ABSTRACT

Businesses have witnessed a dramatic shift towards over-arching result focus and are under huge pressure to demonstrate their impact. Fuelling this shift are forces which include global rivalry, cost pressures, shorter product cycles, technology push, constantly evolving market environments, ever changing customer and investor demands, and must contend with a very strong advocacy groups. Buffeted by all these forces, organizations are increasingly seeking new management approaches at all levels and functions to demonstrate their effectiveness. To understand what they could or should change to improve their ability to perform, organizations undertake periodic assessments to assess to generate useful data on their performance identify crucial factors that aid or stymie their accomplishment of results and benchmark against competition. Organizations that undertake assessments can provide better services, innovate faster, manage their costs and demonstrate their impact.

This research represents a new paradigm in that it extends the concept of capacity building process, hitherto a quintessential non-profit organization phenomenon, to the profit organizations. The above concept was used to assess the effectiveness of the human resource management function.

The Indian automotive industry has emerged as a epicenter of global automotive market The automotive industry has adopted a clustering approach for development and has evolved around three prominent clusters such as NCR cluster, west and south cluster. In the southern cluster, Tamilnadu has clearly emerged as the country’s largest automotive market in
terms of volume and investment. Chennai is on its way to becoming the top five auto clusters globally and the world's largest destination for automotive industry. But the Indian automotive industry is also straight jacketed by HR challenges. Lack of skilled manpower, primitive training and huge manpower churn in the industry is a challenge the automotive Industry is grappling with. The need to have a systematic process to build the capacity of organization and employees to withstand the onslaught of competition has become more pronounced.

Capacity building is any action that improves the effectiveness of individuals, organizations, groups or societies. The review of literature suggests that Capacity building has been conceptualized in a variety of ways and bristles with different meanings. Capacity building has been carried out in different sectors deploying different intervention for different purpose. The literature revealed that capacity building is seldom applied outside the context of Non-profit Sector. Though the concept of Capacity building is quintessentially a non-profit phenomenon, it can be extended to the For-Profit organizations since the ideas and practice underlying both kinds of organizations is almost the same. Hence this study explores the possibility of extending CB to for-profit organization presumably in the HRM function. Capacity building of HRM function in automotive manufacturing cluster is still an uncharted terrain and hitherto, no studies have been explored in this area thereby revealing the research gap.

This study comprises three phases namely Diagnosing, Assessing and Building HRM Capacity. In the first phase of the study, the HRM practices were diagnosed based on the extensive literature review. Recruitment and selection, Training and development and Performance management system were identified as the critical domain representing HRM function. The assessment areas identified in Recruitment and Selection
activity were Job analysis and Key selection criteria, Short listing, Interview and assessment criteria and Induction. Training and Development activity comprised training needs identification, Design and Implementation of Training Programs, Transfer of Training and Evaluation of Training Programs. Performance Management system activity encapsulated Performance planning, performance development plans, manage performance, review and Reward and recognition as the assessment areas. HRM Capacity Building Scale was developed and survey technique was used to diagnose the HRM Practices. The second phase assessed the capacity of HRM practices using POET methodology. In the last phase, AI technique was used to develop strategies for building the HRM capacity

The study identified and included the six automotive firms Located at SIPCOT in Irugattukottai as the sample. The respondents for the study included the employees from middle level managerial positions spread across the various functional departments. A total of 235 responses were collected. The results were consolidated and analyzed to achieve the research objectives

In the second phase of the study, Capacity was assessed and raw standardized and scaled capacity and consensus scores were calculated. The scaled capacity and consensus scores were plotted on the GRID. In the case of recruitment and selection activity, Job analysis and Key selection criteria and induction fell in to HC-HC Quadrants. The other two assessment areas short listing and Interview and other assessment fell in to LC-LC Quadrant. In the case of training and development, both training need analysis and training design and implementation fell in to HC-HC Quadrant. In the case of performance management, three assessment areas, performance planning, personal development plans and managing performance fell in to HC-HC Quadrant. The significant practices that helped push the items to HC-HC Quadrant was identified through GEE using SPSS
In the final lap of the study, Appreciative inquiry methodology was used to develop strategies for building the capacity. AI focus group was guided through the first three stages of AI 4 D phases. The focus group participants helped develop strategies for all three activities of HRM functions. Implementation of these strategies will develop the HRM capacity of the automotive clusters in Irungattukottai.

The automotive firms at SIPCOT in Irungattukottai could join hands and forge a cohort to execute the CB exercise in their respective organizations at regular intervals and compare their current scores with that of the sector and their earlier scores. Regular assessment and constant benchmarking would help these cohort organizations to look upon the organization that had scored the highest scores in each assessment area and deliberate among themselves the practices and CB activities adopted by the benchmarked organization. This would enable the other organizations to embrace possible practices in their own respective organizations. This capacity assessment and CB activities can be extended to the regional and national level clusters to achieve HRM excellence.