs help employees to perfect their performance. Therefore, it is suggested that organization should focus more on training and development programs, modern technologies and innovations.
- The employees desired values of risk taking, variety, autonomy; lifestyle and creativity towards works were to be rewarded by the organization. The employees are also encouraged and appreciated through proper incentives.
- The aspects of human resource management practices followed, one of the main aspects is job satisfaction of employees. Once, the employees are satisfied with their jobs, then they are satisfied with other aspects automatically. Hence, steps should be taken by the management to satisfy the employees in their jobs by providing, such as internal & external environment that ensures a healthy and happy workplace.
- The management of automobile companies should create awareness among employees regarding performance appraisal system to improve their performance & competition levels in the market.
- The organization should follow clear and standard recruitment policy for all the level of jobs. The job searchers may approach the organization through some sources, such as advertisements, factory gate recruitments and so on.
- From the study, it is suggested that the executive development therefore involves helping people to understand how to build relationships to access resources, coordinate activities, develop commitments and build social networks.



## **CONCLUSION**

The automobile sector needs to grow in harmony with world industry to stay competitive in the automotive market. India has the potential to be a global automobile power. However, concerted efforts will be required to take auto manufacturing to be self-sustaining level, where the organization shall have to increase volume generate requisite technology and meet evolving emission requirements. The elements of HR practice to exact human resource from the employees. In that organisation development increases knowledge and performance of an employee towards work. Performance appraisal system helps to improves and overall performance of and growth of an organisation and career development provide self confidence, career plans and improvements. The result obtained from this study indicates that HRM is moderately practiced by companies operating in Chennai and that performance symbolized by the growth rate of revenue, financial strength and profitability are reasonably enhanced by all twelve HRM practices mentioned in the study.

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