A COMPARATIVE STUDY OF HRD PRACTICES IN AUTO COMPONENT COMPANIES IN GURGAON, DHARUHERA AND BAWAL (HARYANA)

-Dr. Sonika Chaudhary
Professor
CGC, Gharuan, Mohali
-Mr. Sachin Maheswari
Research Scholar
C.C.S.University,Meerut

Abstract

This paper explains the level of HRD practices in selected auto component companies Gurgaon, Dharuhera and Bawal (Haryana). For this study we have used HRD Assessment instrument, Employee opinion survey for data collection. In this research paper we study the response of the respondents for a HRD practices like, Manpower Planning & recruitment, Potential Appraisal and Promotions, Career Planning and Succession Planning, Performance Management System, Contextual Analysis, Training and Learning, Workers Development, Feedback and Counseling, Organisation Development. To see the maturity, we used T.V. Rao suggested mean value maturity score card. In this paper we have taken around 6 companies, to see the maturity level of HRD practices. Finally we find out the null hypothesis has been rejected; it is proved that the HRD practices in auto component companies are carried out as per the convenience. The HRD department does not play a strategic role in the organization. Their activities are not linked with the overall objectives of the organization i.e. they do not contribute directly in achieving the organizational objectives. The HRD department in the company only cares/ supports the other departments for effective and efficient performance in their area of work. We have also given some suggestion to make the HRD more strong and business driven.

Introduction

When any economic system turns global, the skill and cumulative learning of its workforce assume crucial significance. All developed countries can virtually design, produce and distribute goods and services equally fast and equally well. Every factor of production other than workforce skills and commitment can be duplicated, transferred, altered and improved anywhere in the world. Capital moves freely across international boundaries seeking the lowest costs. But the one element that is not transplantable in a company or a nation is its workforce. A workforce that is knowledgeable and skilled and enjoying a degree of self respect and contentment keeps a company competitive. Human Resource Management, then, become the first importance in any commercial or non commercial organization. It is the human resource without whom nothing could ever be a resource. Today, human beings occupy the centre stage of all economic activities. Human resource is the only asset which appreciates with time if properly natured. The strategic use of human resource differentiates the better run companies with other companies.

Capital or technology is no longer a scare resource. They can be available in every corner of the world. The most scare resource is the human resource i.e. quality human resource. Companies that are leading in any sector are those which are more advanced in maintaining qualified and committed people.
The single most important challenge for any business in general in the 21st century- all functional area of management included- is effective management of human resources.

The Beginning

Over many years, India has observed management ideas and practices from around the world. The world's first management book "**Arthashastra**", written three millennium before Christ, had touched many aspects of human resource practices. The book written by ***Chanakya*** had three key areas of exploration:

- Public policy
- Administration and utilization of people and
- Taxation and Accounting principles

Human resource practices like staffing, job description, selection, incentive system, executive development and performance evaluation can be read in the book.

Traditionally, human resource management is considered as an ongoing process that makes available the right kind of people when they needed.

Historical Background of Human Resource Development

Management of human resource as a concept and as a profession underwent remarkable changes during the last three decades. From scientific management approach, human relation approach and behavioural science approach, it has now come to Human Resource Development (HRD) approach. The field of HRD is still at developing stage. People dispute whether it is significantly different from human resource management.

HRD consists of set of assumptions which lead to an approach or method to manage human beings in such a way that they realize their potential and thereby benefit themselves and the organization. The main assumption of HRD is that human beings have an unlimited potential to grow and develop themselves into the excellent resource for the organization by concentrating on development of skills, competencies, expertise and total personality.

With increased competition and challenging business scenario, organizations of all types and sizes have understood that competent and motivated workforce is the only key to the survival in the industry. To compete and thrive in global economy many organizations have started giving importance to Human Resource Development approach.

Human Resource Development (HRD) was defined as a series of organized activities, conducted within a specified period of time and designed to produce behavioural change. Some of the common activities identified are:

- Training
- Education
- Development

Objective of the Study

The study had been carried out with the following main objectives:

- ➢ To examine the maturity level of HRD practices being followed in selected auto component companies under study.
- ➢ To suggest remedial measures in order to enhance the quality of HRD practices.

Literature Review

In the present day society, the need for well developed and qualified human resources is being felt very profoundly to successfully face cut-throat competition. This is because the modern commercial and industrial scenario is characterized by mega-sized organizations, global competitions, innovative and newer wide variety of goods and services and ever changing technology.

In this situation, the development of human resources has assumed more significance so as to understand and use ever – changing technology and to do the job effectively and efficiently, eventually leading to customer satisfaction and economically viable and commercially profitable organizational units. In other words, human resource development (HRD) is not being considered as an end in itself but it is being practiced as a dynamic and creative means to achieve increased productivity and profitability, improved morale and career development of employees, better industrial relations, etc., to achieve the overall goals of organizations. Realizing these aspects, now-a-days, every business and industrial unit, in one form or the other, has started the process of human resource development. The awareness towards HRD is more specifically being spreading prominently in the mega-sized organizations working at national and global levels and various innovative measures are being adopted and good amount of expenditure is also being incurred by them on HRD. Even the government has also realized the importance of HRD and has set up a separate Ministry of HRD in the Central Cabinet.

In order to understand the true state of affairs, the researcher is eager to examine the status of HRD practices being followed in the companies and also to examine the perception of the employees, working in the organizations, regarding human resource development practices and measures, and to see as to what extent the HRD functions are being carried out by the organisation.

Research Methodology

Being empirical study, it is completely based on *primary data* collected by the researcher through well designed, structured and comprehensive 5-point likert scale questionnaires developed by the researcher-

- HRD Practices Assessment Instrument- used to collect the data from the HR Head/ Representative of six companies through interview in order to understand the maturity level of HRD practices in the companies.

  Paget (1983) viewed the in-depth interview as a scientific means of developing systematic knowledge about subjective experience. She had regarded it as a medium through which the interviewer and the interviewee co-create this knowledge, with the former being fully implemented in the process of gaining knowledge about the interviewee's subjective experience. Interview had enabled the researcher to reconfirm the practices adopted by the companies and also the perception of HR Head/ representative towards HRD. Thus researcher deemed the interview to be a valuable research instrument.
- Employee Opinion Survey- used to study the perception of employees about HRD practices in their companies in order to validate the data collected from the HR Head/ Representative.

  The use of questionnaire serves two important purposes. Primarily, it enables the researchers to gain an initial understanding of the HRD practices of auto component companies and secondly, Curran & Blackburn (2001) maintain that one of the most challenging aspects of small business research is gaining access to these businesses. Thus, by introducing both the research and the researcher to the auto component companies in the target population, the questionnaire also helps to smooth and secure access to the research sites.

  It is also a relatively economical technique which comprised of mainly closed questions that is quick to complete and analyze. Heraty (1992) also remark that the use of closed questioning offer the respondent little or no opportunity to outline and explain his/her opinion on the subject matter of the questionnaire.

  The *secondary data* would is collected from the various documents relating to reports, external surveys and information from published media if any.

Hypothesis of the study

In this study, the researcher has identified the following working hypotheses:

- The HRD function is carried out by the organisation as per convenience.

Data Collection, Interpretation & Analysis

The following 9 HRD practices/ mechanisms were put forth before the respondents for their response:

1. Manpower Planning & Recruitment
2. Potential Appraisal & Promotions
3. Career planning & Succession Planning
4. Performance Management System
5. Contextual Analysis
6. Training & Learning
7. Workers Development
8. Feedback & Counseling
9. Organization Development

Status of HRD Practices Scale Total Responses Total Score Mean Score=Total Score/Total Responses=> 134/54 = 2.48Highest Possible mean Score-5.00 = 100%Hence 2.48 = 49.60%

Highly Effective	5	0	0	
Somewhat Effective		4	8	32
Effective	3	19	57	
Somewhat Ineffective		2	18	36
Highly Ineffective	1	9	9	
		54	134	

The responses received from the interview were shown in the below table. These responses were further processed and analyzed as per the details given in Table –:

Based on the mean calculation following table was used for assessment as suggested by T V Rao:

HRD Maturity Index	Mean Value	Maturity Score
Extremely High Level Of System Maturity	Above 4.5	Above 90%
Very High Maturity Level	4-4.5	80-90%
High Maturity Level	3.5-4	70-80%
Moderate High Maturity Level	3-3.5	60-70%
Moderate Maturity Level	2.5-3	50-60%
Moderate Low Maturity Level	2-2.5	40-50%
Low Maturity Level	1.5-2	30-40%
Very Low Maturity Level	1-2	20-30%
Maturity Not At All Present	Below 1	Below 20%

The data of HR Head/ Representative as collected through interview had been presented below:
The analysis of data in Table revealed that in all six companies the maturity level of HRD practices was at Moderately Low Level between 40-50% in most of the cases resulting in average 50% maturity level in HRD practices.

On analyzing the status of maturity level of companies, it was found that the out of six companies two companies were at low maturity level, 1 was at moderate low maturity level and one was at moderate maturity level. Only two companies were at moderate high maturity level. Thus hypothesis has been proved and HRD practices in the auto component companies were carried out as per convenience.

HRD Maturity Index	Mean Value	Maturity Score	No. of Co.s
Extremely High Level Of System Maturity	Above 4.5	Above 90%	
Very High Maturity Level	4-4.5	80-90%	
High Maturity Level	3.5-4	70-80%	
Moderate High Maturity Level	3-3.5	60-70%	2
Moderate Maturity Level	2.5-3	50-60%	1
Moderate Low Maturity Level	2-2.5	40-50%	1
Low Maturity Level	1.5-2	30-40%	2
Very Low Maturity Level	1-2	20-30%	
Maturity Not At All Present	Below 1	Below 20%	

HRD Practices	Score	A	B	C	D	E	F	Mean	%age
Manpower Planning & Recruitment	5	2	2	3	3	3	2	2.50	50%
Potential Appraisal and Promotions	5	1	1	2	1	4	3	2.00	40%
Career Planning and Succession Planning	5	3	1	2	1	4	4	2.50	50%
Performance Management System	5	2	2	3	2	3	2	2.33	47%
Contextual Analysis	5	1	1	4	2	3	3	2.33	47%
Training and Learning	5	3	2	3	2	4	4	3.00	60%
Workers Development	5	2	1	2	1	3	3	2.00	40%
Feedback and Counseling	5	3	3	3	2	4	4	3.17	63%
Organisation Development	5	2	2	3	3	3	3	2.67	53%

Hypothesis Testing

Though the above analysis had proved the hypotheses yet the researcher had decided to use the Kolmogorov – Smirnov's 'D' test, to test the set Null Hypothesis: H_o: The HRD function is not carried out by the organisation as per convenience.

HR Head/ Representative	Observed Number	Observed Proportion	Observed Cumulative Proportion	Null Proportion	Observed Cumulative Proportion	Observed Cumulative Proportion	
1	2	3	4 (3)/54	5	6 54/(6*54)	7	8
Strongly Agreed	5	0	0	0	0.20000	0.20000	0.20000
Somewhat Agreed	4	8	0.14815	0.14815	0.20000	0.40000	0.25185
Agreed	3	19	0.35185	0.50000	0.20000	0.60000	0.10000
Somewhat Disagreed	2	18	0.33333	0.83333	0.20000	0.80000	0.03333
Strongly Disagreed	1	9	0.16667	1.00000	0.20000	1.00000	0.00000
	n	54			Calculated 'D'	Value	0.25185
					Critical 'D'	Value	0.18508
Critical 'D' Value					=1.36/7.348	0.18508	
1.36/SQRT(n)			=1.36/SQRT(54)				
n= No. of respondents							

companies. A standard procedure was followed to develop the calculated and critical value. As the calculated 'D' value was 0.25185 exceeded the critical 'D' value of 0.18508, the null hypothesis that the HRD function was not carried out by the organisation as per convenience had been rejected hence the HRD function was carried out in the organisation as per convenience. When the null hypothesis has been rejected, it is proved that the HRD practices in auto component companies are carried out as per the convenience. The HRD department does not play a strategic role in the organisation. Their activities are not linked with the overall objectives of the organisation i.e. they do not contribute directly in achieving the organisational objectives. The HRD department in the company only cares/ supports the other departments for effective and efficient performance in their area of work.

Suggestions

Following recommendation has been given by the researcher to make the HRD more strong and business driven:

- ***Manpower planning and Recruitment:*** The researcher has recommended that considerable attention need to be given to scientific method while determining the manpower needs of the company.
- ***Potential Appraisal and Promotions:*** The formulation of system for assessing the potential of the employee for the higher job responsibilities is needed. Promotion policy is recommended and also to make accessible to everyone in the company so that the general perception that promotion decisions are totally at the discretion of the management can be changed. Best performers should be rewarded according to their performance and caliber.
- ***Career Planning and Succession Planning:*** The recommendations include the formulation of career planning for each and every employee- be it new entrant or the senior level person which ought to be shared with the employees. The succession planning should be done where ever possible especially for senior level positions and critical positions. The career planning policy, succession planning policy and promotion policy should be linked together.
- ***Performance Management System:*** The preparation of comprehensive manual of guidelines giving the objectives of the system, the process and the roles of the appraiser, appraise, HRD department and reviewing officer. It should spell out the guidelines for conducting an effective performance review discussion. The appraiser and appraisees should be educated about the appraisal system. Every items of the appraisal form should be used for the performance improvements. Efforts should be made to remove the subjective and various errors from the system.
- ***Training and Learning:*** Training policy should be developed and known to all the employees. A planned approach of training in terms of need analysis, faculty selection, organisation of programs and follow up should be used. All training program should be evaluated for effectiveness and to ensure that it will contribute in the achievement of the overall objective/ targets of the organization.
- ***Workers Development:*** Workers development needs to be planned and executed by force. Participation in workers development should be made the part of the union agreement. It should be made obligatory for every worker to attend the programs and participate in the development activities.
- ***Feedback and Counseling:*** Feedback and counseling is found quiet matured in all organizations. The improvement is needed in giving performance feedback to employees on regular basis. The superior needs to be trained in providing feedback and counseling should move ahead from giving for wrong doing to career counseling.
- ***Organization Development:*** The organizations are needed to develop themselves for the organizational development interventions. More focus of top management, trained HRD professionals is the pre-requisite to initiate and maintain consistency in the development interventions.

Conclusion

In the end, it is well evident from the study that HRD function is not well structured as envisaged in the mid 70's. The function seems to be a lot more convenience-driven rather than system-driven. The HRD functions are not well integrated. The HRD sub-systems, however, have evolved and matured to a substantial degree, specially the feedback and counseling and training & learning. Organization development, manpower planning & recruitment and career planning & succession planning are in the next level of maturity. Potential appraisal, contextual analysis, performance management system are least developed and used sub system in Indian auto component industry. The HR department needs to have professionally trained and competent staff. They have to make an impact, they should enhance the maturity levels of all the above sub-system. These sub-systems have a lot of potential to give competitive advantage through development of employees and their competencies.

References :

1. *A Study of HRD concepts, structure of HRD departments & HRD practices in India*, T V Rao
2. *Human Resource Management*, Mirza S Saiyadain, Third Edition, 2003

3. *Research Methodology- Methods & Techniques,* (IInd Revised Edition), C R Kothari
4. *The Good Research Guide,* Martyn Denscombe, 3rd Edition, 2007
5. *A study of human resource development practices in selected private sector milk processing organisations in western Maharashtra*, Sambhaji V. Mane, Journal of Business Excellence, Vol. 1, Issue 1, 2010
6. *Understanding HRD: A Research based Approach*, Jim Goldrick, Jim Stewart & Sandra Watson
7. *Managing Human Resource: Personnel Management in Indian Enterprises,* R S Dwivedi, New Delhi, 1997
8. *Organizational Research: Determining Appropriate Sample Size in Survey Research*, James E Bartlett III
9. *The Twenty-First-Century HR Organization*, Dave Ulrich, Jon Younger & Wayne Brockbank, Human Resource Management, Winter 2008, Vol. 47, No. 4
10. *Strategic HR Role Analysis of Managers of Mid Size Manufacturing Sector: Effect on Firm Performance*, Jyotsna Bhatnagar, Management & Change, Volume 10, Issue No. 2, 2006