

Managing HR Policies & Practices and Employees' Identification in Indian Automotive Industries

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Abstract

In this paper we examine the employees' perception regarding effectiveness of various organizational HR policies that affect their organizational-identification. A random sample size of 200 employees was selected to participate in data collection. Data collected from two automotive industries situated in India (Delhi, NCR). Data analyzed using linear regression analysis and it was founded in the absence of job-security and competence the positive impact of other policies also become ineffective.

Keywords: HR policies & practices, Employees Organization-Identification, Automotive Industry

1. Introduction

In recent decades, India automotive industry has gradually occupied a place of pivotal importance. However it is grave fact that in recent past the automotive industry has mostly been in the news for wrong reasons. Most of the automotive plants have been experiencing employees' protests that were often turned into violent clashes resulting in disruption of productivity schedules and loss of life and property. It indicates that a profound mistrust exists between the employees and employers regarding the organizational policies, goals and vision (Gurgaon Workers News-2012).

Our present paper concentrates on identifying the factors that determine the organizational relationship, employees' identification and

performance. The study was conducted on automotive industries situated in national capital region (NCR) of India. The next section provides a review of the research conducted on various issues associated with organizational HR polices & practices and Employees' Identification in Indian Automotive Industries.

2. Review of Literature

2.1. Factors Affecting Employees Identification & Organizational HR policies & practices – An Overview

Human resource practices play a vital role in enhancing employee attitude and behavior. High performance HR practices such as training or agreement towards training policies (Taormina, 1999; Randall and O'Driscoll, 1997), promotional opportunities (Iverson and Buttigieg, 1999; Shouksmith, 1994), career development (Taormina, 1999; Meyer & Smith, 2000) or job security (Iverson & Buttigieg, 1999) that contribute to employee development should enhance employee performance. Numerous of researchers have conducted studies to define the linkages between organizational performance, identification and HR practices (Maheshwari, Bhat&Saha, 2005; Indridson & Wang, 2008; Santhanam, Kamalanabhan & Hans Ziegler 2015). Santhanam, Kamalanabhan & Hans Ziegler (2015) examined that positive relationship exists between employees turnover, performance, identification and HR practices.

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From the abundant researches have been conducted in hope of augmenting employee's organizational identification and performance across various sectors, organizational identification is a "self-definitional process through which individuals relationally link themselves to the organization, coming to understand and influence the organizational logic through discourse, integration of organizational and personal goals and values" (Parker & Haridakis, 2008, p.110). According to Parker and Haridakis, (2008) there are three approaches to achieving organizational identification: communication, cognition, and affect. Researchers have suggested that it is a process of primary idea for examining the opinion of identity, belongingness and conduct towards the organization and that has an significant impact on organizational performance, employee attitude and behaviour (Somchit Hongvichit, 2015). Researchers have defined '*organizational identification as congruence between individual identification and organizational values*' (Pratt, 1998). It may thus be concluded that if the employees are able to define their self-concept in reference to their relationship with their organization it leads to their identification with organizational attitudes and values.

3. The Research Framework

The present study concentrates on exploring the various aspects of managing employees' organizational Identification and organizational relationship for ensuring sustained productivity in automotive industry in India. Our research objective focus on the following issues:-

- Understanding the influence of employees' perception concerning the HR practices adopted by the Indian automotive industries on their organizational Identification.
- Studying the inter-linkages between various HR policies & practices, organizational-relationship and sustained performance.

Thus we offer the following hypotheses:

H₁: "Employees perception concerning the HR policies & practices is a good predictor of their organizational Identification"

Data was further analysed using liner regression analysis to understand the relationship between perceived effective HR policies and practices with organizational identification.

4. The Research Methodology

Our research is concerned with understanding the interactive relationship among the various determinants of organizational-relationship and identification. The aspect of our research is related to evaluating the impact of employees' perception regarding effectiveness of various HR policies & practices on organizational identification. The research was based on conducting a questionnaire survey on effectiveness of various HR policies & practices adopted by the automotive industries that were participating in our research exercise.

In the next sections we deal with the influence of the perceived effectiveness of HR practices & policies on employees' organisational identification. In this context a questionnaire survey was conducted to obtain the employees views regarding the effectiveness of certain HR practices & policies implemented by the automotive industries concerning the employees' compensation and rewards, appraisal and feedback, vertical-mobility, well-being and the job-security.

4.2 The Questionnaire Survey

The questionnaire survey was conducted on a pool of employees of automotive industries situated in NCR. The 'questionnaire' was designed for collection of data to evaluate the employees' perceptions regarding the effectiveness of HR policies and practices and their impact on organizational outcomes. All the statements included in the questionnaire survey consisted of 24 question (four for each factor) concerning the various HR policies & practices and the various aspects of organizational identification. Since the choice were recorded on Likert's-scale, the relative weightages allotted to the opinion of an employee expressing 'strong agreement' or 'agreement' with the statement were respectively 5 and 4, the weightages for 'disagreement' or strong-disagreement were respectively 2 and 1, the neutral-opinion being assignment a relative-weightage of 3. These sets of questions were distributed to around 250 working in two automotive companies. The number of fully filled up 200 responses were selected for analysis. The total number of respondents indicating a specific choice against a statement was evaluated.

We examined the relationships of perceived HR policies & practices with organizational identification in automotive industries in India.

Employees from two automotive industries completed measures of perceived HR policies & practices and their immediate impact on the identification of the employees of the automotive industries in India (Delhi NCR). Data analyzed using liner regression analysis showed positive relationship of perceived HR practices and employees' organizational commitment.

5. Research Analysis: Regression

The regression analysis was performed to understand the role of the employees' perception regarding the effectiveness of HR practices on the dependent variable i.e., the organizational-identification. The results of the analysis are provided in table 1.

Table 1: Employees' HR Practices & Polices on Organizational- Identification

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	.555	.057		.000
Compensation and Reward	-.127	.275	-.129	.643
Appraisal and Feedback	.431	.260	.440	.098
Vertical-Mobility	-.023	.174	-.023	.896
Employees' Wellbeing	.116	.205	.119	.573
Competency-Enhancement	.985	.139	.998	.000
Job-Security	-.475	.069	-.461	.000

Source: Prepared by the authors

The analysis indicates that the job-security ($p=.000$) and competency-enhancement ($p=.000$) are the two important indicators of employees' organizational-identification. According to the opinion of the employees, if the perceived effectiveness of job-security and competency-enhancement is not significant enough, the relevance of other HR policies and practices is also reduced to a noticeable extent in context of developing the alignment of employees' individual values with the organizational values, vision and objectives. Thus these two indicators of HR practices namely *job-security* and *competency-enhancement* are the most prominently associated parameters with *organizational-identification* which validates the hypothesis.

The analysis indicates that in the absence of job-security and competency development the other HR policies and practices will not have significant impact on organizational identification.

6. Conclusions and Further scope

Our exploratory study revealed that according to employees' perceptions the company's HR policies & practices that are most pertinent for predicting the employees' organizational identification are mainly associated with the job-security and competency-enhancement. It was also found that besides 'job-security' and 'competency-enhancement' the policies concerning employees'

personal growth also reinforce an individual's moral sense of involvement to achieve the organizational targets. Similarly HR policies & practices focusing on personal-growth and 'well-being' were found to be influencing the individual's decision regarding his continuing or leaving the organization. We may thus conclude that the employees assign maximum value to organization HR policies & practices concerning their 'job-security' and 'competency-enhancement' in context of ensuring their identity and trust for managing the company's relationship, organizational commitment and productivity performance. It may also be emphasized that in the absence of 'job-security' and 'prospects for competency-enhancement' the effectiveness of other HR policies & practices may reduce to a noticeable extent.

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