INTRODUCTION

The automotive industry in India is one of the larger markets in the world. It had previously been one of the fastest growing globally, but is currently experiencing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry are the sixth largest in the world, with an annual production of more than 3.9 million units in 2011.

Tamil Nadu is the leading vehicle producers. As of 2010, India is home to 40 million passenger vehicles. More than 3.7 million automotive vehicles were produced in India in 2010 (an increase of 33.9%), making the country the second (after China) fastest growing automobile market in the world in that year. 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 bigger than the northern and western cluster.

In today’s competitive environment, high performing organizations have learned how to deploy human resources (HR) practices to enhance competitive advantage. Human resources management faces challenges of bringing better fitted workers in the organization and meeting the workers’ needs and expectations. Thus, there is a compelling demand to better ideas, strategies to improve the interface between employees and employers, and to elaborate comprehensive insight that can help human managers get better results and improved performance.
The main purpose of HRD, Sampson (2005) stressed that it “is to change behavior training and other incentives”. McKenna (2000) is one of the view that developing employees' skills on the job, including interactive skill results in favourable impact on the level of morale, which in turn, enhances commitment to the organization.

Management of human resources basically aims at contributing human efforts through personnel employed in the organization towards achieving the objectives of the organization, and these should come out willingly with dedication and high degree of morale amongst the employees. HRM systems are proactive and are anticipated to bring about a cultural change in the organization. It seeks power equalization for trust and collaboration.

The human resource practices need to be revamped and rejuvenated to be more dynamic, effective and in tune with changing situation. The people management in the organization should cultivate a climate characterizing values such as open communication, trust and respect for human resources in order to promote employee and organizational performance.

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

A dynamic and growth oriented organizations do require HRM to succeed in a fast-changing environment, organizations flourish only through the efforts and competencies of their human resources personnel policies of the organizations to provide the morale and motivation of employees high, nut these efforts are not enough to make the organizational dynamic and take it in new directions. Employee capabilities must continuously be acquired, sharpened, and used. When employees use their initiative, task risks, experiment, innovate, and make things happen, the organization may be said to have a ‘good’ culture. Even an organization that has reached its peak has to adapt to the changing environment. All the organizations do require the need for processes that help to acquire and increase its capabilities for stability and renewal.

Human resource development (HRD) has been defined in various ways. Chalofsky (1992) defines it as “the study and practice of increasing the learning capacity of individuals, groups, collectives, and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness.” HRD aims at overall development of the human resources through the process of developing
competencies and sharpening capabilities. Organization's success depends not only on developing its employees to perform present, but also to fill future roles. Human resource strategies are formulated to meet the challenges. Many of the critical competitive issues facing business require changes in traditional HR policies, practices and capabilities. Organizations should strike a balance between developing its workforce and controlling cost. This is possible through an effective and efficient human resource planning, recruitment, selection and training process.

HRD climate is an integral part of the prevailing general organizational climate which may include characteristics such as: important given to human resource, openness of communication, encouragement given to risk-taking and experimentation, feedback given to employees to make them aware of their strengths and weaknesses, a general climate of trust, faith in employee’s capabilities, employees’ tendency to assist and collaborate with each other team spirit, tendency to discourage stereotypes and favouritism, and supportive personal policies and practices.
HUMAN RESOURCE VARIABLES/MECHANISMS

Human Resources are the most important and valuable resource in any organization in the form of its employees. Human Resource Development is a “continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way”. The following are the HR variables considered in this research study.

1. Organizational development.
2. Performance appraisal.
3. Rewards and incentives.
4. Recruitment and selection.
5. Career development.
6. Executive development.
7. Goal setting.
8. Interpersonal relationship.
9. Training and development.
10. Management policies.
11. Potential appraisal.

Organization development has taken a renewed importance today. Organization development as a long term strategy for organizational change plays a key role in organizational improvement. OD attempts to bring comprehensive change in the organization, it is quite suitable for improving organizational performance on a long-term basis. The main aim of an organizational development is to increase openness of communication among the members and
the level of trust and support among employees. It enhances the personal enthusiasm and satisfaction levels. It helps to develop strategic solutions to problems with higher frequency and it also improves the organization's capability to cope with change & ensures proper resolution of organizational conflicts.

The performance appraisal is the systematic examination of an employee’s strengths and weaknesses in terms of the job. It is an ongoing (or) continuous process wherein the evaluations are arranged periodically according to a definite plan. The main purpose of performance appraisal is to secure information necessary for making objectives and correct decisions on employees. Performance appraisal is a significant element of the information and control system in the organization. It can be put to several uses concerning the entire spectrum of human resource management functions.

The reward management system tool includes financial and non - financial rewards which are also called as extrinsic and intrinsic rewards. Financial rewards are salary increase, bonus system, perquisite etc. on the other hand, there are non – financial rewards which are: promotion and title, authority and vacation time, the comfort of working place, social activities, feedback, flexible working hours, design of work, recognition, social rights etc. (Yang, 2008).

The allocation of rewards for productive and non – productive staff was designed, in order to increase employee productivity and satisfaction (Navid Niki, 2012). The term incentive is used without any prefix or suffix, it is used in monetary term. Therefore, many human resource academicians and practitioners treat incentive in a narrow sense and include only monetary aspects in monetary.
Recruitment is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization. Famulrao defines the recruitment process consist of five elements, namely a recruitment policy, a recruiting organization, developing sources of recruitment, techniques used to tap these sources, and a method of assessing the recruitment programme. This element depicts the elements of the recruitment process along with the place of the recruitment process along with the place of recruitment in the procurement function.

Career development is an ongoing, dynamic process, employees may need encouragement and support in reviewing and re-assessing their goals and activities. HR practice is the need to recognize that career development and self-management is a process and not an event. The most important requirement of career development is that every employee must accept his/her responsibility for development. The career development process involves needs assessment, opportunity identification, alignment and monitoring.

The Executive development is now seen as a strategic lever for implementing change and transmitting the firm’s core capabilities (competencies) in learning organization. Executive education and development activities are being highlighted as vital components of the strategic development of a firm. It can help to facilitate change and revitalization. Learning organizations maximize the effectiveness of executive development activities and their contribution to the organization by integrating development into the ongoing practices of the organization.

Goal setting works as a motivational process because it creates a discrepancy between current and expected performance. This results in a feeling at tension, which the employee can diminish through future goal attainment. Meeting goals also help satisfy a person’s achievement drive, contributes to feelings of competence and self-esteem, and further stimulates personal
growth needs individuals who successfully achieve goals tend to set even higher goals in the
future. One review of research concluded that employee performance improved about 16 percent
after the implementation of a goal-setting program a success rate that many firms would be
happy to achieve. Goals influence individual’s intentions because of that influence; an employee
who establishes career goals is likely to advance his or her career, especially if the goals are
specific, challenging and accompanied by regular feedback on progress toward the goals.
Robbins (2000:166) and Locke and Latham, (2002) states it is difficult goals are important to an
individual to progress are a constant reminder to the individual to keep exerting effort in the
appropriate direction.

The interpersonal relationship which means dealing with subordinates includes
administration, communication, interpersonal; leadership and motivation skills are five grouping
of managerial skills, which is essential for a manager to be successful. Out of five groupings of
managerial skills are needed for dealing with subordinates required for good interpersonal
relations with them and the identification of managerial skills and roles, that interpersonal skills
are essential skills, and that proficiency in those skills is what and good.(Davis et al.1996 and

Training development continuum has manual training at one end and philosophy at the
other end the extreme left hand denotes the manual training which is given to operatives for
performing specific jobs. Much of this training is job-oriented rather than career-oriented. As we
go up in the hierarchy of the organization. We find more emphasis on other points of the
continuum. Managerial personnel have greater needs for conceptual and human relations skills as
compared to job-related skills.
Management policies with respect to training and job design may improve organizational efficiency directly, by improving employee’s knowledge, skills, and abilities. On the other hand, HRM policies with respect to compensation and promotion may improve organizational development indirectly, by improving first the employee’s attitudes of satisfaction and motivation and by diminishing next the employees’ behaviors of turnover and disputes.

Potential appraisal is concerned with unfolding these hidden attributes. These attributes may be in the form of analytical power, creative imagination, sense of reality, the ability to see the future, ability to work in varied environments, risk propensity, an initiative being proactive. All these attributed constitute potential of an individual and through potential appraisal, all these are identified. From this point of view, potential appraisal differs from performance appraisal; the former is related to the future role of an individual while the latter is concerned with his present role. It may be mentioned that an employee who is doing his present job effectively may not be equally effective in a higher-order job, especially when transferability of skills relevant to his present job is limited because of the nature of different.

Job rotation refers to the systematic movement of employees from one job to another or any change in assignment, job content or department within the organization. It implies to a systematic change of employee by transferring employee between various areas of responsibility on the premise to enhance the employee experience in the job. From the view of human resource management, job rotation in broader perspective. Job rotation as opportunities for employee to gain an overall appreciation of organizational goals, to generate a broader knowledge of different functional areas, to develop a network of organizational contacts and to enhance employee skills. This is based on the argument that employees can use the information and skills acquired at one task to improve their performance at other tasks.
Job rotation applications support both employee learning and the employer learning. It is a training means of facilitating the acquisition of skills to make the work productive. It makes people in different functional areas more connected. It also provides individuals with a better knowledge of the other parts of the business. Hence the greater job rotation, the more consensus is created between workers, which influences the interpretation of information and provides a mechanism for organizational learning.

HRD variables are designed to link with Human Resource planning whereby employees contribute the maximum to the organization satisfying their own personal goals. The HR practices in automobile manufacturing companies are studied in general and the crucial subsystems, namely Organization efficiency increase, Productivity increase, Organizational culture change, Profitability, Employee satisfaction are analyses to know their impact on the working of the organization.
NEED AND IMPORTANCE OF THE STUDY

In the changing scenario through liberalization and globalization of economy, which brings drastic change in human resource development practices in automobile manufacturing companies and also brings healthy competition among the companies. It is very difficult to face the challenge of quality competition and price competition, according to Indian road conditions. Human resources are truly the most valuable resource as it activates all other factors of production, physical and financial resources.

The efficiency of the employees of an organization is reflected in the revenues the organization earns. The global competition and market demands force the companies to quickly adapt to changes. The ability of the companies to hire and deploy skilled pool of workforce determines their growth and success.

The quality product with lower cost makes the company more competitive one. A product less consumption of fuel plays a major role in the economy today. The proper utilization of HR practices ensures the organization and helps to achieve the goals at the right time.

These factors demanded maximum utility of HR to achieve high productivity and profitability. Therefore, this study is needed for the present juncture.
STATEMENT OF THE PROBLEM

The HR practices and strategies followed by the automobile companies are designed to attract and retain the professionals and are formulated to meet the current market conditions. The organisation formulates strong HR practices along with effective strategies to accomplish goals utilizing human resource to the optimum extent. There has been a tremendous change in the HR policies and practices to leverage the current status of automobile companies. Many HR practices study have been conducted across a range of industries. There is no known academic study to ascertain the HR practices in automobile companies in Chennai.

The study aims at examining the human resource practices in automobile manufacturing companies in Chennai. Hence this empirical study is directed towards automobile companies regarding HR practices and its outcome to trigger thoughts in the minds and find solution to face the future challenges.
OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To study the socioeconomic profile of employees in the automobile companies.
2. To analyze various subsistence of human resource practices in automobile companies.
3. To explore the employees perception of HRD climate in the study domain.
4. To measure the HRD outcomes among the employees in automobile organization.
5. To identify the influence of HR practices on organizational climate and HRD outcomes.

HYPOTHESIS OF THE STUDY

The following are the null hypothesis of the study:

1. There is no significance difference among different levels of management regarding HR practices.
2. There is no significance difference among different levels of management regarding HRD climate.
3. There is no significance difference among different levels of management regarding HRD outcomes.
4. There is no significant influence of personal profile of employees on HR practices.
5. There is no significant influence of organizational profile of employees on HR practices.
RESEARCH METHODOLOGY

The study is conducted using both analytical and descriptive type of methodology. The study primarily depends on primary and secondary data.

Study Area

The Survey is conducted in automobile manufacturing Companies located in Chennai city. Chennai hosts a number of automobile companies making the study realistic and meaningful. Chennai is referred to as the Detroit of South Asia. As automobile manufacturing companies have entered the economic arena, their level of play has raised the economic standing of young and educated professionals. Chennai, being the metropolitan city, truly represents employees belonging to various strata of the society.

Sampling Size and Design

The primary data are collected through survey method. The survey is conducted using well formulated Questionnaire. Multi Stage Random Sampling is applied for generating data. Samples for the purpose of the study are selected systematically. Totally 850 Questionnaires were distributed and 585 collected out of which 540 completed questionnaires were found usable. The details are given in the following table
Table 1.1 showing the sample size and sample selection.

<table>
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<tr>
<th>S. No</th>
<th>Category of the Companies</th>
<th>No of Questionnaires</th>
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<td>Usable</td>
<td>Personal Interview</td>
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<tr>
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<td>850</td>
<td>585</td>
<td>95</td>
<td>490</td>
<td>50</td>
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</tbody>
</table>

Sample Selection

The multistage random sampling method is applied to collect the primary data. The random sampling method is applied to obtain the responses from the employees. Hence, the multistage sampling method is justified to collect the samples from the automobile companies.

Questionnaire Design

The primary data are collected through questionnaire survey. The respondents are asked to give their opinion relating to the crucial HRD Practices. The first part of the Questionnaire comprises Demographic factors with optional questions. The second part includes statements relating to HRD Objectives, HRD Needs and HRD Practices with Likert’s 5 point scale. The Third part consists of statements about impact HRD practices. Some optional questions are included along with rating questions. The fourth part of the Questionnaire is related to HRD climate.
Scaling Technique in the Questionnaire

The questionnaire used comprises both optional type and Statements in Likert’s 5 point scale. The responses of these sections are obtained from the employees of automobile manufacturing companies in the 5 point scale, which ranges as follows:

5 – Strongly agree 4 – Agree 3 – Neutral 2 – Disagree 1 – Strongly Disagree

Secondary Data

The Secondary data are collected from Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Company Publications, Manuals and Booklets.

Pilot Study

A pilot study was conducted to validate the questionnaire and to confirm the feasibility of the study. The filled up Questionnaires are collected from 60 respondents and Cronbach’s Alpha Criterion was applied to test the reliability. The value determined is 0.914 proving the reliability of the instrument. The quality of the questionnaire was ascertained and the test showed high reliability. The variables considered in the analysis are satisfying the normal probability distribution. Based on the pilot study, the questionnaire was modified suitably to elicit response from the sample group.
DATA ANALYSIS

The primary data collected are analyzed using the SPSS (Statistical Package for Social Sciences) computer packages.

The statistical tools used for obtaining results are as follows:

1. Factor analysis by principal component method is used to find the factors pertaining to HR practices in manufacturing companies.

2. K-means cluster analysis is subsequently exploited to classify the employees on the basis of their perception towards HR practices and their influences.

3. The non-parametric chi-square analysis of association is used to find the association between personal and organizational variables with clusters.

4. One way analysis of variance (ANOVA) is found suitable to find the influence of the independent variable on dependent factors.

5. In the linear multiple regression analysis is used to find cumulative influence of independent variables on dependent factors.

6. Structural equation model is bought at base on the problem of establishing a dependency relationship.
SCOPE OF THE STUDY

The study is comprehensive and analytical. The information collected from the data has been developed to a conclusion. The objective of the work focuses entirely on human resource practices in the selected automobile manufacturing companies. The approach of the study has been made with the view of the employees of automobile manufacturing companies located in Chennai city.

LIMITATIONS OF THE STUDY

The following are the limitations of the study.

- The opinion of the respondents may be raised.
- The data were collected only on current employees not to an employee who left the organization.
- The study was restricted to the areas of Chennai.
- The complete analysis was done using statistical tools which has its own limitation.
- The study is restricted to 540 respondents only.

The study focuses on the perception of Employees at all levels working for automobile manufacturing companies located in Chennai city only. The study provides a general overview of the HR practices followed by various automobile manufacturing companies. The study considers the perception of employees with respect to twelve HR practices only. The study is based on employees’ perception and these perceptions are subject to change in the days to come.

Hence, the employees reflect their current views on the prevailing conditions of HR practices in their organization. The questionnaire survey is conducted among Employees of automobile
manufacturing Companies. The questionnaires circulate among technical people. Since it is a perceptive study, the results cannot be generalized.

CHAPTER ARRANGEMENT

Chapter I - Introduction deals with the concept of Human Resources, Human Resource Development, Objectives of the Study, Methodology, Scope and Limitations of the Study

Chapter II - Sketches the review of related literature relevant to the present Study

Chapter III - Deals with the industry profile and plethora of Human Resource practices followed in automobile manufacturing companies.

Chapter IV - Deals with HR practices in automobile manufacturing industry analysis.

Chapter V - Deals with effectiveness of HR practices in automobile manufacturing industry analysis.

Chapter VII - Summary of Findings, Suggestions and Conclusion—Scope for further Study - Summaries all the results obtained through statistical analysis to arrive at conclusions and to offer suggestions.

The questionnaire designed for this research study is appended to this thesis.