

CHAPTER -I

INTRODUCTION

Human relations in an organization imply interpersonal relations between management and workers, or between workers among themselves, or between members of the management. The author ventures to consider the different perspectives of authors or experts who have earlier tried to consider the different aspects related to human relations. The human relations in organizations highlight the very practical point of view, that the relationship sought to be achieved should take due care and note of the realistic facts that individuals are governed and guided by their own values, beliefs, motivations, expectations and emotions, in short by all such aspects which are unique to human beings, for the purpose of achieving organizational effectiveness and proper maintenance of good human relations in an organization is of vital importance for achieving its goals.

The Human relations seek to emphasis employee aspects of work rather than technical or economic aspects. It also seeks to make employment and working conditions less impersonal and human beings in their sensitive behaviour in the organizational set up with positive attitude orientation towards adjustment and maintenance of human actions through good organizational climate by economic, social and psychological aspects. The human relations and management presents the important factors which are essential for maintaining good human relations. Factors, which have been taken into

consideration, are creating positive attitudes, morale, job satisfaction, praise and appraisal, status and pride, shared responsibility, job security, and interpersonal relations.

In an every organizations human relations is very important for attaining the organization goals. All organization have maintain the human relations in a perfect manner for their existence in the past human relations movement the employee or labor were considered as machine. This is very important here notify that human relations movement. Historical events in the 1900s that have affected the changed personnel management into human resource management. The first study was conducted by Elton mayo and his collages. The Human Relations Movement began with the Hawthorne Experiments. They were conducted at Western Electrical Works in USA, between 1924-1932.

Our religious books such as Ramayana, Upanishads, Gita and Mahabharata emphasize the importance of good human relations. In the context of human relations the Isopanishad says that the wise man who realizes all beings as not distinct from his own self as the self of all beings does not by virtue of that perception, hate any one. (Ahuja. K 1990)

The importance of human relations in management was underlined by Mary parker Follett (1868 - 1933) who first defined management as the art of getting things done through people, interpersonal relations play a very critical role in determining organizational performance. The human relations approach reflects the tradition derived from socio technical (Emery and Trist 1965) and human relations schools (McGregor 1960) emphasizing the well-being, growth

and commitment of the community of workers within the organization. There is a growing interest in understanding and influencing employee behaviour studies on job satisfaction and job behaviour (Herzberg et al., 1957; Vroom, 1964; Lee et al., 1981), organizational development interventions, motivation are only indicators of this growing interest. One of the recognized factors influencing the behaviour is the job itself, in this direction that one has to assess the job for its impact of employee motivation on human relations. It is recognized in this direction that the job should be redesigned to improve motivation and satisfaction. Studies on job diagnostic survey (Kackman and Oldham, 1971), job enrichment and job satisfaction (Herzberg, 1966; Orpen, 1979; Florman, 1976) have suggested that work powerful tool in influencing employee motivation and human relations. Accordingly Maslow (1954) theory on the hierarchy of needs specifying five levels is to be noted, any workers in industry is found striving to satisfy, these needs but starting from the lower level of needs recently it was realized that to get the best out of the workers any management has the responsibility to take care of these need and to treat the work force with dignity they do deserve as human beings.

It is the process of interaction among human being. Human Relations is an area of management in integrating people into work situation in a way that motivates them to work together productivity, co-operatively and with economic, psychological and social satisfaction. It includes.

- Understanding and applying the models of perception, personality, learning, intra and inter personal relations and intra inter group.

- Motivating the employees.
- Boosting employee morale.
- Developing communication skills and the leadership skills.
- Redressing employee grievances.
- Counseling the employees in solving their personal, family and work problems.
- Improving quality of work life of employees through participation and other means.

It is well known fact that no two personality are like human beings differ from one another in various aspect like mental abilities, motor ability interests, skills, education qualification, training, experience, behaviors, like and dislikes and the like. When these people are employed in a particular job their behavior and performance are influenced by several sociological and psychological factors like family background, educations, personal likes and dislikes, emotional, working conditions, welfare facilities, recognition of their work wages and above all job satisfaction (Memoria C.B 1985) their by making the system highly complex. Here the emphasis made by (Keith Davis 1981) “on the need of individual” as every individual has his own need in work situations and behavior aspect is needed to bring in change is to be noted. Human behavior and interrelationships of human beings. It should effectively and productively influence, direct, counsel and lead the people. All the members in an organization have a responsibility for developing successful human relations. The interaction among people influences the quality of human

relationships. Skill in human relations has. Increasingly become an essential ingredient for effective management.

Industry is a place where the sophisticated methods of production is taking place and the human beings who are involving in the production process are the assets because, they have plenty of skills, energy, knowledge, brilliance, efficiency and labor. Among these, the labor is perishable and it cannot be stored for ever and it should be delivered and used precisely. Human beings are the assets because they have the labour and India will have a surplus of 47 million people in the young age group in 2020. The many research findings say that the satisfied laborers can deliver their best for the organization wherever they are working. Laborers are part of the organization and they are working not only for their income and family but also survival, growth and development of such organizations. The organizations may be small, medium or large but they consist of men and machineries. The laborers have to work along with the machines to speed up the production as the targets and goals fixed by the organization from time to time. In this process, workforce should be the happiest and the workers are the messengers for outside of the organization. Many of the successful industrial organizations across the world may have the dedicated, committed workforce to avoid the negative impact like industrial sickness, monotonous, fatigue, boredom etc., on production and efficiency.

In general, the workers do not want to associate themselves in the problematic and sick industries. They might have joined in industrial sectors to grow along with them as well as to see the positive changes in their respective

families as well. The organizations also provide plenty of labor welfare programmers as a total investment to curb the problems of the employees and industrial conflicts. The labor is not a commodity and it is vibrant and indiscernible phenomenon.

The series of researches of Elton Mayo, F W Taylor and others adopted the application of science to the management of employees in the workplace in order to maximize economic efficiency as well as productivity. Their research conclusions obviously say that the laborer is a social person, and he is not a machine designed to work for unethical and unrealistic productivity expectations. Though, these ideas from the experiments have holistic philosophy rather than a set of principles, the human relations movement worked parallel to the notion of scientific management aiming to address the social welfare needs of workers and therefore elicit their co-operation as a workforce. The widely perceived view of human relations is said to be one that completely contradicts the traditional views of Taylors. At the same time, as scientific management tries to apply science to the workforce, the accepted definition of human relations suggests that management should treat workers as individuals, with individual needs. In doing so, employees are supposed to gain an identity, stability within their job and satisfaction, which in turn make them more willing to co-operate and contribute their efforts towards accomplishing organizational goals. Thus, the human relation is a primary goal of any organization which directs both employers and employees to develop the positive communication skills, so the human relation is need of the hour.

Though, Elton Mayo is being considered as the founder of this human relations movement, however there are ideas, beliefs and arguments which say that the concept of human relations have been used well before the familiar Hawthorne experiments, which only has sparked the human relations movement.

The area of human relations in automobile industry is a complex field, requiring constant attention and revision. The area has become presently complex due to the up gradation of curricula which in turn requires extra responsibility on the part of the management and employee. Human activity and the nature of human relationships, is particularly important to organizations that are attempting to influence employees' perceptions of empowerment. Employees learn from experience how to act and how to relate to others in their organization.

Human relations refer to the interaction of people employed in a business firm or an individual unit. The factor includes mutual confidence among workers of various departments, confidence in management about welfare and growth, interaction at all levels in the organization. Strong human relations are favorable point for any organisation. Each individual in the organisation is related with others and his functions affect others, too. Organisation is concerned with the human relations in any functional areas. It is to be observed whether people have knowledge about others, the atmosphere is easy and relaxed, the relationship are friendly and healthy among supervisory and subordinates.

Therefore, the present investigation is intended levels of management to collect information regarding the lower of management and nature of working area in an organizational setting. Further the investigation has also attempted to study the psychological aspects of human relations in automobile industry.

The supervisory or lower level management area covered functions and activity like management directs the workers and employees, develop morale in the workers, maintains a link between workers and the middle level management, inform the workers about the decisions which are taken by the management, spend more time in directing and controlling, lower level manager make daily, weekly and monthly plans regularly report and are directly responsible to the middle level management etc.

The lower level management area includes functions and activity like representing the problems; the supervisory level managers are direct linked with subordinates so they are the right persons to understand the problems and grievances of subordinates. Looking to safety of worker and Maintaining good work conditions and developing healthy relations between superior and subordinates and create supportive work environment which improve relations between supervisors and subordinates, guide and help the middle level managers when they recruiting, selecting and appointing the employees.

An organizations greatest asset is its people or human resource. The effectiveness of an organization depends to a considerable extent upon the physical and mental efforts and abilities of those who manage and perform the

productive operations. Without human energies, skill and knowledge, natural resources are inert and of little value and also it is important note that achieving organizational goals cannot be done without human resources. So the most important implication human resource function is this. By supporting people and their day to day progress in meaningful work. Workers improve not only the inner work line of their organization long term performance.

It is an established fact that it is the people who make an organization a success or a failure. It is in this context that the management should be responsible to create conditions for maximizing the productivity of people. In business, government and non-profit organizations, human resources are the most neglected category, which are often not used effectively. The optimization of human resources calls for a conducive managerial climate based on human relations.

1.1 Definition of Human Relations

Human relations is usually studied in terms of the different type of automobile industry has been investigated in the present research study, using the human behaviour approach. Therefore, how the automobile industry gets their task done through their workers is the focal point of this study. In other words the human relations approach in automobile industry has been selected as the variable for study is defined as the various tasks to be accomplished in an organization. The various tasks include the day to day activities in levels of management. A human relation is the art of using systematic knowledge about

human behaviour to improve personal, job, and career effectiveness. It begins with self-understanding.

Research studies on human relations have been made by Griffiths (1956) and Robert Dubin (1958). They have defined human relations in terms of authority in social organization. Members of an organization understand authority and leadership and their functions. The problem is not to destroy authority or get rid of leadership. The real problem is to make leadership and the exercise of authority operate according to the accepted values and beliefs of our society.

In the words of Scott, Human Relations are a process of an effective motivation of individuals in a given situation in order to achieve a balance of objectives which will yield greater human satisfaction and help accomplish company goals.

Although human behaviour and their relationships have existed since the beginning of the civilization, the art and science of trying to deal with them in complex organizations is relatively new. Human relations is something that takes place between people. It takes place between a man and his boss, between one worker and another, between a staff specialist and a line supervisor, and between a manager and superior. (Bittel 1959).

Huneryager and Heckmann (1972) define the expression thus, Human relations is a systematic, developing body of knowledge devoted to explaining the behaviour of individuals in the working organisation.

Derek French and Heather Seward (1977) have defined human relations thus, It is an approach to the theory of management and of organizations that emphasizes the individual workers need for satisfactory relationship with other members of his work group and his need to participate in decisions that affect his work.

According to Davis (1972) Human relations is motivating people in organizations to develop teamwork which effectively fulfills their needs and achieves organizational objectives.' It is the study of human behaviour at work and an effort to take action in operating situations in order to produce better results. The definition given by Davis projects the following aspects of human relations:

- The focus is on people rather than on economic or mechanics
- People are in an organizational environment rather than in an unorganized social set-up
- The key activity in human relations is motivating persons

Mee John (1978) feels that Human relations are the medium through which both employees and the company mutually co-operate for the maximum satisfaction of the economic, social and psychological wants of all people having relations with an organisation which has the objective of increasing productivity.

Jack Halloran (1978) states, In its most general sense, the term human relations refers to all the interactions that can occur among people, whether

they are conflicts or co-operative behaviours. The study of human relations in business and industry is the study of how people can work effectively in groups in order to satisfy both (i) organizational goals, and (ii) personal needs. In other words, the term is usually taken to mean getting along with others.

Human relations, in its broadest sense cover all types of interactions among people- their conflicts, cooperative efforts, and group relationships. It is the study of why our beliefs, attitudes, and behaviours sometimes cause interpersonal conflict in our personal lives and in work-related situations. (Reece and Brandt 1997).

- The direction of motivation is toward teamwork, which requires both coordination of the work and cooperation of the persons involved
- Human relations through teamwork seeks both need fulfillment and organizational objectives, rather than one or the other
- Both a person and an organization seek results effectively with minimum inputs in relation to outputs.

Human relations tend to provide maximum output for the organization as well as optimal individual satisfaction and adjustment, all at the same time. Human relations in an organization is the humanization of relations in it, that is, humane relations between human beings in an organization. Human relations can be defined as the cordial atmosphere in an organization with which people practice the art of living in such a way that they communicate, act, interact and transact in a cordial manner recognizing each others' needs, views, values and temperaments, so that every interaction or transaction which

takes place in an organization would have a concern for each other's interests and feelings leading to better motivation and morale of people at all levels in the organisation.(Michael 1996).

Human relations is the study of the interactions that exist between people. These relationships occur at work in an organization and in all aspects of our personal lives. Human relations can be either a formal interaction that takes place, such as between workers and their supervisors, or an informal interaction.(Decenzo 1977).The process of human relations involves more than just getting along with others. Even though getting along well with others is important, meaningful human relations involve qualities like genuine care, concern and understanding.

Human relations refer to the processes of effective motivation of individuals in a given situation so as to achieve greater human satisfaction and also help to achieve defined goals. Motivation means act of inducement. Inducement to act can be done by offering recognition, appreciation, sense of participation, improved working condition, etc.(Ranganathan 1992).

Human relations emphasize people rather than money, materials or machines and implies that people interact better in an organized setting rather than in a haphazard social contact. Moreover the 'motivating' activity possesses great significance in human relations indicating that managers are no longer the pushing or driving forces, but their role is to help release and guide the inner

drives of human beings who alone are capable of producing an output greater than the sum of their inputs if properly motivated.(Dwivedi 1995).

Human relations mean relationship that should exist and be cultivated and practiced by management. The goals of human relations are:

- To gain better understanding of one's self
- To broaden and sharpen sensitivity to the feelings of others, and
- To develop respect for others. (Ahuja 1992).

The study of human relations in the world of work is the study of practical attempts to achieve two separate goals:

- Greater productivity at work, and
- Greater human satisfaction within the organization (Benton and Halloran 1991).

Human relations means relationship that should exist and be cultivated and practiced by management. It stands for the development of an effective organization. It is based on the recognition of human feelings and aspirations in the organization. It works in organizations where positive attitudes and ample understanding of the human side of organizations exist.

According to Subba Rao (2004) it definitely contributes to the improvement of human relations when all other functions of human resource management are performed effectively. The following are the measures to promote and maintain human relations:

- By promoting honesty among the individuals

- By being frank to oneself and appreciating the frankness of others
(Frankness clears misunderstanding and restores good relations)
- By maintaining effective communication (Disputes can be effectively handled only when the manager is effective in his communication)
- By developing sensitivity to others feelings and an ability to appreciate others ideas
- By becoming a good leader and thereby bringing cohesion in the group one leads (This can contribute to the improvement of human relations)
- By speaking about your own mistakes before criticizing the others
- By requesting the others instead of issuing direct orders
- By praising the subordinates publicly even for the slight improvement
By praising the subordinates publicly even for the slight improvement
- By making the other people happy about doing the thing you suggest
- By winning the people to your way of thinking by means of showing respect for the other mans opinions and ideas
- By making ones home and personal life happier (this will help in a long way in maintaining harmonious human relations with others as he would be in the life position of 'I am OK to some extent)
- By treating the subordinates with dignity and respect
- By understanding all the human needs and giving due weight age I satisfying them
- By helping the people in the team performing their duties.

The study of human relations will not enable us to change problem persons by means of clever techniques but it will develop awareness of factors, positive as well as negative, to which we can adapt ourselves and our programs. Human relations means working with people, not doing things to them. (Hepner 1961). We need to have meaningful human relationships with people in our work situation, in our social lives, and in our home and family circles. When one is able to achieve this, one's life will be a warm, secure harbor where he can drop anchor and be at home. (Ellenson 1978).

Recent years have witnessed a significant development in the concept of human relations and importance of its skills in almost every type of work setting.

1.2 Evolution of Human Relations Study

Human relations, however, was not always central to the conversation on organizational success. In fact, until the 1940s, little thought was given to the human aspect of jobs. Many of the jobs in the early 1900s were focused on production and located in factory like settings where the jobs themselves were repetitive. The focus in these types of work environment was on efficiency. We can call this time period of human relations studies the classical school of management a time period relating to the research of human relations that focused on efficiency. The time period for this school of thought took place from 1900 to the early 1920s. This school of thought took place from 1900 to the early 1920s. Several theories were developed, which revolved around the idea of efficiency, or getting a job done with the least amount of steps.

Frederick w. Taylor was an engineer who today is known as the father of scientific management. He began his career in a steel company and because of his intimate knowledge of the industry, believed that organization could analyses tasks to make them performed with more efficiency.

Following his work, frank and Lillian Gilbreth performed numerous studies on physical motions workers took to perform specific tasks and tried to maximize efficiency by suggesting new ways to perform the tasks, using less energy and thereby being more efficient. While Taylor and Glbreths research was more focused on physical motions and tasks, Henri Fayol began looking at how management could improve productivity instead of focusing on specific tasks and motions. Fayol created the fourteen principles of management, which focused on management but also hinted to the importance of human relations. Fayol's research was some of the first that addressed the need for positive human relations in a work environment. As further research was performed into the 1920s, we moved into a new period of human relations studies called the behavior school of management during the 1920s when employees had begun to unionize, research began to look at the human aspect of workers. During this time period, employees had begun to unionize, bringing human relations issues to the for effort. Because workers demanded a more human environment, research began to look at how organizations could make this happen.

One of the most notable researches was Elton mayo, from Harvard Business School, and his colleagues. They conducted a series of experiments from the mid-1920s to early 1930s to investigate how physical working

conditions affected workers productivity. They found that regardless of changes such as heat, lighting, hours, and breaks productivity levels increased during the study the researchers realized the increasing productivity resulted because the workers knew they were beings observed. In others words, the workers worked harder because they were receiving attention and left cared about. This phenomenon is called the Hawthorne effect coined during the 1920s during a series of experiments where workers had higher productivity because they were beings watched by researchers and felt cared about.(name for the electrical plant for which the experiments were conducted)

In the 1950s researchers began to explore management techniques and the effect on workers satisfaction. This was called the behavioral science approach during the 1950s when researchers began to explore management techniques as opposed to earlier year where the focus was more on productivity. These techniques used psychology, sociology, and other human relations aspect to help researchers understand the organizational environment.

Since the 1960s, research on human relations has been much easier to assimilate because of technology and a focuses on satirical analysis. Hence, this is called the management science school during the 1960s when the research on human relations was more focused on statistical aspects, due to the increase in technology. So while research today focused on the human relations aspect, we are now able to use complex satirical models to improve efficiency and productivity while still focusing on human relations component.

1.3 The Importance of Human Relations in the Workplace

Relationships between employees and management are of substantial value in any workplace. A human relation is the process of training employees, addressing their needs, fostering a workplace culture and resolving conflicts between different employees or between employees and management. Understanding some of the ways that human relations can impact the costs, competitiveness and long-term economic sustainability of a business helps to underscore their importance. The workplace is a major part of what makes an organizational work. Employees must frequently work together on projects, communicate ideas and provide motivation to get things done. Without a stable and inviting workplace culture, difficult challenges can arise both in the logistics of managing employees and in the bottom line. Businesses with engaging workplaces and a well-trained workforce are more likely to retain and attract qualified employees, foster loyalty with customers and more quickly adapt to meet the needs of a changing marketplace.

The quality of workplace relations is critical to employee retention. Employee retention may seem trivial especially in a workplace that is used to a high turnover but managers must remember that turnover is financially very costly. Every new employee requires a substantial investment of time and energy in their recruitment and training. In addition, severing ties with old employees can sometimes be challenging, especially if the circumstances are not particularly amicable. Making sure quality employees remain interested and engaged in the organisation requires patience, compassion and flexibility.

Workplace relationships provide a source of employee motivation, which is important to maintaining productivity. Employees who are interested in their work and in the well-being of other employees tend to be more productive than those who are not. This productivity pays obvious financial dividends to the company, as it can get more done in less time with fewer costs. Building relationships, by both recognizing an employee's value to the company and a concern for their needs often goes a long way.

The modern business environment often rewards businesses that are able to quickly develop products that meet changing consumer needs. In some industries such as technology, for example employee's ability to come up with effective new ideas is often the difference between the entire company's success and failure. According to Sallyport Magazine, research shows that creativity is based to large degree in social interaction. Employees' creativity is often dependent on their ability to communicate with other employees and share ideas. Without quality workplace relationships, employees are less likely to be able to develop and share the solutions that a business needs to survive.

1.4 Objectives of the Human Relations

- To promote and develop good employee-employer relations, to minimize conflict at the workplace, at individual, intergroup team and intra-group team level.

- To improve the performance and productivity of individuals and group teams by a process of continuous value addition of human capital and reductions in cost centre
- To ensure smooth administration of the terms and conditions of employment and to secure the highest possible level of mutual understanding and respect.
- To provide motivational incentives and benefits and enhance the economic status of the workers.
- To enable workers to solve their problems through coaching, counseling and mentorship programmes.

1.5 Methods & Approaches of Human Relations

- Recognition of the dignity of the individual and of his right to personal freedom and equality of opportunity. One should have right to select one's own occupation, freedom of speech and the right to practice one's own faith
- Mutual respect, confidence, understanding goodwill and acceptance of responsibility on the part of both employer/management and worker, and their representatives in the exercise of their rights and duties in the operation of the plants
- Similarly the same qualities are essential in the relationship within and between organizations of employers and employees.

1.5.1 Principles of Human Relations

- The recognition of individual differences in needs and aspirations
- Trusting the employee competence and the ability to perform and, thus, empowering them
- Providing support through coaching, counseling and mentoring
- Facilitating individuals development
- Creating a collective work environment
- Promoting a healthy work-life balance
- A transparent and open communication system
- Mutual trust and respect as a core value

1.6 The Factors Influencing Effect Human Relations

There are various factor human and non human which influence effective human relations in organisation, factors like appreciations recognition, acknowledgement, quality of supervision, relations with superiors, peer relations, working conditions, status job security and the like are human in nature. (Karnard K.R 1977)

Key factor of worker environment such as job employees group and organisation influence the pattern of human relations which like people together people working together need to interact, communicate and build mutual relationship, the process of interactions involves development and exchange of feeling, attitudes and adjustment, which is a natural activity of living thinking and feeling human beings.

The leader whether appointed or elected attempts to steer the process toward better co-ordinations, performance and job satisfaction, since human relations inter lace all activities of employees. It is necessary that the leader initiates actions to shape and direct the pattern of relationship supervisory are deeply involved in and concerned with good human relations without which their performance suffers, so dose that of the organisations. It is an area of great potential and power which determines destinies of individual employee, group and organisations.

1.7 History of Human Relations Movement

The human relations movement became popular in the 1940s and early 1950s, when much attention began to be paid to the workers needs and in realising the importance of human beings in total productivity. This approach was a significant departure from the Taylor Scientific Management approach.

Frederick Taylor (1856-1955) an industrial engineer introduced the new idea of Scientific Management the main objective of which was to remove the causes for antagonism between the boss and the men who were under him. He believed that if the employees and the workers together concentrated on the methods to increase production (through better costing procedures, premium and incentive payments, time and motion studies), if they would only take their eyes off the division of the surplus as the all important matter, and together turn their attention towards increasing the size of the surplus, the surplus would become so huge that there would be no conflict about how to divide it, as there

would be more than enough for all. The Scientific Management approach has given the management work management techniques, organisation and methods and assembly line production. In the years that followed, Taylor's ideas received recognition and there developed a separate discipline called Human Engineering. Human Engineering is the study of people at work and work methods; it includes a study of equipment design, pacing of work, hours of work, and environmental conditions of work; its purpose is to improve productivity and job satisfaction.

Scientific management approach has, by stressing the need for techniques (which ensure higher production at the work place and eliminates unnecessary movements), given greater importance to technology than to the men at work. Fragmentation of an operation so that each man did only one little job specialization, encouraging him, a mechanistic conception of men at work, ultimately led to a situation where at times symptoms of alienation, frustration, conflicts were evident. The approach has been criticised on various grounds. For example, it is a rabble hypothesis which considers society to be a mass of unorganised individuals who are all alike and who are substitutable for each other. Others observed that the approach sees workers as mere 'economic tools, as separate, almost mechanical parts of the production process, not as human beings with human needs. Again, it paid no attention to the complex social networks created by workers within the work environment, whereas these complex social networks had the greatest influence on production.

However, by the 1920, the image of the workers had changed considerably; the new ideal held that all workers were complex, unique beings whose individual skills and abilities could be measured, tested and trained.

Three separate developments scientific management techniques, the struggles of trade unionists, and the rapidly changing technology, all led to increased acceptance of the idea of the worker as a person with multiple needs.²⁰ It was about the 1920s that human relations brought to the attention of management the important role played by individuals in determining the success or failure of an organisation. Human relations theory, that was developed through the researches of the Elton Mayo, Carl Rogers, Kurt Lewin, Daniel Bell and C Wright Mills; and Chester I. Barnard, concentrated on the social environment surrounding the job.

The human relations programme began when a group of researchers from Harvard University, was invited to conduct studies at the Chicago Hawthorne Plant of Western Electric Company. These researches laid down the foundation of the relationship between productivity and physical working conditions.

The general progression of the research at Hawthorne can be grouped in four phases each of the last three developed as an attempt on the part of the researchers to answer questions raised during the previous phase. The four phases were:

1. Experiments to determine the effects of changes in illumination on productivity.

2. Experiments to determine the effects of changes in hours and other working conditions (such as rest periods, refreshments) on productivity
The Relay Assembly Test Room Experiment.

3. Conducting a plant-wide interview programme to determine worker attitudes and sentiments.

4. Determination and analysis of social organisation at work. (The Bank Wiring Observation Room Experiment).

The Hawthorne studies conclusively showed, by quantitative measurements, that: (i) normal interactions of workers at work always create a social net work called the 'informal organisation, which exerts tremendous influence over workers behaviour patterns; (ii) the informal organization frequently countermanded official orders passed down through the formal organisation and consequently played a determining role in setting production rates; (iii) the workers are not to be viewed as mere economic tools or as isolated units' in the production process; but they had to be seen as complex human beings whose normal human interactions were bound to affect total production output, no matter how sophisticated the technological processes employed were.

Mayo stressed importance for an understanding of the needs of both management and workers and of the social aspects of work performances, etc.

The message was that interpersonal relationships should be fostered for the fullest realization of the potential of individuals and groups. He is rightly regarded as the founder of the human relations school. His findings helped to develop the image of both workers and managers as whole persons, creatures of sentiment whose basic human desires and conflicting personal motives often resulted in complex outcomes which cannot be predicted in a purely technological or theoretical framework. One of the direct results of the Hawthorne experiments was the development of employee counseling as a technique of management. Problems of communication, non-financial incentives, participation, homogeneity of working groups, etc. started to assume greater importance with management.

The Hawthorne studies have, however, been widely criticized by behavioural scientists because of the lack of scientific objectivity in arriving at conclusions. Henry Landsberger observed that a most spectacular academic battle has raged since then or perhaps it would be more accurate to say that a limited number of gunners have kept up a steady barrage, reusing the same ammunition. The beleaguered Mayo Garrison, however, has continued its existence behind the solid protection of factory walls.

1.8 Human Relations in India

As seen elsewhere the worker in India industry were also subject to lot of miseries due to the growth of modern industry. Gradually the natures of labor problem were also changing thereby leading to the need for some kind of

government. Measure to ameliorate the working conditions of this employee, this consequently forced the Indian government to frame its own labour policy according to Mongia the labour policy of India has five dissident dimensions to solve labor problems they are.

- Labor management or employer and employee relations
- Safeguarding the safety, health and welfare of the workers
- Social security measure against the hazard of sickness injury, disability old age and death
- The structuring of growth labour force with higher and newer skills and worker responsibility and commitment.
- To improve employment and labour market information and service.

1.8 Profile of Automobile Industry

1.8.1 Global Scenario of Automobile Industry

The global automobile market has witnessed a significant change since 2008-09, owed to economic crisis which led to decreased market share and dipping sales figures for most of the global players. In the wake of this change, developing regions like Asia Pacific have shown greater potential as against developed economies where the investments are gradually retracting. Asia Pacific region (India, China, far east countries) are bound to witness highest growth in the next few years with a regional contribution of more than 60% to world automobile market is shown in Figure 1.1 It can be observed that the

growth rate in Global Vehicle Production and shown in Figure 1.2 It can be observed that the Top Contributors to the Automobile Production.

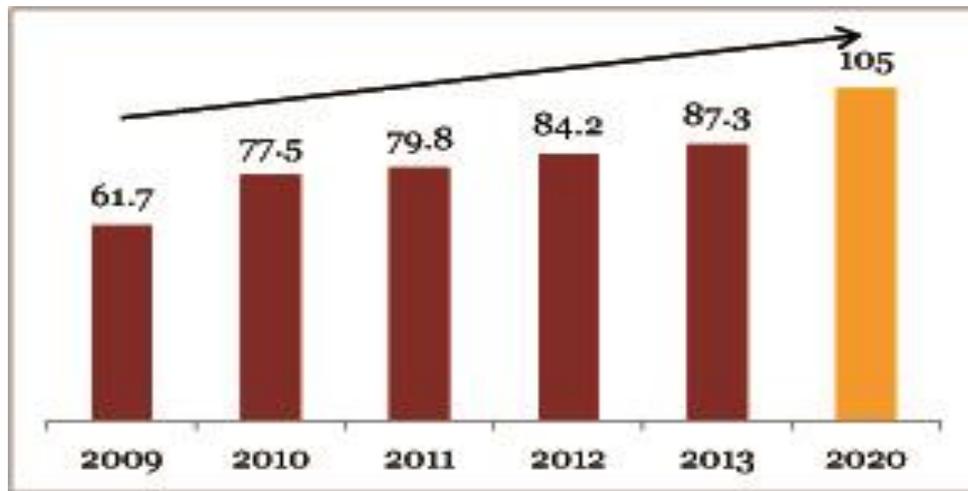


Figure 1.1 Global Vehicle Production in Million units

As we observe the Global Automobile market reached figures of vehicle production to the tune of 87.3 million (passenger cars & commercial vehicles) in 2013 following a CAGR of 9% in past 5 years. The industry is set totarget 105 million units by 2020.

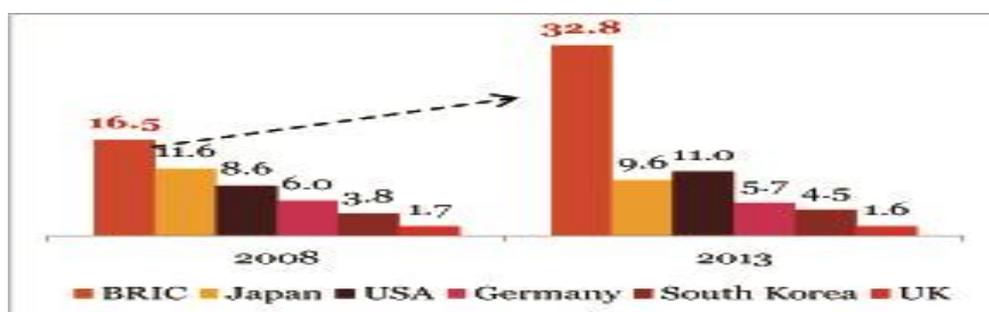


Figure 1.2 Top Contributors to the Automobile Production in Million Units

Source: OICA

A closer evaluation of country wise breakup of Automobile production unveils that the production numbers of BRIC nations collectively doubled from 16.5 million units in 2008 to 32.8 million units in 2013. Figure 1.2 These facts have been highlighted in the substantiates the fact that the BRIC nations together with other developing nations of Asia Pacific region will drive the Automobile market in the future.

Globally, the automotive industry is recognized as a key component and important driver of national economy. The automobile industry has an enormous opportunity for creating new wealth by delivering value to the world and domestic user. The automobile industry also has the opportunity to contribute to the equitable distribution of the wealth thus created. The industry has thus developed a new paradigm in employment.

The auto industry is a key sector for the every major economy in the world. The industry has recorded overall 30% of growth over the past decade. The global automobile demand will continue to raise and auto sales volumes will likely to climb 6% year-on-year in both 2012 & 2013 after rising 4% in 2011. Total global demand for four-wheeler and two-wheeler is 45 million and 43 million units, is expected to increase to 70 and 76 million units respectively by 2020. Auto industry is also getting a helping hand from increased auto lending across the globe- especially in emerging nations, where loan growth is approaching 40% y-o-y growth. Global auto job growth is 2.0% y-o-y, in BRIC countries job creation in auto industry is 4% y-o-y basis.

Worldwide auto industry employs 9 million people directly and about 41 million indirectly. It is observed that the GDP per capita increases with motor vehicle sales (excluding two wheelers). The production contribution of China in global production is 23%, which is about 9% more than that of the both USA and Japan. The majority (78%) of vehicles are cars. General Motors, Volkswagen, Toyota, Hyundai and Ford are five major auto producer companies in the world. India's Tata Motors, Mahindra and Ashok Leyland are among 50 key auto makers.

Auto industry is also major innovator in the world, investing over 84 billion Euros in Research and Development and production innovations. It also plays key role in the technology improvement level of the other industries also. The global government revenue contribution is about 400 billion Euros.

1.8.2 An Overview of Indian Automobile Sector

The Automobile Industry has a distinguished place in the Indian manufacturing sector. The industry is prominently established in well-defined clusters in 3 regions of the country. The NCR cluster in the north is home to the biggest car manufacturer of India, Maruti Suzuki together with few other OEMs especially in the two-wheeler segment. While the western cluster sports a mix bag of OEMs across all the categories of vehicles, the southern cluster (Chennai cluster) has a dominance of passenger car manufacturers along with large scale commercial vehicle production. India contributes to around 3-4% to

the total global production of passenger cars and commercial vehicles. In terms of Two-wheeler production India is 2nd largest producer in the world.

In contrast to the global economic slowdown, Indian automobile industry has registered a steady growth rate in past few years with the total production numbers following a CAGR of 6%-7%. Figure 1.3 these facts have been highlighted in the overall vehicle production inclusive of all the categories doubled from 10.85 million units in FY08 to 21.55 million units in FY14. As evident from the market share of different categories of vehicles figure: 1.4 shown in the 2nd graph, two wheelers dominates the automobile sector in India with a share of 78% in the total vehicle production

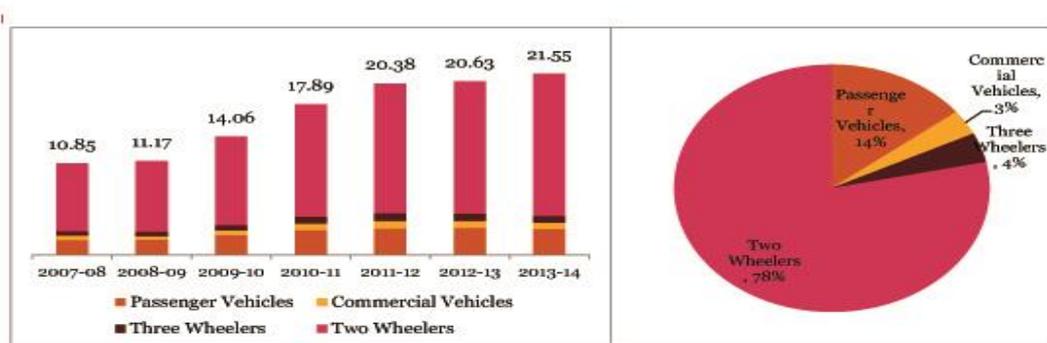


Figure 1.3 Productions of Vehicles in India

Figure 1.4 Market share by category of Vehicles 2013-14

Source: SIAM

Table below showcases major players in each category of vehicles.

Table 1.1 Major players in each category of vehicles

Category	Major Players	Contribution to total Production
Passenger Vehicles	Maruti, Hyundai, Mahindra, Nissan Renault, Tata	80%
Two wheelers	Bajaj, Hero, Honda, TVS, Royal Enfield	90%
Commercial Vehicles	Tata, Mahindra, Ashok Leyland, Eicher	90%
Three Wheelers	Piaggio, Mahindra, Bajaj	90%

1.8.3 India's domestic market

Automobile Industry in India is divided in four major segments viz. Two Wheelers, Passenger Vehicles, Medium & Heavy Commercial vehicles and Three Wheelers. All these four segments have their own markets and sales strategy. Few of them are owned by Indians and few are collaborated with foreign companies.

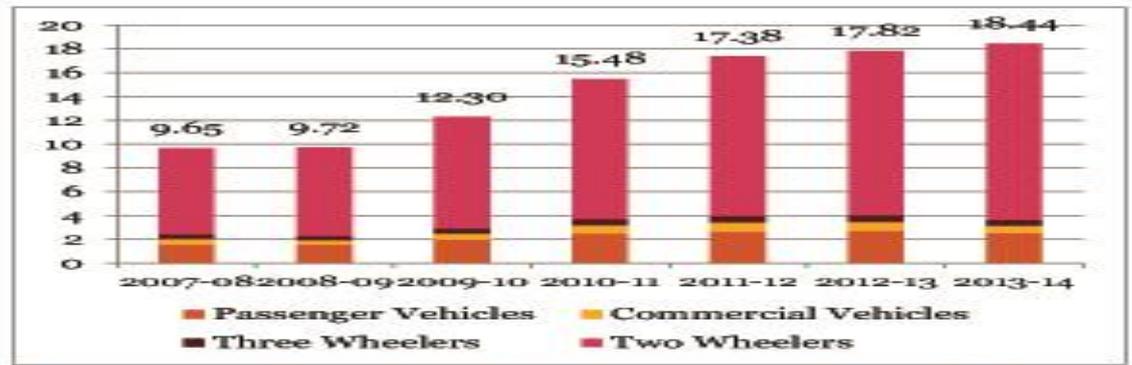


Figure 1.5: Domestic Sales by category of vehicles in Million Units

As we observe the domestic sales figures of Automobile products, The Indian automobile industry is pre dominantly driven by the domestic market. It accounts for almost 80% of the total vehicle production across all categories. The domestic sales of vehicles have shown a steady growth rate of around 11% in last 6 years. The domestic market in India is highly under penetrated with only 15 cars per 1000 people as compared to other countries

1.8.3.1 Growth Driver for Domestic market

- Domestic sales constitute more than 80% of automobile Production in India
- Vehicular penetration is very low in India as compared to other countries Like Germany , USA
- The disposable income per capita is set to reach USD 1700 by 2030.
- This gives an Edge to India to emerge as a top market in the future.
- Global OEM's can establish their Export Hubs as well as cater to the under-penetrated domestic market in India whether the demand is set to surge.

Passenger car Manufacturers by 2020 and retain its 2nd position in the global two wheeler market.

1.8.5 Automobile cluster in India

The automobile industry plays a key role in the rapid economic and industrial development of the Indian economy. It is one of the fastest growing and sunrise sector in India. In fact in the last decade, the production, sales in domestic market and exports have increased tremendously.

According to the Automotive Mission Plan 2006-2016, report of Ministry of Heavy Industry and Public enterprises, Government of India mentioned India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world which has produced more than 3.9 million units in 2011. The sale of passenger cars and utility vehicles have increased at 12%, commercial vehicles have increased at 4.4% and two wheeler sales have gone to 11% over the last ten years.

From the geographical distribution of some of the largest automotive manufacturers in India, it can be observed that the eastern cluster is the smallest of the four clusters. However, there may be several financial reforms that are expected to lead to the development of a big automotive hub there as well. For instance, Tata Motors, one of India's largest automotive manufacturers had set up a plant near Kolkata in the state of West Bengal, from where it was to produce the Tata Nano, which was expected to be a large volume and highly successful car. However due to political turmoil there the plant is now shifted

to Sanand, in Gujarat. The success of the car alone is expected to lead to the development of the area as a cluster for automotive manufacturing

The map shows the development of automobile industries in India. Further the map indicates the development of auto cluster in the country. Automobile industry is globally one of the largest industries and a key driver of economy. Owing to its deep forward (finance, insurance, oil, roads, after-sale-service, retailing) and backward (Components, basic material) linkages with other sectors in the economy, automobile industry has a strong multiplier effect on the national economy. The salient features of Indian Automobile Industry are

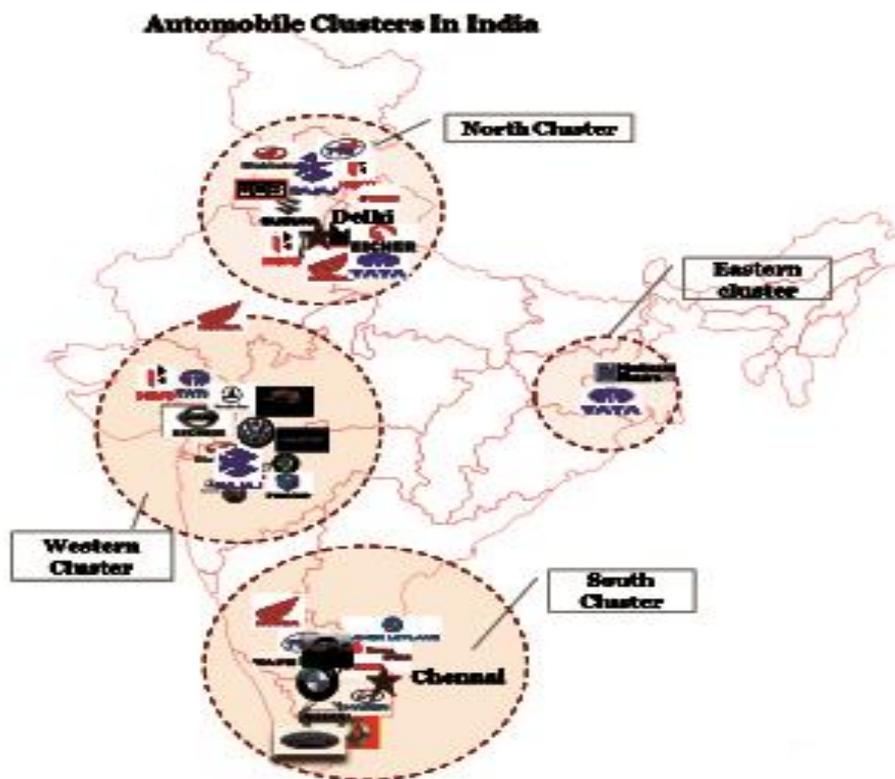


Figure 1.8

Source: Society of Indian Automobile Manufacturer (SIAM) Report

The contribution of the Automobile industry is explained as:

- ✓ India has now become Asia's third largest exporter of passenger cars.
- ✓ According to the figures released by the Society of Indian Automobile Manufacturers for the financial year 2011-2012, the car sales crossed 20 lakh (2million) units for the first time ever.
- ✓ The automobile industry in India provides direct and indirect employment to approx. 19 million people.
- ✓ The contribution of the automobile manufacturing GDP and the excise duty was 22% and 21% respectively.
- ✓ Today India is the largest manufacturer of tractors ,the second largest manufacturer of two wheelers and the fifth largest manufacturer of commercial vehicles and is emerging as a global automotive hub5
- ✓ More than 3.7million automotive vehicles were produced in India in 2010 making the country the second (after China) fastest growing automobile market in that year. According to the Society of Indian Automobile Manufacturers, the annual vehicle sales are projected to increase to 4 million by 2015.

1.8.5.1 Brief Profile of Auto Clusters

Indian automobile industry is spread in clusters. As per the requirement of raw material, manpower and other requirements necessary for the production, various clusters are developed region wise. Given below is a brief profile of these clusters in states where major automotive manufacturers exists

and where more automotive companies are expected to setup manufacturing facilities.

Tamil Nadu

State is located in the south-eastern part of India along the coastline. It is home to many large automotive companies and the automotive cluster is located around the capital city of the state, Chennai. After Maharashtra, industry experts refer to Tamilnadu as the new Detroit of India. The state government intends to transform the area into one of the top three automotive hubs in Asia. The state is seeing forthwith big investments from companies like Ford, Nissan, Renault, Ashok Leyland and Hyundai among others.

1.8.6Automobile Industry in Tamil Nadu

Introduction

Tamil Nadu is one of the 32 states of India. Its capital and largest city is Chennai (formerly known as Madras) its official language is Tamil, which is one of the longest surviving classical languages in the world. Tamil Nadu is the eleventh largest state in India by area and the sixth most populous. The state was ranked sixth among states in India according to the Human Development Index in 2011, with the second largest state economy. Tamil Nadu is the second largest state economy in India with 4,789 billion (US\$71 billion) in gross domestic product. The state is located in the south-eastern part of India along the coastline. It is home to many large automotive companies and the automotive cluster is located around the capital city of the state, Chennai. After

Maharashtra, industry experts now refer to Tamil Nadu as the new Detroit of India. The state government intends to transform the area into one of the top three automotive hubs in Asia. The state is seeing big investments from companies like Ford, Nissan, Renault, Ashok Leyland and Hyundai among others.

The majority of India's car manufacturing industry is based around three clusters in the south, west and north. The southern cluster consisting of Chennai is the biggest with 35% of the revenue share. The western hub near Mumbai and Pune contributes to 33% of the market and the northern cluster around the National Capital Region contributes 32%. Chennai, with the India operations of Ford, Hyundai, Renault, Mitsubishi, Nissan, BMW, Hindustan Motors, Daimler, Caparo, and PSA Peugeot Citroën is about to begin their operations by 2014. Chennai accounts for 60% of the country's automotive exports. Gurgaon and Manesar in Haryana form the northern cluster where the country's largest car manufacturer, Maruti Suzuki, is based. The Chakan corridor near Pune, Maharashtra is the western cluster with companies like General Motors, Volkswagen, Skoda, Mahindra and Mahindra, Tata Motors, Mercedes Benz, Land Rover, Jaguar Cars, Fiat and Force Motors having assembly plants in the area. Nashik has a major base of Mahindra & Mahindra with a UV assembly unit and an Engine assembly unit. Aurangabad with Audi, Skoda and Volkswagen also forms part of the western cluster. Another emerging cluster is in the state of Gujarat with manufacturing facility of General Motors in Halol and further planned for Tata Nano at their plant in

Sanand. Ford, Maruti Suzuki and Peugeot-Citroen plants are also set to come up in Gujarat. Kolkata with Hindustan Motors, Noida with Honda and Bangalore with Toyota are some of the other automotive manufacturing regions around the country.

Traditionally, Tamil Nadu is one of the leading industrialised states having carved out a special place for itself with a strong presence in automobiles and auto-components, textiles, leather products, light engineering, pumps and motors, electronics hardware, heavy engineering, etc. and also a number of MNC's. In the post-liberalisation era since July 1991, Tamil Nadu introduced a pragmatic and farsighted Industrial Policy in 1992 that enabled the State to attract leading Global companies like Ford and Hyundai paving the way for an automobile revolution in the State. Further, the introduction of an innovative Industrial Policy in 2003 triggered an electronics revolution by way of attracting leading foreign companies like Nokia, Flextronics, Foxconn, etc. Tamil Nadu continues to remain the most favoured investment destination on account of Vision Tamil Nadu 2023, New Industrial Policy 2014 and Tamil Nadu Global Investors Meet - 2015 that have catapulted the economy of State on to a new growth orbit.

TN Global Investors Meet 2015

To accelerate the economic growth by attracting investments in manufacturing, infrastructure and services sectors, Government of Tamil Nadu successfully organised the Tamil Nadu Global Investors Meet (TNGIM) 2015 on 9th and 10th September 2015 at Chennai Trade Centre. This was the first

ever Mega Investment Promotion event organised by the State Government. This event had 9 nations, 3 Regional Governments and 23 Chambers of Commerce and Joint Business Councils as partners. TN GIM 2015 attracted the participation of over 1200 foreign delegates and over 7000 Indian delegates. TNGIM 2015 has been widely acknowledged as the most successful investment promotion event organized by any State.

Location of Industries

Several industrialists of repute have started their units in and around Chennai Tamil Nadu. Chennai has been able to attract some of the most prestigious industrial houses in the Tamilnadu Industrial area consists of many industries comprising of large, medium, small and tiny industries. The location of these industries are State industrial Promotion Corporation of Tamil Nadu SIPCOT and SIDCO industrial estates and few major industries other areas.

State Industries Promotion Corporation of Tamil Nadu Limited

State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) was established in the year 1971 to promote the industrialization in the State by way of setting up of Industrial Complexes and Parks as well as extending financial assistance till the year 2000. However, since 2001, in order to give main thrust in providing Infrastructure for Industrial Development, the activities of the Corporation were confined to only creation and maintenance of Industrial Complexes/Parks. SIPCOT has so far developed 20 Industrial Complexes/Parks/Growth Centers (including six SEZs) in 12 Districts to an

extent of 31,645 acres. Out of the allot table extent of 24,100 acres, so far 20,037 acres have been allotted to 2,325 units. By this, attracted an investment of Rs.1,04,247 crore and created direct and indirect employment opportunity for about 6.17 lakh persons.

Due to the positive role played by SIPCOT under the guidance of State Government, several big Industrial giants such as M/s Renault & Nissan, Daimler, Hyundai, Saint Gobain, Samsung, DELL, Ashok Leyland, Growth Link, Apollo Tyres, Michelin Tyres, India Yamaha, etc., have set up their units in the SIPCOT Industrial Complexes which shows the development of infrastructure and economy of the State. SIPCOT is the agency for development of green Industrial Parks in the State. Further, SIPCOT is also involved in developing certain special infrastructure schemes / projects viz. Industrial Corridor of Excellence, Special Economic Zones, Apparel Park, Footwear Component Park, Skill Development Centres, Construction of Dormitories, Water Augmentation Project, Environmental Protection and Truck Terminal, etc.

SIPCOT has also been the Nodal Agency for implementing and monitoring the Structured Package of Assistance scheme, under which various incentives are extended by the State Government to Mega, Super Mega and Ultra Mega industries established with huge investments and with large employment potential

The state has been recognized as industrial state of India, and a pioneer of small scale industries. Tamil Nadu has become a leading automobile

production hub, and a major IT growth center. The agriculture sector also contributes a big share in the state income. The state has industrial promotion policy to develop the state as most competitive manufacturing hub. The state also has a cluster policy for developing infrastructure based on needs of specific industries, automobile is one of the main sector has been developed. Auto and auto components from Tamil Nadu.

The industry located in and around Chennai manufacture sophisticated products ranging from trucks, automobiles and automobiles parts, motor cycles, mopeds, diesel engines, power shift transmission, castings, forgings, cigarettes, watches and jewellery, abrasives, hosiery knitting needles, machineries, aircrafts and pharmaceuticals. Many companies belong to biotech, textiles, chemicals, electronic, electrical and general engineering.

Tamil Nadu is one of the most beneficiaries of four lane ring road around the big cities. Contributes a great extent of auto cluster located at in and around Chennai, and other cite. While the central government has recognized the importance of sustaining growth of this vital industry, Tamilnadu gains its share of concession like reduction of many taxation for auto sector. The automobile industry in Tamilnadu also adopted the concept of out-sourcing manufacturing of spare parts from the vending units as a strategy.

Tamil Nadu is one of the largest state in India. The state second largest contributor to India's GDP maintains high among all states. The states income highly depends upon services. The state has been recognized as industrial state of India, and a pioneer of small scale industries. Tamil Nadu has become a

leading automobile production hub, and a major IT growth center. The agriculture sector also contributes a big share in the state income. The state has industrial promotion policy to develop the state as most competitive manufacturing hub. The state also has a cluster policy for developing infrastructure based on needs of specific industries, automobile is one of the main sector has been developed. Auto and auto components from Tamil Nadu.

Tamil Nadu Automobile Sector: Chronological Overview

The automotive cluster in the State of Tamil Nadu has a relatively long history. As the cluster is the largest of its kind in India, its evolution generally coincides with the development of the whole automotive cluster in India which was shown in the previous section. The origin of the cluster date back to as early as 1950s To1970s, Several auto component and OEMs like TVS, Standard Motors, Ahsok Leyalnd, Amalgamations, Simpsons. MRF were established in Chennai Tamil Nadu.

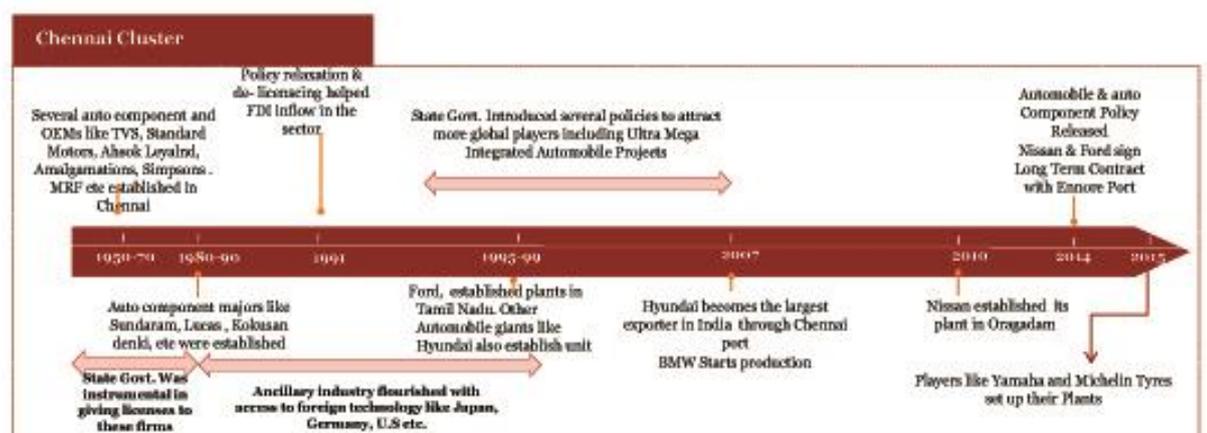


Figure: 1.9

1990s saw the first major leap of the cluster. In response to the Policy relaxation & de-licen scinghelped FDI inflow in the sector by the National

government, joint ventures with foreign automakers began. The major development of the cluster came in 1990s to 2000s. Ford, Hyundai had launched a series of popular cars which attracted waves of entries of supporting industries in the State. Rapid establishment of major foreign automakers have started assembly plants within the State. This facilitated access to technology like Japan, Germany, U.S etc, transfer and further development of local supporting industries.

Tamil Nadu –Automobile Manufacturing Current Scenario

Tamil Nadu has an installed capacity of more than 3.5 Million units contributing to almost 20% of total installed capacity in India⁷. Tamil Nadu aims to reach a production Capacity of 5 million vehicles by 2020.

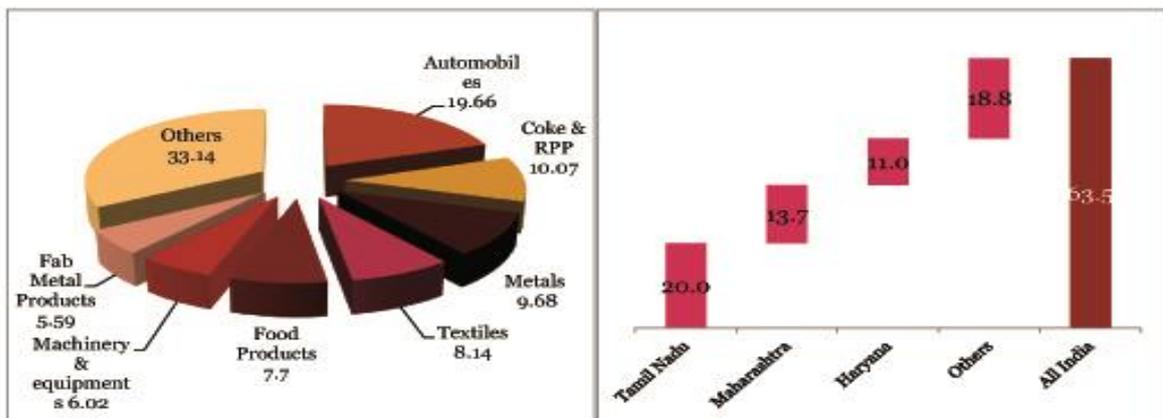
Many auto giants like Yamaha, Mahindra & Mahindra, and Toyota are in the process of establishing their facilities in the State. The existing players like Nissan –Renault have planned capacity expansion in the near future. This new capacity addition will take the total installed capacity to around 5.8 Million units which is way above the targeted capacity.

Tamil Nadu has been a front runner in the automobile sector in the country. The graph depicts Tamil Nadu's contribution to the industry in various segments

Automobile Sector: Industrial output & Investments

Figure: 1.10

Automobiles & Auto components together are the highest contributor to the total Industrial output of the State. It has a share of around 20%.



Automobile & Auto components industry has consistently been the top contributor to the industrial output of Tamil Nadu.

As far as State wise contribution to the total industrial output of automobile industry in India is concerned, Tamil Nadu leads the way with 31.5% share. TamilNadu received Total FDI inflow of USD 10.07 Billion in the period 2002-2012. Out of this Automobile sector received investments to the tune of USD 1.14 Billion translating to a share of about 11.36%.

Profile of the Automobile Industries in and Around Chennai Tamil Nadu Chosen for the Study

Caterpillar Limited

Caterpillar Company manufactures diesel engines and generator sets. The factory is situated at Thiruvallure, Chennai Tamilnadu. The company manufactures diesel engines for applications such as generator sets, industrial, mining and construction equipment, marine and locomotives. Generator sets are manufactured in various ranges and market the products country wide. Nearly 1800 employees are employed in this company.

Ashok Leyland Limited

Ashok Leyland Plant established in 1980 and spreads over 103 acres of which 40 acres are built-up, the Chennai Ennore Plant is their engine manufacturing center. Apart from a variety of diesel engines, the plant also manufactures and assembles heavy duty and special vehicles axes, gear boxes and facilities include state-of-the-art converge engine assembly an advance testing set-up that can accommodate all types of wheel bases and wheel drives. Over 3000 people are employed in this company.

Hyundai Motor India Limited

The Hyundai Motor Company in India. It is the second largest automobile manufacturer in India. The company was founded in 1996 and is based in Chennai, Sriperumbudur Taluk, Kanchipuram District. Hyundai Motor

India Limited was formed on 6 May 1996 by the Hyundai Motor Company of South Korea. When Hyundai Motor Company entered the Indian Automobile Market in 1996 the Hyundai brand was almost unknown throughout India. During the entry of Hyundai in 1996, there were only five major automobile manufacturers in India, i.e. Maruti, Hindustan, Premier, Tata and Mahindra. Hyundai Motor manufactures and exports passenger cars. It also offers SUVs and used cars. The company exports its products to customers in Africa, the Middle East, Latin America, Australia, and the Asia Pacific. It sells products through dealers in India. It has service points across India. Hyundai Motor India Limited operates as a subsidiary of Hyundai Motor Company.

Ford India Private Limited

Ford India Private Limited is a wholly owned subsidiary of the Ford Motor Company in India. Ford India Private Limited's headquarters are in Maraimalai Nagar, Chennai, Tamil Nadu. It currently is the sixth largest car maker in India after Maruti Suzuki, Hyundai, Tata, Mahindra. Ford India Private Limited began production in 1926, but was shut down in 1954 as the company was in loss. Ford re-entered the market in October 1995 as Mahindra Ford India Limited (MFIL), a 50-50 joint venture with Mahindra & Mahindra Limited. Ford increased its interest to 72% in March 1998 and renamed the company and capacity to produce 150,000 cars on a two-shift basis and 200,000 with three shifts. Ford India to meet the growing domestic demand and currently exports 40 percent of its engine production and 25 percent of its car production to 35 countries.

BMW India

BMW India Private limited is a wholly owned subsidiary of the BMW Group founded in 2006, BMW India has its own manufacturing facility at Chennai. BMW Group has invested 1.8 billion Indian Rupees. The wide range of BMW activities in India include the establishment of a manufacturing plant in Chennai, BMW Plant Chennai was inaugurated on March 27, 2007 by Norbert Reithofer, chairman of BMW. This plant produces the BMW 1 Series, BMW 3 Series, the BMW 3 Series Gran Turismo, the BMW 5 Series, the BMW 7 Series, the BMW X1, the BMW X3, the BMW X5 and the MINI Countryman. The factory has the capacity to manufacture 11,000 units per year on a double shift basis. The total number of employees at BMW India is 650. More than 1,200 additional jobs have been created in the dealer and service network.

Daimler India limited

Daimler India Commercial Vehicles Private limited is a subsidiary of the German Daimler. This company designs, manufactures, and sells commercial vehicles that cater to the demands of Indian customers and are designed with nation's terrain in mind. These vehicles are branded as "Bharat Benz", "Mercedes Benz" and "Fuso". After starting production in June 2012, the first heavy-duty truck was launched in September 2012. The corporate office is located in Perungudi, Chennai, and the plant is located at Oragadam, Kanchipuram District, Tamil Nadu. Daimler introduced its heavy-duty truck

Mercedes-Benz Actros to the Indian market. This vehicle is used primarily in mining operations in order to produce light, medium, and heavy-duty trucks for the Indian market.

Renault Nissan Automotive India Private Limited

Renault Nissan Automotive India Private Limited have their manufacturing plant in Oragadam near Chennai. The plant has a capacity of 400,000 vehicles per annum. The capacity is divided equally between Renault India Private Limited and Nissan Motor India Private Limited, Renault is constructing a small car powered by an 800cc engine, to compete with Maruti Suzuki's Alto, Hyundai India's Eon and Chevrolet's Spark, in the segment that makes up for about 40-45% of India's car market. Renault Nissan Automotive India Private Limited is the Indian subsidiary of Renault Nissan.

Royal Enfield

Royal Enfield is an Indian motorcycle manufacturing company with factories in Chennai, India. Originally a British motorcycle company, Royal Enfield and indigenous Madras Motors, it is now a subsidiary of Eicher Motors Limited, an Indian automaker. The company makes the Royal Enfield Bullet, and other single-cylinder motorcycles, Established in 1893, Royal Enfield is among the oldest motorcycle company. In 1990, Royal Enfield collaborated with the Eicher Group, an automotive company in India. In 2013 the company opened a new primary factory in the Chennai suburb of Oragadam on the strength of increased demand for its motorcycles. The original factory at

Tiruvottiyur became secondary, and continues to produce engines and some motorcycle models. The company producing the 500 cc Bullet and 350 cc bikes.

1.9 Variables Used in the Study

In the present investigation focuses on the human relations approach to organisations. The human behavior approach in management has been emphasized by social psychologists stressing the importance of the behavior of human beings and how people are treated in an organisation. Special emphasis has been given to interpersonal interaction as contributing to the progress of the organisation. Social psychologists have also included certain behavioural aspects such as leadership, communication and motivation as factors influencing interpersonal relations.

Many studies have been conducted on the human relations approach in industry and have attempted to relate the concept with some relevant psychosocial factors. However, the findings have been inconclusive and scarce emphasizing the need for exploring the contribution of certain behavioral aspects on lower levels of management.

The present research on automobile industry is based on the theory of the human behavior school of management involves interaction with superior, subordinates in an organisation. This forms the basis of adopting the human behavior approach in the study of automobile industry. Therefore the

psychological aspects related to automobile industry has been taken as the focus of the present study.

The present study is concerned with human relations is considered in terms of certain psychological aspects specifically the variables include

- Working conditions
- Work group
- Rewards
- Management policy and administrations
- Communication
- Leadership
- Supervision
- Satisfaction nature of management
- Organizational climate
- Organizational performance

The human relations encourage the employees to work together to achieve the desired and expected purpose of the industry. The quality of human relations is critical point to buildup the morale amongst the employees. It may seem significant especially in an industry that is used to a high turnover. The employer and employee relationships provide a source of employee motivation, which is important to maintaining productivity. Employees who are interested in their work and in the well-being of other employees tend to be more productive than those who are not. Making and maintaining relationships in terms of recognizing an employees' value and a concern for their needs often goes a long way.

Moreover, the human relations has many benefits, the studies could provide a better image of the human relations in automobile industry, still automobile industry face certain difficulties in implementing and relationship the superior, continuously in their concern, for this purpose the researcher has identified variable which influence the human relations and suggestion to make them more effective contributors human relations.

1.10 Structure of the thesis

The research is presented through different chapters:

- The first chapter discusses the important concepts and determinants of Human relations, Organizational climate and organizational performance. It is also converse the overview of automobile industry.
- Significant early studies on Human relations, Organizational climate and organizational performance have been reviewed in the second chapter.
- The third chapter provides a broad outline on research methodology. It deals objectives of the study, hypotheses, sampling design, data collection and statistical tools used of the study.
- In the fourth chapter, data analysis and interpretations are made.
- Based on the outcome of data analysis and interpretation, findings are made in the fifth chapter. These recommendations of the study are included along with the conclusion. Finally limitations of the study and an outline of the scope of the study are added for providing direction for future research.