ABSTRACT

Market dynamics, through the emergence of the global economy, advances in technology and increased societal demands has pressured organizations to undertake periodic assessment of their performance to ensure effective and efficient utilization of resources and achievement of the organization’s goals.

This research represented the innovative conceptualization of the extension of the concept of capacity building process, a performance assessment technique which is prominent among the non-profit organizations in the international and the Indian scenario to for profit organizations. The above concept was used to assess the effectiveness of the human resource management function.

Recruitment and Selection, Performance Management System and Training and Development were deduced as the key activities representing the domain of human resource management function. In line with the modus operandi adopted by organizations for identifying the capacity assessment areas, this research deduced the assessment areas in the three activities of human resource management function. The assessment areas identified in Recruitment and Selection activity were Job Analysis, Recruitment Procedure, Selection Process and Compensation. Performance Management

The above assessment areas in each of the activity of human resource management function along with the general assessment areas (Partnering, Financial Resources Management and Strategic Management and Governance) deduced from the capacity building literature served as the significant capacity assessment areas.

Engaging in Partnering and rendering Financial Support for the activities of human resource management function would help the organizations combat the challenges posed by globalization and liberalization and would support in enhancing the effectiveness of their human resource management function. Further, alignment of all the activities of human resource management function with strategic goals augments achievement of the strategic objectives. Hence, a theoretical model which explored the influence of Partnering and Financial Support on the activities of human resource management function and the alignment of the above three with the strategic goals of the organization was proposed.
The methodology involved deduction of the capacity assessment areas, development and validation (content, criterion and construct validity) of the developed tool—Human Resource Capacity Score Guided Reflections for Institutional Development (HRCAP Score GRID), a perception-based, consensus-oriented, bottom-up assessment approach. This research designed HRCAP Score GRID to discover the opinion of the employees with regard to the extent of adoption of common human resource management practices in their organizations.

The calculation of raw, standardized and scaled capacity and consensus scores relied on Participatory Organizational Evaluation Tool methodology. Plotting the scaled capacity score on the X-axis and the scaled consensus score on the Y-axis gave the Guided Reflections for Institutional Development which highlighted the capacity/consensus lag areas.

The study identified and included the seven manufacturers of auto components registered with the Automotive Component Manufacturers Association of India in Coimbatore district as the sample. The respondents for the study comprised thirty percent of the employees occupying the middle level managerial positions spread across the various functional departments.

The analysis comprised capacity assessment for the seven organizations and arriving at the Guided Reflections for Institutional Development which highlighted the capacity lag areas. This research viewed
the seven organizations as the representation of the manufacturers of auto components in Coimbatore district and hence viewed their combined scores as sectoral scores.

Adherence of all the identified human resource management practices by organizations was intricate. Hence, this research attempted and identified the significant items in each assessment area that contributed to that area achieve high capacity-high consensus through Binary Logistic Regression, Multinomial Regression and Generalized Estimation Equations. Finally, the theoretical models were tested using Partial Least Squares technique which revealed the significant paths.

Adherence of the identified significant practices by the organizations ensures achievement of capacity excellence in their human resource management function. Likewise, engaging in Partnership with consultants and rendering Financial Support for the activities of human resource function augments achievement of the strategic goals of the organization.

The current research provided a new platform for evaluating the extent of adoption of common human resource management practices by means of a perception-based, consensus-oriented, bottom-up evaluation approach. Such assessment and capacity enhancement would enable the auto components manufacturers derive capacity excellence in their human resource management function at task, activity, functional, regional and national level.