

A Study of HRD Practices and its Impact on Organizational Commitment and Performance in Auto Industry of TamilNadu

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ABSTRACT

This dissertation explores the nature of human resource development practices and the impact that it would make on the organizational commitment of the individuals and the organizational performance in the Auto Industry of Tamilnadu during July 2006 to June 2007.

For this purpose, the registered members of the two major auto industry associations namely SIAM (Society of Indian Automobile Manufacturers) and ACMA (Automotive Component Manufacturers Association of India) in Tamilnadu were considered. About six companies engaged in the manufacture of automobiles and auto-components were randomly selected and were included for the present research.

The research data were collected using well developed and structured survey instruments. HRDEQ (Human Resource Development Effectiveness Questionnaire) was self developed for the research purpose and proved for its validity and reliability. OCS (Organizational Commitment Scale) and OPS (Organizational Performance Scale) were adopted and validated to the present context. These instruments were administered

to 255 middle level managers of the organizations out of which, 178 returned the questionnaires which were used for further analysis.

Based on the statistical techniques, the present research has found that the human resource development activities were more effectively practiced in the Auto Industry of Tamilnadu. However, they exhibit differences in their extent of implementation of practices. Similarly, the level of commitment of the individuals towards their respective organizations in the industry were also found to be high.

The present research has proved that there exists a positive relationship between the effective implementation of HRD practices and level of individual's commitment towards the organizations. Specifically, it was found that role analysis, potential appraisal and career development makes a significant impact on the overall organizational commitment level.

On considering the relationship between HRD practices and organizational performance, the research has found that the implementation of development oriented practices makes a strong

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impact on both the subjective and objective measures of organizational performance.

The relationship among the research variables were proved through the structural equation modeling technique. The structural paths were proven based on the model statistics which implies that the implementation of human resource development practices makes a positive impact on the individual's commitment towards the organization and on the organizational

performance measures as a system of activities. Few structural models were also developed and proved to support the research hypothesis.

It is worth here to note that practitioners can adopt the research proven facts in order to increase the employee productivity and reduce the employee turnover. In addition, the researchers and practitioners can adopt the methodology followed in the present research for designing and validating the HRD instruments.