



## AN EMPIRICAL STUDY ON EMPLOYEES PERCEPTION OF STRATEGIC ROLE ON IMPROVING EFFICIENCY AND QUALITY IN AUTOMOTIVE INDUSTRY, TAMIL NADU

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### **Abstract**

*This study examined how employees sensitivity of strategic role on improving efficiency and quality in automotive industry. We specifically focus on how different forms of control relate to employees' confidence in their employing establishments and examine whether such trust in turn relates positively to employee profession performance. In addition, and in response to the recommendations of past research, we examined employees' sensitivity of strategic role on improving efficiency and quality context. The implications of the results for theory and practice, and directions for imminent exploration, are deliberated.*

**Keywords:** TQM, TPM, Six Sigma, LMSM.

### **Introduction**

The Indian auto component industry is one of the few sectors in the economy that has a distinctive global competitive edge in terms of cost and quality. The reason behind the sourcing of auto components from India comprises of low labour cost, availability of raw materials, technically skilled manpower and quality assurance. An average cost reduction of nearly 25-30% has attracted several global automobile manufacturers to set base in India since 1991. The industry has been undergoing rapid changes due to the global competition. The current global auto components industry value is estimated at US \$1.2 trillion. Since the year 2000, the Indian auto component sector has been growing at 20% per annum and is expected to maintain the high-growth phase of 15-20% till 2015.

In its annual industry performance review, the Automotive Component Manufacturers Association of India (ACMA) revealed that the auto component industry grew at 18.3% owing to the overall growth of the auto sector in India. The industry's turnover stood at \$51.2 billion ( 3.45 lakh crore) in 2017-18 from \$43.55 billion ( 2.92 lakh crore) in the year ago period. While exports which included steering, engine components, body, suspension and brakes grew 23.9% to 90,571 crore, imports for the same period stood at 1.06 lakh crore, rising by 17.8%. According to the report, Asia accounted for 60% of imports followed by Europe and North America, with 30% and 8% respectively. In its annual industry performance review, the Automotive Component Manufacturers Association of India (ACMA) revealed that the auto component industry grew at 18.3% owing to the overall growth of the auto sector in India. The industry's turnover stood at \$51.2 billion ( 3.45 lakh crore) in 2017-18 from \$43.55 billion ( 2.92 lakh crore) in the year ago period.

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undergoing a significant transformation as the industry strives to become compliant to various regulations related to emissions, safety and environment, including the transition from BS (Bharat Stage). The industry sees electric mobility, lack of indigenous technologies for batteries and power electronics as the biggest challenges in the industry. According to the report, the government should define and mandate standards for components for electric vehicles and charging stations to prevent substandard imports. ACMA expects greater clarity from the long-awaited second-phase of the Faster Adoption and Automotive of (Hybrid and) Electric Vehicles in India (FAME India) scheme Government's initiative to promote electric mobility in the country.

### **Materials and Methods**

The strategies which are practiced in this industry are discussed here. In the present business environment, growth of any industry/company would totally depend on customer loyalty and belief. This appreciation from the customers only can be received by producing high quality products on a durable basis. Therefore, continuously enhancing the quality is an essential part of any business initiative. The strategies of industrialisation including Privatisation, Liberalisation and Globalization, have changed the way the company operates and is targeted on the concept of quality.

In business world, these quality initiatives refer to quality management programs, quality certifications, quality awards and models and methodologies. Originally, it was first found in the industrial sector and then has occupied the service sectors too. These quality improvement programs are not only decreasing the automotive cost but also maximizing business profits. Recently, Quality Management (QM) practices have gained importance because they provide the tools to improve the quality of the products or services to achieve the higher customer satisfaction.

Further the recent globalized business trend has forced all industries irrespective of their size and the area of automotive to adopt quality management practices for the survival in high competitive atmosphere. Quality Management System (QMS) is centered in activities related with continuous improvement in the performance to meet competitive pressure. Good QMS helps to sustain the customers and global competitive pressure for long-term success.

Quality is an important concept in management's agenda but while conceptualising it, Quality practitioners feel frustrated due to its elusiveness. It is mainly because of its diverse and often conflicting definitions in professional books, journals and media. (Longenecker, C.O., and J.A.Scazzero 1993). Previously quality experts have defined quality as 'a fitness for use'. Juran, J.M. (1981) defines it as 'conformance to requirement' and 'the total composite product and service in use that meet the expectations of the customer'.

The ISO 8402 quality vocabulary and ISO 9000 series define the term Quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. In today's business sector, the scope of quality has been extended; Dr. Kano states that quality is not just about fulfilling the expectations of the customers but also exceeding them by providing the exciting experiences, in other words, offering an 'attractive quality'.

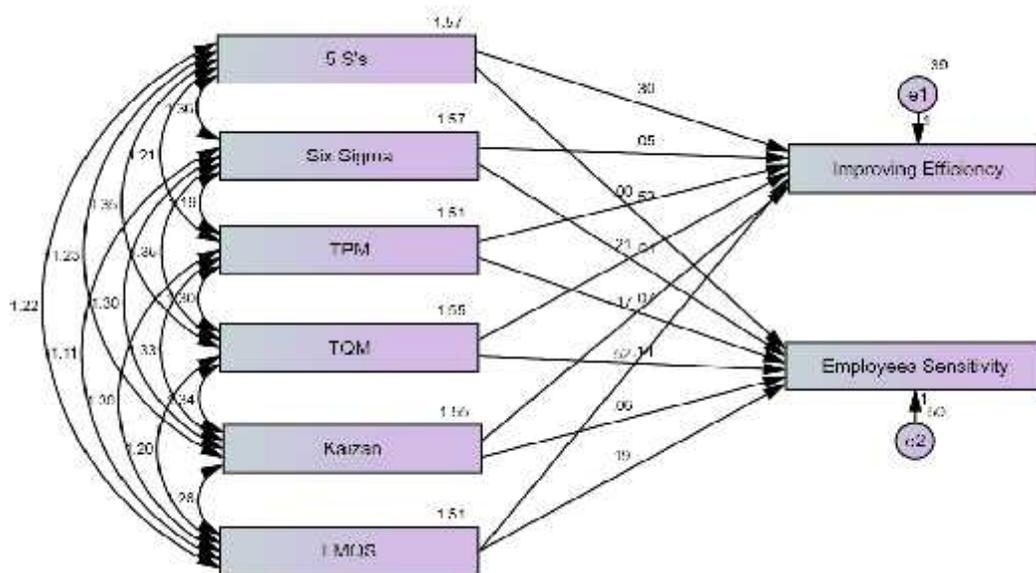
The concept of quality has often been defined as something timeless and enduring. General idea about quality is an analysable property that people learn to identify through experience, as Plato said that beauty can be understood only after exposure to series of objects that display its individualities. Walter A. Shewhart (1931), the father of modern-day statistical control, stated that quality must be more pragmatic, more objective and more tangible and it must tell managers about how to make improvements. There are at least three dimensional views on quality that include product-based, automotive-based and user-based views of quality that is useful to the managers. The measuring of quality has rapidly changed from inspection to Quality Control (QC) to Quality Assurance (QA) and through to Total Quality Management (TQM).

Quality Management (QM) is an idea or concept used on continuous improvement in the performance of processes in the industry and in the quality of products that are output of those processes. It is a team work that

demands more emphasis on discipline and quality knowledge. Ever since 1960s, there were different Japanese, European and US initiatives advocated for quality management and process excellence, leading from adaptive total quality approach to world class automotive. Later stages, numerous quality enhancing practices were implemented in the industries and some of the quality managing principles related to the current study are discussed.

1. OHSAS 18001:2007 standards to ensure occupational health and safety in the industry.
2. ISO14001:2004 Environmental Management System in the industry.
3. IS/ISO/TS 16949: 2009 standards.
4. 5S's.
5. 6 (Six Sigma).
6. TPM.
7. TQM.
8. Kaizen.
9. LMQS (Lean Manufacturing Quality Systems).

**Figure 1: Path Analysis for Independent Variables Vs Dependent Variables**



### Results and Discussion

The major fragment gives in detail the socio demographic profile of the respondents, the second one deal with the extent of satisfaction of the respondents about the welfare measures implemented in the company and the third, with the employees` perception on the strategic management practices used. In that more than 96.0 percent of the respondents are males and only 3.3 percent of them females. It may be due to the nature of job. In the automotive industry mostly males are dominating the field and identified as “male oriented job” but the trend is changing and women are also getting involved in this field.

The respondents are classified based on their age. The reveals that the industry’s manpower is mostly in the younger age, more than 50 percent of the respondents being below 25 years and 21.3 percent of them in the age group of 31-40. The educational qualifications of the respondents are described in the value shows that more than 40 percent of them are diploma holders, whereas the remaining, close to 60 percent, are 10<sup>th</sup>ss, ITI and graduates. Monetary benefits are those employees receive benefits as money, as special allowances or commissions. However, non-monetary benefits are those benefits they receive, that do not involve money. For example, if someone works as a cleaner in a hotel their non-monetary benefits may be free uniform that is washed and

cleaned for them. The table shows that 44 percent of the respondents do not have any opinion about the promotion policy of the organisation, whereas nearly 30 percent are reportedly satisfied with the promotions given by the HR department of the concerned industry.

When we asked about the salary pattern, nearly 45 very satisfied and only 4.7 were not. It shows that employees on the whole are not fully satisfied with the salary offered by the industry but it occupies only the minds of half of the respondents. Salary increments are often expressed as a percentage of an employee's overall base pay. An increment usually represents a portion of what the employee earns per year. Employers use increments to increase or decrease base salaries or to award bonuses. Employees use them as a benchmark to either negotiate a pay increase or a starting salary with a new employer. When an employer offers a starting salary that is 5 percent below average, a potential employee might counter with a 5 percent increase. Public employees typically receive annual raises based on salary increments. In the current study about 42 percent of the respondents fall between satisfied and highly satisfied and 33 percent are not very happy about the increment available to them.

Interpersonal relationship refers to a strong association among individuals working together in the same organization. Employees working together ought to share a special bond for them to deliver their level best. It is essential for individuals to be honest with each other for a healthy interpersonal relationship and eventually positive ambience at the workplace. In the present study more than 80 percent of the respondents are found that the interrelationship in the organisation is very supportive and only very less number of the respondents have denied it.

### **Conclusion and Suggestion**

The automotive industrial sector of India has been expanding in its size in terms of productivity and investment since the last decade. A leading auto component manufacturing industry in Tamil Nadu. The study conducted in such an industry will, no doubt, be highly valuable. 150 employees have participated in the study and the findings show that educational qualification has a significant relationship with kaizen implementation. Top management must take charge of the initiative. Implementation of six-sigma must be linked to business strategy, customer requirements, workforce and suppliers participation, Six-sigma is a data- driven methodology and for breakthrough improvements it focuses on innovation. Six-sigma becomes successful only when workers are involved motivation and empowerment are the essential parts of that involvement. Participatory management is an essential element for innovation. The following plan can be used for the implementation of TPM activities very effectively: Initial cleaning Listing and classification of abnormalities Why-Why Analysis Kaizen Jishu Hozan Safety.

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