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A Study on Human Resource Audit Practices Perception of Employees in Mando Automotive India Limited

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Abstract: *Human Resource effectiveness tools such as HR audit are concerned with the examination and evaluation of the policies, procedures and practices with reference to the human resource of the organization. It is a periodic review to measure the efficiency and effectiveness of Human Resource Management. Although there is no legal obligation to conduct HR Audit, it is considered important for improving the performance of human resource, controlling the cost of labor and meeting the challenges of the trade union. It is clear that study in the HR Audit sector is very limited. So it is necessary to find out the organizations that have HR Audit practices and to study on HR Audit practices perception of employees. The researcher identified the award winning company of Mando Automotive India Limited. The study was done based on questionnaire with a sample of 452 Operating Engineers (OE) respondents and 200 Staff respondents. Findings reveal that the perfect and rational HR Audit practices perception of employees in Mando Automotive India Limited.*

Key Words: *HR Audit Practices, Perceptual Difference, Association and classification of Employees.*

I. INTRODUCTION

In the research domain of Mando Automotive India Limited the researcher identified the existing HR Audit practices of Operating Engineers (OE). The OE's are classified in to two groups. Based on the personal information of OE's the researcher is trying to find HR audit practices perception of employees of Mando Automotive India Limited.

II. MANDO AUTOMOTIVE INDIA LIMITED

Mando India Ltd., located at Chennai, was set up in 1997 in collaboration with Mando Corporation, Korea for the manufacture of state-of – the- art brake systems, strictly to Mando specifications. The company received many awards. The company has also been awarded the Asia's Best Employer Brand Award, the Global HR Excellence Award, 2011, the Performance Management Award, the IFTDO Award amongst others.

III. HUMAN RESOURCE AUDIT-AN OVERVIEW

HR effectiveness tools such as HR audit are concerned with the examination and evaluation of the policies, procedures and practices with reference to the human resource of the organization. It is a periodic review to measure the efficiency and effectiveness of Human Resource Management.

HR auditing attempts:

1. to review the entire system of procuring, developing, allocating and utilizing the human resources in an organization
2. to evaluate the extent of implementation of the human resource policies and practices of an organization
3. to measure the HR department's record of compliance with the statutory provisions regarding hiring, compensation, safety and health, dispute settlement, etc
4. to have an improved control over and check on all internal operations of the organization and
5. to evaluate the performance of the staff looking after HRM function.

IV. OBJECTIVES

- Classification of Staff on the basis of the existing HR Audit practices
- Association between perceptual difference among staff and OE's regarding HR Audit practices

V. RESEARCH METHODOLOGY

The study is done with the help of primary Data. 452 of OE's respondents were selected for collecting the data with the help of a questionnaire. For analyzing the data, I have used Cluster Analysis and Pearson Chi-Square statistics.

VI. REVIEW OF LITERATURE

Arthur (1990, 1992, and 1994) says Firms with a high commitment strategy had significantly higher levels of both productivity and quality than those with a control strategy. **Huselid (1995)** noted Productivity is influenced by employee motivation; financial performance is influenced by employee skills, motivation and organizational structures. **Huselid and Becker (1996)** gave that Firms with high values on the index had economically and statistically higher levels of performance.

VII. ANALYSIS OF DATA, FINDINGS AND RESULTS**a) Classification of OE's on the basis of the Existing HR Audit Practices**

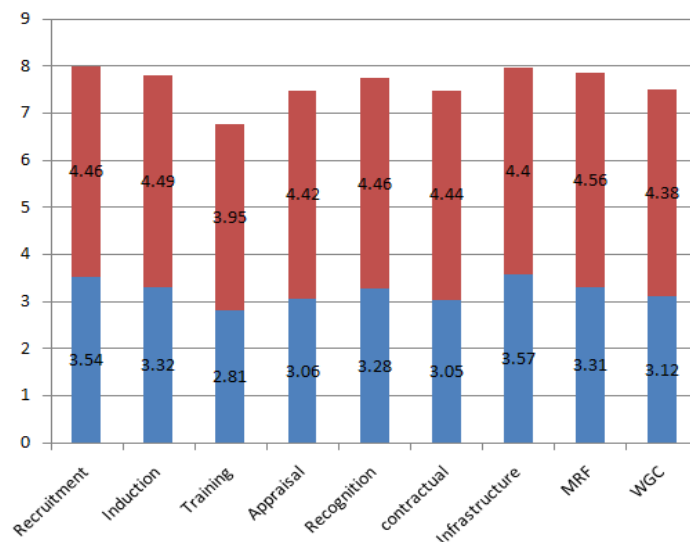
The existing HR Audit practices of OE's are Recruitment, Induction, Training, Appraisal / Retention, Recognition, Contractual on line, Infrastructure, MandoRedressed Forum and Women's Grievance Committee.

On the basis of these the perceptual difference among the OE's are classified through cluster analysis as stated in the following tables

FINAL CLUSTER CENTERS

	Cluster	
	1	2
Recruitment	3.54	4.46
Induction	3.32	4.49
Training	2.81	3.95
Appraisal	3.06	4.42
Recognition	3.28	4.46
contractual	3.05	4.44
Infrastructure	3.57	4.40
MRF	3.31	4.56
WGC	3.12	4.38

* source: Primary Data



Cluster	1	95.000	21%
	2	357.000	79%
Valid		452.000	100%

* source: Primary Data

From the above table it is found that the first cluster consist of 21% of employees who moderately agree the HR practices and disagree with training methods. Therefore the group of employees can be named *Improvement Seekers*. The second group consist of 79% of employees strongly agree for the HR practices. Hence they can be named as *Culminated Employees*.

b) Association between Perceptual difference among OE’s regarding HR Audit Practices

Factor analysis followed by cluster analysis classified the OE’s in to two heterogeneous groups respectively. The association between these groups under the demographic characteristics is presented in the following associations.

1. Association between Gender of OE’s & Clusters of OE’s

The two clusters of OE’s namely Improvement seekers and Culminated Employees and their association with male and female are presented in the following table.

Crosstab

		GENDER		TOTAL	
			MALE	FEMALE	2.00
Improvement Seekers(IS)	1	Count	59	36	95
		% within OES	62.1%	37.9%	100.0%
Culminated Employees (CE)	2	Count	233	124	357
		% within OES	65.3%	34.7%	100.0%
Total		Count	292	160	452
		% within OES	64.6%	35.4%	100.0%

*source: Primary Data

From the above table it is found that majority of the Improvement seekers 62.1% are male employees and 65.3% of Culminated employees are found in the male group.

2. Association between AgeGroup of OE's & Clusters of OE's

The two clusters of OE's namely Improvement seekers and Culminated Employees and their association with below20 years, 20-30, 30-40and 40 – 50 above are presented in the following table

Crosstab

		AGE				TOTAL	
		- 20	20 - 30	30- 40	40-50	1.00	
IS	1	Count	20	75	0	0	95
		% within OES	21.1%	78.9%	.0%	.0%	100.0%
CE	2	Count	6	299	51	1	357
		% within OES	1.7%	83.8%	14.3%	.3%	100.0%
Total		Count	26	374	51	1	452
		% within OES	5.8%	82.7%	11.3%	.2%	100.0%

* source: Primary Data

From the above table it is found that 78.9% Improvement seekers are found to be in the age group 20 -30 and 1.7% of Culminated Employees are distributed over the age group of less than 20. It is further found that Improvement seekers are not at all found in the age group 40 – 50 and 14.3 of culminated employees are distributed over 30 – 40. This leads to computation Chi- Square statistics as presented in the table below

Chi-Square Tests

	VALUE	DF	ASYMP. SIG. (2-SIDED)
Pearson Chi-Square	62.998(a)	3	.000
Likelihood Ratio	61.883	3	.000
Linear-by-Linear Association	49.910	1	.000
N of Valid Cases	452		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .21.

* source: Primary Data

From the above table it is found that the Pearson Chi-Square statistics 62.998 and $p = .000$ are statistically significant at 5% level. Therefore it can be completed that there is association between the perceptual differences among OE's regarding HR Audit practices and their age group. The employees in different age group have diverse perception concerning HR Audit practices at Mando.

3. Association between Education of OE's & Clusters of OE's

The two clusters of OE's namely Improvement seekers and Culminated Employees and their association with Diploma, Graduate and others are presented in the following table

Crosstab

		EDUCATION			TOTAL	
		DIPLOMA	GRADUATE	OTHERS	1.00	
IS	1	Count	94	0	1	95
		% within OES	98.9%	.0%	1.1%	100.0%
CE	2	Count	349	8	0	357
		% within OES	97.8%	2.2%	.0%	100.0%
Total		Count	443	8	1	452
		% within OES	98.0%	1.8%	.2%	100.0%

* source: Primary Data

From the above table it is found that 98.9% Improvement seekers are Diploma holders and 2.2% of Culminated Employees are distributed over the category of Graduates.

4. Association between Region of OE's & Clusters of OE's

The two clusters of OE's namely Improvement seekers and Culminated Employees and their association with East, North, Northeast, South and West are presented in the following table

Crosstab

		REGION					TOTAL	
		EAST	NORTH	NE	SOUTH	WEST	1.00	
IS	1	Count	14	9	10	56	6	95
		% within OES	14.7%	9.5%	10.5%	58.9%	6.3%	100.0%
CE	2	Count	26	58	24	208	41	357
		% within OES	7.3%	16.2%	6.7%	58.3%	11.5%	100.0%
Total		Count	40	67	34	264	47	452
		% within OES	8.8%	14.8%	7.5%	58.4%	10.4%	100.0%

*source: Primary Data

From the above table it is found that 58.9% of Improvement seekers are found to be in south region and 16.2% of Culminated Employees are distributed over the region of north. It is further found that 14.7% Mechanical Employees are found in west region and 7.3% of Optimistic Employees are found in the region of east and 6.3% of Mechanical employees are found in the region of northeast.

5. Association between Employment status of OE's & Clusters of OE's

The two clusters of OE's namely Improvement seekers and Culminated Employees and their association with shop floor and staff are presented in the following table

Crosstab

		EMPLOYMENT		TOTAL	
		S. F	STAFF	1.00	
IS	1	Count	95	0	95
		% within OES	100.0%	.0%	100.0%
CE	2	Count	351	6	357
		% within OES	98.3%	1.7%	100.0%
Total		Count	446	6	452
		% within OES	98.7%	1.3%	100.0%

* source: Primary Data

From the above table it is found that 100% Improvement seekers are found to be in the shop floor and 1.7% of Culminated Employees are distributed over staff of Mando.

6. Association between Experience of OE's & Clusters of OE's

The two clusters of OE's namely Improvement seekers and Culminated Employees and their association with 1-5 years, 5-10, 10-15, and 20 above are presented in the following table

Crosstab

		EXPERIENCE				TOTAL	
		1-5 YRS	5-10YRS	10-15YRS	20+	1.00	
IS	1	Count	93	2	0	0	95
		% within OES	97.9%	2.1%	.0%	.0%	100.0%
CE	2	Count	291	63	2	1	357
		% within OES	81.5%	17.6%	.6%	.3%	100.0%
Total		Count	384	65	2	1	452
		% within OES	85.0%	14.4%	.4%	.2%	100.0%

* source: Primary Data

From the above table it is found that 97.9% of Improvement seekers are found to be in 1- 5 years of experience and 17.6% of Optimistic Employees are distributed over the 5-10 years of experience. It is further found that no improvement seekers are distributed in the 10- 15 years of experience and 3% of Optimistic Employees are found above 20 years of experience. This leads to computation Chi- Square statistics as presented in the table below

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.772(a)	3	.001
Likelihood Ratio	21.810	3	.000
Linear-by-Linear Association	14.698	1	.000
N of Valid Cases	452		

a 4 cells (50.0%) have expected count less than 5. The minimum expected count is .21.

* source: Primary Data

From the above table it is found that the Pearson Chi-Square statistics 15.772 and $p = .001$ are statistically significant at 5% level. Therefore it can be concluded that there is association between the perceptual differences among OE's regarding HR Audit practices and their years of experience. The employees in different years of experience have different perception regarding HR Audit practices at Mando

VIII. CONCLUSION

From the above study the researcher classified OE's on the basis of existing HR Audit practices. He identified two associations between the perceptual difference among OE's regarding HR Audit practices and their Age. The employees in different years of experience have different perception. Gender, Education, region and Employment status of OE's have no association. The study urges HR department of the company to redraft the job specification statement with increased emphasis on the multi-skills of prospective applicants.

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