

AN OVERVIEW ON ROLE OF HUMAN RESOURCE MANAGEMENT (HRM) ON BUSINESS DEVELOPMENT– A CASE STUDY OF AUTO INDUSTRY

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ABSTRACT

Strategic Human Resource Management practices create good relationship between organization and the employees. Further, it is tool to develop commitment of employees for betterment of business. Organisational commitment of employees provides a base and willingness to contribute more efforts to the organisation and also to achieve its goals and objectives. This paper is aimed at studying how strategic human resource management as a tool to achieve organizational commit and business development Auto Industry.

Keywords: *Strategic Human Resource Management, Organisational Commitment, Organisational justice, Business development.*

I. INTRODUCTION

The important factors of Strategic HRM give Job Satisfaction to the employees. It is the base for other job related attitudes of the employee. Job satisfied employees were more involved and dedicated to their work and organization. The involvement of the employee routes the way to employee commitment towards their organization. In an organization, employee commitment has strong impact on organizational performance.

In general, research studies and organizational behavior treat satisfaction and commitment as different attitudes. With a view of the new environment that includes downsizing, telecommuting, mergers and acquisitions, globalization, and diversity, organizational commitment have resurfaced as a very important topic of study and

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concern. Some experts feel that organizational commitment is a dead issue because of the new environment and that it should be replaced by career commitment but it is not so. Nowadays, the workplace is enveloped by the fear of downsizing, loss of job security, overwhelming change in technology and the stress of having to do more with fewer facilities. So, the need of the hour is a caring and a spirited workplace which will ignite employee commitment. The managers must fulfil it with their dedicated work.

Allen & Meyer tri-dimensional model of Organisational Commitment

The Organisational Commitment model was developed by Allen & Meyer in the year 1997. In their view Affective Commitment is “the employee’s emotional attachment to, identification with, and involvement in the organization”. Affective commitment is useful for the organization to have more number of employees for the achievement of organizational goals.

Fig. 1: Types of Commitment Types of Commitment



Source: Meyer and Allen (1997, p. 11)

They define Continuous Commitment as “an awareness of the costs associated with leaving the organisation”. Employees may lose their seniority for promotion or benefits, so that if they leave the organisation they may lose such kind of costs. Some of the employees develop commitment to their organisation because of their receipt of work rewards for their efforts. So, their employees with continuous commitment before leaving the organisation think in various angles.

Normal Commitment is defined as “a feeling of willingness to continue employment” Allen and Meyer. In some cases their committed to work is identified by the agreed rules about the reciprocal willingness between the employer and identified employees. The organisations were sharing the employee benefits and the employees sharing their efforts to obtain the organisational goals. All over the globe, there exists a considerable research support for this tri-dimensional organisational commitment. And it catches hold across the cultures too.

Three-dimensional Commitment

Affectionate Commitment has a willing of attached to work to the organisation due to the good value of the

organisation. Continuous Commitment gives the employee a feeling of loss if he left the organisation. Normative Commitment shows the employee's willingness and acceptance to work in the organisation.

Benefits of the Organisational Workforce Commitment

Organised Workforce commitment is defined as a positive willingness to stay as employee of a business organisation, a willingness to contribute more efforts to their organisation beliefs and also positive of the objectives of business. Otherwise, it is an attitude of an employee's loyalty to their organisation which is an on-going process that shows how the employees express their concern towards their organisation.

R.T.Mowdays definition gives a clear view to understand more about workforce committed to work. "A positive willingness to remain as a employee of a business group, take part in the work on behalf of the organisation and firm believe in and acceptance fair systems and objective commitment of the organisation means organisational commitment".

Guidelines to Enhance Organizational Commitment (OC)

The Implementation of 'OC' only is not sufficient, enhancing it is more vital for the achievement of goals on a long run. There are some guidelines to enhance Organisational Commitment. Gary Dessler suggests some of the accepted principles of work of a system which could help to minimise the problems of workforce to achieve the work target committed to work system and environment:

1. *Committed to work system and environment*

Hiring right kind of managers is helpful for the organisation of the work done through the workmen and they can do all sorts of activities to obtain Commitment among the people who are all involved in the achievement of organisational goals.

2. *Vision and Objectives of Work*

The manager has to define vision and target work of the business and make it feasible to use target oriented work to create costiveness of work and learning, to build our own business system.

3. *Satisfied Work Environment*

Business should have a well-built industrial relations which establish for better work environment and communications between employer and employees.

4. *Committed to work*

Established and willingness to work and employees to build strong and positive relationship which is the basic for employees positive thinking and effort to work.

5. *Development of Workforce*

Development of Work force to provide better work environment coupled with harmonious relations and understanding will pay the way for workforce to learn, to understand and develop their skill and talents.

Significance of Committed Workforce of Business

Positive and committed work force is having better and advantageous work environment and climate in the business. Employees involved with committed to work due to motivational efforts of superiors of human resources officers and managers with the help of which the performance of employees will be far better. Work force environment and activeness will bring the satisfactory environment work coupled with satisfactory report from customers about product produced by the business. The work environment is cordial and positive which enhances the employees positive thinking to work and they will continue to work in the same business for longer years to come. The longer the services of employees are feasible due to the dedicated effort of both employer and employees which build strong harmonious industrial and human relations in the business.

Positive and favourable committed to work by employees benefit to the growth of business as well as employees which result in human performance physical as well as business performance. Better and positive work force involvement towards work which provides opportunities for the employees to move faster in their position, learning, training and development of people at work in various work spots and positions in the business. This favourable committed work force bring proper communication among the supervisors, managers and workers which is tool for understanding and solving problems of work and their favourable work relationship.

The present business setup in the advanced dynamic society provides better work understanding and relationship coupled with performance helps the employee to get better wages, bonus, incentives, promotions and other benefits. This help the harmonious human relations in the business which establish and builds human capital and human resources management. Modern business should develop business strategy which must be acceptable to human resources which is the base for developing better human resources management in business system.

Committed Work Force of Business

The work force committed towards business have given much importance to research associates, sociologist, research scholars and psychologists and management strategy specialists to develop and build strong work force committee to work. It is possible based on the willingness and acceptance of employees to remain work in the business and they pay the way for high level of work understanding in various level of work. This type of committed work force which enable every business to design and develop policies, procedures and strategies at the administrative level and production level which helps to improve the performance of work. It also leads to better production, profitability and meeting the end-use needs of the customer.

II. Review of Literature on Organisational Commitment

The review of literature is narrated as under:

Lynn Mc.Fariane Shre, Harry J.Martin (1989), focused on the comparison of work satisfaction and commitment workforce to the job involvement and business performance of bank tellers and hospital professionals. Their result revealed that commitment workforce is more related to turnover intentions than job satisfactory

condition with regard to tellers. Pertaining to professionals, job satisfactory situation bring better business organizational commitment.

Tak-Yew Lew (2010) they made a study of a structural model. The structural model included positive work force committed to improve sales intentions of work environment in abroad with reference to foreign universities in Malaysia

Analysis of Development of employees Human Strategy practices and its impact on committed workforce and business development

The case study of Human Strategy practices and its impact on committed workforce is analysed with the help of principal Component Analysis (Factor Analysis). The sample size of the study 513 and multistage convenient sampling is used in the study. The details of the analysis are elaborated as under:

Principal Component Analysis of the factors of Organizational Commitment

The literature review of Organizational Commitment, the study identified 18 variables of committed workforce of the employees especially in Automobile Industry. In order to minimise these 18 factors into predominant factors, the study applied Factor Analysis by Principle Component Method and obtained the following results.

Table – 1
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.774
Bartlett's Test of Sphericity	Approx. Chi-Square	3669.531
	Df	153
	Sig.	.000

Source: Computed from Primary Data

The table manifests that the KMO measure of sampling adequacy is .774, Bartlett’s Test of Sphericity with approximate Chi-Square is equal to 3669.531 are statistically significant at the 5% level. This implies all the 18 variables are normally distributed and suitable for the data reduction process. The following communalities table indicates the individual variances.

Table – 2

Extraction Method: Principal Component Analysis Communalities Table

	Initial	Extraction
COM M1	1.000	.651
COM M2	1.000	.435
COM M3	1.000	.458
COM M4	1.000	.764
COM M5	1.000	.588
COM M6	1.000	.611
COM M7	1.000	.680
COM M8	1.000	.741
COM M9	1.000	.715
COM M10	1.000	.760
COM M11	1.000	.759

COM M12	1.0 00	.624
COM M13	1.0 00	.631
COM M14	1.0 00	.556
COM M15	1.0 00	.634
COM M16	1.0 00	.701
COM M17	1.0 00	.624
COM M18	1.0 00	.743

Source: Computed from Primary Data

The table exhibits that 18 variable possess the individual variances which ranges from .435 to .764. It implies that the 18 variances are able to generate a new underlying factor. The number of factors derived out of the following **Total Variance Table**.

Table – 3

Total Variance Table

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %

1	5 .065	28.13 9	28.139	2 .945	16.3 61	16.361
2	2 .454	13.63 6	41.775	2 .306	12.8 09	29.170
3	1 .764	9.800	51.575	2 .264	12.5 76	41.746
4	1 .335	7.415	58.991	2 .219	12.3 27	54.073
5	1 .056	5.866	64.857	1 .941	10.7 84	64.857
6	.949	5.270	70.126			
7	.838	4.655	74.781			
8	.677	3.762	78.544			
9	.600	3.333	81.877			
10	.536	2.975	84.852			
11	.498	2.767	87.620			
12	.454	2.521	90.141			
13	.416	2.313	92.454			
14	.	1.815	94.269			

	327					
15	288	1.601	95.870			
16	273	1.516	97.386			
17	270	1.497	98.883			
18	201	1.117	100.000			

Source: Computed from Primary Data

Table ascertained that the 18 variables are reduced into 5 predominant factors with total variance 64.857. They have an individual variance of 16.361%, 12.809%, 12.576%, 12.327% and 10.784% respectively. The five factors and their variables loading clearly presented in the following Rotated Component Matrix.

Table – 4
Rotated Component Matrixa Table

	Component				
	1	2	3	4	5
CO MM18	.83 2				
CO MM16	.80 0				
CO MM17	.72 8				
CO MM15	.68 4				
CO MM1		.79 1			

CO MM3		.63 9			
CO MM5		.58 8			
CO MM6		.49 1			
CO MM2		.49 0	.41 1		
CO MM8			.79 6		
CO MM9			.79 3		
CO MM13			.62 4		
CO MM4				.72 7	
CO MM12				.68 6	
CO MM7				- .613	
CO MM14				.44 5	
CO MM10					.86 4
CO MM11					.85 0

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.

Source: Computed from Primary Data

The table presents that the first factor consists of 4 variables that benefits sharing (Value=.832), organizational convenience (Value=.800), organizational sticking (Value=.728) and smooth relationship (Value=.684). Therefore, this factor can be named as **Relationship Commitment**. Relationship Commitment factors are involved in the smooth relationship with the organization. Organizational benefits sharing and convenience provides a good relationship between the management and the employees. It makes the employees to stick to the organization in the long run.

The table noted that the second factor consists of 5 variables, namely the career attraction (Value=.791), organizational attachment (Value=.639), organizational value (Value=.588) organizational participation (Value=.491) and organizational proud (Value=.490). Therefore, these factors belong to the **Affective Commitment** is a tool for business performance.

Affective Commitment is the emotional attachment of an employee towards their organization. Career attraction makes him to be attached to the organization. That attachment leads to employees to acquire more organizational value and organizational participation. The above mentioned factors give the employees, organizational pride.

The table persuades that the third factor consists of 4 variables, namely organizational proud (Value=.411), attrition (Value=.796), loyalty (Value=.793) and environment (Value=.624). Therefore, these factors belong to **Continuous Commitment** is for growth of business.

Continuous Commitment has been the feeling of the employee to stay with the particular organization forever. That feeling gives him organizational proud, non-attrition, loyalty and good environment.

The Table reveals that the fourth factor consists of 4 variables, namely job interest (Value=.727), career elevation (Value=.686), contribution (Value=-.613) and organizational responsibilities (Value=.445). Therefore, these factors belong to **Normative Commitment**.

Normative Commitment is the high degree of attachment that an employee has with the organization. This type of commitment occurs due to the existence of a group of employees with similar ideology or similar obligations among the employees. Organization's career elevation opportunities make the employee to contribute more to his job as well as responsible to organization.

The table marks out the fifth factor consists of 2 variables, namely, culture retainment (Value=.864) and job performance (Value=.850). Therefore, these factors can be named as **Goal Achievement Commitment** which leads to development of business.

Organisational goals or individual goals were achieved through the committed efforts. Continuous efforts to achieve the goals lead to the commitment. The Strong commitment to achieve the goal is a Goal Achieving Commitment. It retains the culture and better performance of the employee. Goal achievement commitment provides more organizational performance and business development.

III. CONCLUSION

This study was carried out to measure the influence of Strategic HRM Practices on Organisational Commitment and business development among the employees of Automobile Companies by using the self-administered questionnaire on a five point Likert scale (1=Strongly Disagree to 5=Strongly Agree) whereby respondents were asked to give their opinion of satisfaction level. The mean score of the statements was above three, which clearly shows that the employees' of Automobile Companies expresses that their company follows Strategic HRM Practices in a well manner which is the factor for the employees' commitment towards their organisations. From the study it is concluded that the six independent variables (Recruitment and Selection, Training and Development, Performance Appraisal System, Career Growth, Interpersonal Relationship and Employee Benefits) have a quite strong and positive impact on the five dependent variables (Relationship committed to work, Affective Committed to work, Normative Committed to work, Continuous Commitment and Goal Achieving Commitment). Hence every change in the independent variable will have the positive impact on dependent variables among the employees of Automobile Companies in Chennai City.

As the Automobile Industry the evergreen industry as well as ever growing one, the researcher was conducted to study the benefits of Strategic HRM Practices on Organisational Commitment and business development with reference to select Automobile Companies in and around Chennai City. This analysis will help the HR Managers to have awareness the relevance of Strategic HRM Practices to obtain the employee Commitment towards the achievement of Competitive Advantage. In the Automobile Industry effective Performance Appraisal System, well designed Career Growth Opportunities and relevant Employee Benefits leads to higher performance of the employees, which is helpful to the employee as well as to the organization for its business growth and development.

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