

**A Study on the Prevailing Strategic HRM Practices and their Perception by the Executive Employees of the Indian, Japanese and Korean Automobile Companies in Tamilnadu, India**

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**Abstract**

Globalization has led to the foreign MNCs from USA, United Kingdom France, Germany, Italy, Japan and Korea to bring not only the latest technologies with respect to products and services, but also best practices in the sphere of people management. These practices have enabled Indian automobile industry to register an annual growth rate of 17% during the period 2005-2012, catapulting Chennai (Tamilnadu) as the Detroit of India. This research study has examined the various Strategic and Innovative HRM practices prevailing in the Indian, Japanese and Korean automobile companies, operating in Tamilnadu by considering a sample size of 540 from among the junior and middle level executives of these companies. While the Primary data have been collected by administering a validated questionnaire, the Secondary data have been sourced from research journals, books, periodicals, websites etc. Statistical tools like Factor analysis, Chi-square test and Cluster analysis have been employed for the analysis. The findings revealed that there is a significant difference in the Strategic HRM practices of Indian, Japanese and Korean automobile companies, operating in Tamilnadu.

**Keywords:** Globalization, Cross cultural Behaviour, Technology Upgradation, Industrial Growth, Indian Economy

**Introduction**

The Indian Automobile Industry after being de licensed in 1991 has been growing steadily and has registered an annual growth rate of 17% during the period 2005-2012 providing 20 million people with employment. The total workforce in this sector is expected to be 35 million people by 2022. The proactive investor friendly policies of the Indian Government has facilitated many global majors in the automobile sector to look at India not only as an emerging market but also as a hub for exports to other countries. The sustained industry friendly approach of the successive governments in Tamilnadu aided by a strong engineering base and good infrastructure and logistics support facilities have attracted global auto giants to invest in Tamilnadu catapulting the southern port city of Chennai as India's Detroit. Most of the MNCs have set up their units in Tamilnadu. Currently Tamilnadu with about 32% of India's automobiles production capacity has emerged as India's largest automobile and auto components exporter.

**Human Resource Management (HRM)**

Human Resource Management can be defined to be that part of management, concerned with: all the decisions, strategies, factors, principles, operations, practices, functions, activities, and methods related to the management of people as employees in any type of organization; all the dimensions related to the people in their employment relationships and all the dynamics that flow from it (including the realization of the potential of individual employees in terms of their aspirations); all aimed at adding value to the delivery of goods and services, as well as to the quality of work life for employees and hence helping to ensure continuous organizational success in transformative business environments.

## **Concept of Strategic Human Resources Management (SHRM)**

Strategic HRM is about systematically linking people with the organization; specifically it is about integration of HRM strategies with corporate strategies. HR strategies are essentially plans and programmes that address and solve fundamental strategic issues related to the management of human resources in an organization.

### **Need and Importance of the Study**

Review of available literature indicates that a large number of research studies have been done in various countries across the world to assess the impact of the various HRM practices on the organizational commitment of the employees.

The research scholars in all these studies have restricted their research to one or two Strategic HRM practices. It is inferred that only a very few research studies involving most of the predominant Strategic HRM practices have been carried out by scholars in this area. However, no serious study has been done in the automobile industry to assess the prevailing strategic HRM practices. In the context of the fact that individual employee's performance and contribution is critical to the overall success of organizations, it is imperative and crucial to study and identify the Strategic HRM practices and Innovative HRM practices that lead to enhancing the organizational performance of the employees in the automobile industry. In the last two decades, Tamilnadu has emerged as a major destination for investments in the automobile sector. Most of the Indian and Foreign MNCs have established their production units apart from a number of ancillary units in Tamilnadu, providing employment to thousands of potential employees. Sustained research based inputs would facilitate organizations in this sector to identify and introduce innovative HRM practices to have a competent and committed work force for superior performance of the organizations.

### **Statement of the Problem**

In the Globalized business environment, organizations vie with each other to achieve superior performance by ensuring optimum utilization of resources in terms of money, material and machinery and this depends upon the efficiency of the employees' operating and handling these resources. A good SHRM policy motivates employees to work smartly to achieve results by establishing harmonious relationships between the management and the employees. Therefore, it is not only extremely very important to have good SHRM policies, but also ensure that these policies are practiced in letter and spirit in order to achieve organizational objectives. The success of these SHRM policies of the organizations depends on the outlook, perception, acceptance and approval of employees who are the beneficiaries of such policies. Therefore, each organization has to monitor, investigate and analyze its employees' reaction and action towards its SHRM policies so as to take remedial measures without loss of time.

The policies of SHRM in an organization aim at enhancing the performance of the individual employees and hence the organization. The degree with which these SHRM policies are aligned with the business environment and the expectation of the employees provide the necessary impetus to create a conducive work environment for the employees. This relationship between SHRM policies and the employees can be culminated through the employees' organizational commitment and hence the performance of the organization. Therefore, an attempt is made to study the prevailing Strategic HRM practices and their perception by the employees of Indian, Japanese and Korean automobile companies operating in Tamilnadu.

### **Research Objectives**

1. To study the predominant Strategic HRM practices prevailing in Indian, Japanese and Korean companies of automobile sector, operating in Tamilnadu.

2. To study the various Innovative HRM practices followed in Indian, Japanese and Korean companies of automobile sector operating in Tamilnadu and their association with the SHRM practices

### **Hypotheses of the Study**

1. There is no significant difference in the Strategic HRM practices between Indian and Japanese companies operating in the automobile industry in Tamilnadu.
2. There is no significant difference in the Strategic HRM practices between Indian, and Korean companies operating in the automobile industry in Tamilnadu

### **Scope and Limitations of the Study**

#### **Scope of the Study**

1. The study focuses on investigating the prevailing SHRM practices in the automobile (4-wheeler) industry in Tamilnadu and their perception by the employees.
2. The study is restricted to only Indian, Japanese and Korean automobile units in Tamilnadu.
3. The researcher has confined to junior management and Middle management level employees for the study.
4. The study is restricted to only those automobile units having at least 1000 permanent employees.
5. The study has considered only those permanent employees who have completed atleast one year of service after confirmation.

#### **The Limitations of the Study**

1. The study is restricted to automobile units in Tamilnadu due to cost and time factors.
2. The study assumes that the information provided by the employees in these companies is valid and reliable.
3. The study is restricted to the SHRM and Innovative HRM practices in automobile industry.

### **Research Methodology**

#### **Research Methods**

The research design employs descriptive, analytical and explorative methods. The relevant information from the respondents is obtained through survey method by administering a questionnaire and through personal interviews. Since there is a need to collect innovative ideas and suggestions to solve existing and emerging problems, explorative research method is used. For identifying the differences in the HRM factors, certain analytical tools are used in the present study. These three methods are concurrently used to employ their characteristic features for effective research design.

#### **Study Area**

The survey is conducted in the automobile manufacturing companies located in Tamilnadu. The automobile units located in Tamilnadu consist of multinational giants, medium and small scale units. Globalization of Indian economy has led to the entry of global majors in the automobile sector to establish their manufacturing facilities in Tamilnadu due to the availability of highly skilled and competent man power, apart from the other attractive parameters like infrastructure in terms quality roads, sea ports, airports, power, work ethics, cost of living, political support and overall quality of life. The sustained high growth of the automobile manufacturing companies in Tamilnadu have led

to not only the prosperity of these units but also the employees working in these companies due to attractive compensation packages and employee benefits which have raised the economic and social standing of the young and educated professionals of this sector. The units operating in Tamilnadu truly represent employees belonging to various strata of the society and different parts of the country.

### **Data for the Study**

The study basically depends on the primary and secondary data.

#### **Primary Data**

The relevant primary data is collected from the employees of Indian, Japanese and Korean companies in the automobile sector by administering a questionnaire and engaging in personal interaction. The respondents expressed their perceptions and opinion about SHRM practices prevailing in their companies with transparency. The same questionnaire is also used as the basis for data collection by personal interview.

#### **Secondary Data**

Secondary data sourcing is done from institutions like Indian Institute of Technology (Chennai) ,Institute of Financial Management and Research (IFMR, Chennai)University of Madras (Chennai), Loyola Institute of Business Administration (LIBA, Chennai) National and International Journals, Business Magazines, Research Articles, Dailies, Periodicals, Management Books, Company Publications and Websites like Google, Proquest, Social Sciences Research Network and the Websites the automobile companies.

#### **Factor Analysis**

Factor analysis of the 44 variables constituting the bundle of SHRM practices followed in Indian, Japanese and Korean automobile companies by Principal Component method has led to the classification of these variables in to five major factors.

It is ascertained that the 44 variables of SHRM Practices explain the cumulative total variance of 50.873 % and five factors such as Recruitment, Selection and Induction; Training and Development; Performance appraisal, Salary, Rewards and Recognition; Transfer, Promotion and Career planning; Work environment and Employee benefits are extracted.

### **Association between Strategic HRM Practices And Existing Innovative HRM Practices In Automobile Companies In Tamilnadu**

It is understood that the automobile companies practice a number of Innovative HRM practices to keep the employees' morale and motivation at high standards. Therefore, it is essential to establish the associations between the perception of the different clusters of employees about the Strategic HRM practices and Innovative HRM practices like 360 degree appraisal, best employee award, and higher studies for advancement at its expenses, flexible working hours, best suggestion award and work from home followed in the automobile companies operating in Tamilnadu.

#### **1. Association between Employees' Perception on Strategic HRM Practices and 360 Degree Appraisal System**

The association between clusters of strategic HRM practices and 360-degree appraisal practice in automobile companies is verified in the following table.

**Table No: 1.1 - Crosstab for Association between Strategic HRM practices and 360 Degree Appraisal System**

	SHRM Clusters		360 degree appraisal system		Total
			Yes	No	
<b>Strategic HRM Practices</b>	<b>Career seekers</b>	Count	97	80	177
		% within strategic HRM Practices	54.8%	45.2%	100.0%
	<b>Mechanical employees</b>	Count	107	100	207
		% within strategic HRM Practices	51.7%	48.3%	100.0%
	<b>Culminated employees</b>	Count	138	18	156
		% within strategic HRM Practices	88.5%	11.5%	100.0%
<b>Total</b>	<b>Count</b>	342	198	540	
	<b>% within strategic HRM Practices</b>	63.3%	36.7%	100.0%	

From the above table, it is found that 54.8% of Career seekers and 51.7% of Mechanical employees and 88.5% of Culminated employees acknowledge the existence of 360-degree appraisal system in the automobile units in Tamilnadu. It leads to the computation of chi-square statistics as stated in the table below.

**Table No: 1.2 - Chi-Square Tests - Association between Strategic HRM practices and 360 Degree Appraisal System**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.047(a)	2	.000
Likelihood Ratio	67.686	2	.000
Linear-by-Linear Association	38.152	1	.000
N of Valid Cases	540		S

A 0 cells (.0%) have expected count less than 5.

The minimum expected count is 57.20.

From the above table, it is found that chi-square = 60.047, p=.000. Therefore, it can be concluded that there is a deep association between the perception of the executive employees about the various strategic HRM practices and the innovative practice of 360-degree appraisal system followed in the automobile companies. It implies that the 360-degree performance appraisal system is a very important factor associated with the successful strategic HRM practices of the automobile companies.

**2. Association between Employees’ Perception on Strategic HRM Practices and Best Employee Award.**

The best employee award given to the employees working in the automobile companies is one of the innovative HRM policies practiced.

It motivates the employees to work better for their organization. The association between clusters of Strategic HRM practices and practice of best employee award in automobile companies is verified in the following table.

**Table No: 2.1 - Crosstab - Association between Strategic HRM practices and Best Employee Award**

	SHRM Clusters		Best employee award		Total
			Yes	No	
<b>Strategic HRM Practices</b>	<b>Career seekers</b>	Count	160	17	177
		% within strategic HRM Practices	90.4%	9.6%	100.0%
	<b>Mechanical employees</b>	Count	153	54	207
		% within strategic HRM Practices	73.9%	26.1%	100.0%
	<b>Culminated employees</b>	Count	127	29	156
		% within strategic HRM Practices	81.4%	18.6%	100.0%
<b>Total</b>	<b>Count</b>	<b>440</b>	<b>100</b>	<b>540</b>	
	<b>% within strategic HRM Practices</b>	<b>81.5%</b>	<b>18.5%</b>	<b>100.0%</b>	

It is analyzed from the above table that 90.4% of Career seekers and 73.9% of Mechanical employees and 81.4% of Culminated employees acknowledged the practicing of best employee award in their organizations. It leads to the computation of chi-square statistics as stated in the table below:

**Table No: 2.2 - Chi-Square Tests - Association between Strategic HRM practices and Best Employee Award**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.179(a)	2	.000
Likelihood Ratio	18.077	2	.000
Linear-by-Linear Association	5.027	1	.025
N of Valid Cases	540		

A 0 cells (.0%) have expected count less than 5.

The minimum expected count is 28.89.

From the above table, it is found that chi-square =17.179, p=.000. Therefore, it can be concluded that there is an association between employee’s perception on strategic HRM practices and the system of practicing best employee award in the automobile companies. Hence, it is concluded that the HRM practice of recognizing the best employee by means of an award helps motivating and retaining high performers.

**3. Association between Employees’ Perception on Strategic HRM Practices and Competency mapping.**

Competency Mapping helps organizations to identify the competencies required for the assigned role, competencies available with the employees and hence arrive at the Gap in competencies for each and every employee. The association between clusters of Strategic HRM practices and competency mapping practice in automobile companies is verified in the following table:

**Table No: 3.1 - Crosstab -Association between Strategic HRM practices and Competency Mapping**

	SHRM Clusters		Competency Mapping		Total
			Yes	No	
<b>Strategic HRM Practices</b>	<b>Career seekers</b>	Count	47	130	177
		% within strategic HRM Practices	26.6%	73.4%	100.0%
	<b>Mechanical employees</b>	Count	26	181	207
		% within strategic HRM Practices	12.6%	87.4%	100.0%
	<b>Culminated employees</b>	Count	60	96	156
		% within strategic HRM Practices	38.5%	61.5%	100.0%
<b>Total</b>	<b>Count</b>	<b>133</b>	<b>407</b>	<b>540</b>	
	<b>% within strategic HRM Practices</b>	<b>24.6%</b>	<b>75.4%</b>	<b>100.0%</b>	

It is analyzed from the above table that 73.4% of Career seekers and 87.4% of Mechanical employees and 61.5% of Culminated employees in the organizations were not satisfied that their organizations do not have the practice of competency mapping. It leads to the computation of chi-square statistics as stated in the table below:

**Table No: 3.2 - Chi-Square Tests - Association between Strategic HRM Practices and Competency Mapping**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.674(a)	2	.000
Likelihood Ratio	33.656	2	.000
Linear-by-Linear Association	5.345	1	.021
No of Valid Cases	540		

A 0 cells (.0%) have expected count less than 5.

The minimum expected count is 38.42.

From the above table, it is found that chi-square =32.674, p=.000. Therefore, it can be concluded that there is an association between employees perception on strategic HRM practices and competency mapping practiced in the automobile companies. Hence, it is concluded that the practice of competency mapping is used to identify the Gap between the available competencies and required competencies so that the employee and the organization can take steps to bridge the Gap for the benefit of the individual employees as well as the organizations and hence the appropriate training and development inputs to the employees.

**4. Association between Employees’ Perception on Strategic HRM Practices and the Policy on Higher studies for Advancement of Employees**

In the present globalized business environment, employees are more career oriented than ever before and therefore, constantly look at opportunities to upgrade their qualification levels. Studies have revealed that employees prefer to work for companies encouraging the employees to go for higher studies at its expenses. The association between clusters of strategic HRM practices and higher studies for advancement at the expense of the automobile companies is verified in the following table:

**Table No: 4.1 - Crosstab -Association between Strategic HRM practices and the Policy on Higher studies for Advancement of Employees**

	SHRM Clusters		Higher studies for advancement at its expenses		Total
			Yes	No	
<b>Strategic HRM Practices</b>	<b>Career seekers</b>	Count	86	91	177
		% within strategic HRM Practices	48.6%	51.4%	100.0%
	<b>Mechanical employees</b>	Count	40	167	207
		% within strategic HRM Practices	19.3%	80.7%	100.0%
	<b>Culminated employees</b>	Count	33	123	156
		% within strategic HRM Practices	21.2%	78.8%	100.0%
	<b>Total</b>	<b>Count</b>	<b>159</b>	<b>381</b>	<b>540</b>
		<b>% within strategic HRM Practices</b>	<b>29.4%</b>	<b>70.6%</b>	<b>100.0%</b>

It is analyzed from the above table that 51.4% of Career seekers and 80.7% of Mechanical employees and 78.8% of Culminated employees in the organizations are not satisfied as their organization do not encourage its employees to go for higher studies at it expenses. It leads to the computation of chi-square statistics as stated in the table below.



**Table No: 4.2 - Chi-Square Tests - Association between Strategic HRM practices and Higher Studies for Advancement at its Expenses**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.590(a)	2	.000
Likelihood Ratio	45.124	2	.000
Linear-by-Linear Association	31.702	1	.000
N of Valid Cases	540		

A 0 cells (.0%) have expected count less than 5.

The minimum expected count is 45.93.

From the above table, it is found that chi-square = 46.590, p =.000, therefore it can be concluded that there is an association between employees’ perception on strategic HRM practices in their organizations and the practice of encouraging the employees to go for higher studies at its expenses. It is also further analyzed from the table that the employees in the automobile industries are not satisfied as their companies do not encourage higher studies at its expenses.

**5. Association between Employees’ Perception on Strategic HRM Practices and Flexible Working Hours**

The system of practicing flexible working hours makes the employees more productive. It is possible to have the facility of flexible working hours depending on the nature of job assigned to each and every employee. The association between clusters of strategic HRM practices and flexible working hours in automobile companies is verified in the following table:

**Table No:5.1 - Crosstab - Association between Strategic HRM Practices and Flexible Working Hours**

	SHRM Clusters		Flexible Working Hours		Total
			Yes	No	
<b>Strategic HRM Practices</b>	<b>Career seekers</b>	Count	4	173	177
		% within strategic HRM Practices	2.3%	97.7%	100.0%
	<b>Mechanical employees</b>	Count	18	189	207
		% within strategic HRM Practices	8.7%	91.3%	100.0%
	<b>Culminated employees</b>	Count	28	128	156
		% within strategic HRM Practices	17.9%	82.1%	100.0%
<b>Total</b>	<b>Count</b>	<b>50</b>	<b>490</b>	<b>540</b>	
	<b>% within strategic HRM Practices</b>	<b>9.3%</b>	<b>90.7%</b>	<b>100.0%</b>	

It is analyzed from the above table that only a minimum of 2.3% of Career seekers and 8.7% of Mechanical employees and 17.9% of Culminated employees in the organizations agree that their organizations provide them with flexible working hours. It leads to the computation of chi-square statistics as stated in the table below.

**Table No: 5.2 - Chi-Square Tests - Association between Strategic HRM Practices and Flexible Working Hours**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.419(a)	2	.000
Likelihood Ratio	25.804	2	.000
Linear-by-Linear Association	24.073	1	.000
No of Valid Cases	540		

A 0 cells (.0%) have expected count less than 5

The minimum expected count is 14.44.

From the above table, it is found that chi-square =24.419, p=.000. Therefore, it can be concluded that there is an association between employees perception on strategic HRM practices and flexible working hours in the automobile companies. Flexibility is the key for an organisation that looks for innovative practices to retain the right talent. There must be a willingness to consider alternative options in finding an arrangement that suits the organisation and the employees and workplace needs.

**6. Association between Employees’ Perception on Strategic HRM Practices and Best Suggestion Award**

The strategic HRM practice of Best suggestion award to employees provide an effective, low cost way of raising the morale and motivation leading to higher levels of performance by the employees. The association between clusters of Strategic HRM practices and best suggestion award practice in automobile companies is verified in the following table:

**Table No: 6.1 - Crosstab - Association between Strategic HRM Practices and Best Suggestion Award**

	SHRM Clusters		Best Suggestion Award		Total
			Yes	No	
<b>Strategic HRM Practices</b>	<b>Career seekers</b>	Count	150	27	177
		% within strategic HRM Practices	84.7%	15.3%	100.0%
	<b>Mechanical employees</b>	Count	162	45	207
		% within strategic HRM Practices	78.3%	21.7%	100.0%
	<b>Culminated employees</b>	Count	136	20	156
		% within strategic HRM Practices	87.2%	12.8%	100.0%
<b>Total</b>	<b>Count</b>	<b>448</b>	<b>92</b>	<b>540</b>	
	<b>% within strategic HRM Practices</b>	<b>83.0%</b>	<b>17.0%</b>	<b>100.0%</b>	

It is analyzed from the above table that only 84.7% of Career seekers and 78.3% of Mechanical employees and 87.2% of Culminated employees in the organizations acknowledge that their organizations have the system of giving best suggestion award. It leads to the computation of chi-square statistics as stated in the table below:

**Table No: 6.2 - Chi-Square Tests - Association between Strategic HRM Practices and Best Suggestion Award**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.598(a)	2	.061
Likelihood Ratio	5.551	2	.062
Linear-by-Linear Association	.249	1	.618
N of Valid Cases	540		

A 0 cells (.0%) have expected count less than 5.

The minimum expected count is 26.58.

From the above table, it is found that chi-square =5.598, p=.000. Therefore, it can be concluded that there is an association between employees' perception on strategic HRM practices and best suggestion award in the automobile companies. Further, it is concluded from the above table that majority of employees working in automobile companies are satisfied with the organization practicing the system of best suggestion awards.

**7. Association between Employees' Perception on Strategic HRM Practices and Working from Home**

One of the frustrating exercises that most of the executive employees do on a regular basis is to strike a balance between office work and personal needs. There are many personal commitments and responsibilities that an employee is expected to fulfill for the family. Some organizations have understood difficulties experienced by the employees and have allowed their employees to work from home on special situations, which help the employees to manage the needs of the company as well as the family. The association between clusters of strategic HRM practices and the practice of working from home in automobile companies is verified in the following table:

**Table No: 7.1 - Crosstab - Association between Strategic HRM practices and Working from Home**

	SHRM Clusters		Working from home		Total
			Yes	No	
<b>Strategic HRM Practices</b>	<b>Career seekers</b>	Count	6	171	177
		% within strategic HRM Practices	3.4%	96.6%	100.0%
	<b>Mechanical employees</b>	Count	3	204	207
		% within strategic HRM Practices	1.4%	98.6%	100.0%
	<b>Culminated employees</b>	Count	11	145	156
		% within strategic HRM Practices	7.1%	92.9%	100.0%
<b>Total</b>	<b>Count</b>	<b>20</b>	<b>520</b>	<b>540</b>	
	<b>% within strategic HRM Practices</b>	<b>3.7%</b>	<b>96.3%</b>	<b>100.0%</b>	

From the above table, it is inferred that only a minimum of 3.4% of Career seekers and 1.4% of Mechanical employees and 7.1% of Culminated employees in the organizations accept that their organizations have the practice of allowing employees work from home. It leads to the computation of chi-square statistics as stated in the table below:

**Table No: 7.2 - Chi-Square Tests - Association between Strategic HRM practices and Working from Home**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.900(a)	2	.019
Likelihood Ratio	7.767	2	.021
Linear-by-Linear Association	2.813	1	.094
N of Valid Cases	540		

A 0 cells (.0%) have expected count less than 5.

The minimum expected count is 5.78.

From the above table, it is found that chi-square =7.900, p=.000. Therefore, it is concluded that there is an association between executive employees' perception on strategic HRM practices and working from home in the automobile companies.

### Findings

The following are the outcomes of empirical research from primary data.

1. The executive employees are highly satisfied with respect to qualification prescribed for the post and the method adopted for selecting the executives.
2. It is also found that the executive employees are dissatisfied over the non-participation of senior executives during induction process.
3. The executive employees are moderately satisfied with the time duration of training and development programmes, performance in the job after the training and development and methods adopted for easy understanding by the participants during the training of the executives.
4. The employees are also moderately satisfied with content and relevance of the training programs, competency of the trainer, experience sharing and interaction of the participants.
5. The executive employees are moderately satisfied with the methods of presentation of rewards, feedback and support from the superiors, quality of performance appraisal during and at the end of the year, rewards and recognition policy of the automobile companies.
6. The executive employees of the automobile companies have strongly expressed their view that the organizations can enhance the motivation of the employees by focusing on methods of performance rating, recognizing the performers well on time, involving the employees in the target finalization and the factors considered for salary revision which can result in the increased commitment of employees.
7. The executive employees are moderately satisfied towards the Strategic HRM practices of transfer and promotional policies, administration of transfer and promotion policies, basis of transfer, promotional benefits and promotional opportunities.
8. The executive employees are found to be dissatisfied with respect to the Strategic HRM practices of career planning and focus given for developing their leadership qualities.

9. It is inferred that the first cluster comprising 177 executive employees (32.78%) are moderately satisfied with recruitment, selection and induction; work environment and employee benefits; and training and development practices and dissatisfied with performance appraisal, salary, rewards and recognition; transfer, promotion and career planning practices. Hence, this cluster of employees is known as Career Seekers.
10. The second cluster of 207 executive employees (38.33%) are moderately satisfied with all the five strategic HRM practices of the automobile companies and therefore the group is labeled as Mechanical Employees.
11. The third cluster of 156 executive employees (28.89%) is highly satisfied with all the strategic HRM practices of the Indian, Japanese and Korean automobile companies operating in Tamilnadu and hence they are labeled as Culminated Employees.
12. It is found that 51.7% of mechanical Employees and 84.7% career seekers are satisfied with the prevailing innovative practices of 360 degree appraisal and best employee award in the automobile companies.
13. It is inferred that 9.6% of career seekers and 76.3% of culminated executive employees are dissatisfied that their organizations do not have the best employee award and attitude survey practices respectively.
14. The sample study has found that 97.7% of career seekers and 98.6% of mechanical executive employees are dissatisfied that their organizations have not introduced the innovative practices of flexible working hours and working from home respectively.
15. It is found that 95.5% of culminated executive employees acknowledged the practice of performance based incentive system in their organizations.
16. It is analyzed that 38.5% of culminated executive employees and 48.6% of career seekers are satisfied with the Innovative HRM practices of competency mapping and monetary support for higher studies.
17. It is understood from Pearson chi-square statistics that there is a deep association between SHRM practices and Innovative HRM practices of 360 degree appraisal system, performance based incentive system, best employee award, encouragement for higher studies for advancement at company's expenses, flexible working hours, best suggestion award and working from home, followed in the Indian, Japanese and Korean automobile companies operating in Tamilnadu
18. It is found that there is an association between SHRM practices and Innovative HRM practices followed in Indian, Japanese and Korean automobile companies operating in Tamilnadu.

**These inferences lead to the testing of Hypothesis:**

**Hypothesis 1:** There is no significant difference in Strategic HRM practices between Indian and Japanese companies operating in the automobile industry in Tamilnadu.

**It is understood that the f values of Strategic HRM practices of Indian and Japanese companies are significant at 5% level.** The mean values of various SHRM factors are higher in the case of Japanese companies than Indian companies.

**Therefore the Hypothesis is rejected and concluded** that there is a significant difference in the Strategic HRM practices of Indian and Japanese companies.

**Hypothesis 2:** There is no significant difference in Strategic HRM practices between Indian and Korean companies operating in the automobile industry in Tamilnadu.

**It is understood that the f values of Strategic HRM practices of Indian and Korean companies are significant at 5% level.** The mean values of various SHRM factors are higher in the case of Indian companies than Korean companies

**Therefore the Hypothesis is rejected and concluded** that there is a significant difference in the Strategic HRM practices of Indian and Korean companies.

### **Suggestions**

1. The Strategic HRM demands that the automobile industry be more active in implementing the innovative HRM practices prevailing in select companies across the spectrum.
2. Since the core concept of Strategic HRM is integration of HRM functions with the organizational objectives and the external environment, the HR heads in consultation with employees should periodically introduce new innovative HRM practices to motivate the employees for superior performance.
3. One of important Strategic HRM factors, which can have a greater influence on the motivation and satisfaction of employees in the automobile industry is implementation of a transparent performance appraisal system. The individual employees should be involved in target finalization.
4. The industry in general need to focus more on Strategic HRM developmental activities like performance assessment, training and development, job rotation and career planning to reduce job attrition.
5. One of the important features of Strategic HRM is identification of the potential Leadership Talent. There should be a dedicated focus on this area right from junior management level.

### **Conclusion**

Based on the study, the following conclusions are drawn:

The Strategic HRM is considered as the most significant resource influencing all other resources in automobile companies, which are technology/knowledge and market driven. The Strategic HRM objectives of an organization are accomplished by strengthening the employee's organizational commitment by enhancing the motivation and job satisfaction of the employees, which would lead to maximization of output from the individual employees. Strategic HRM practices influence the employees to develop creative skills and motivate employees to have loyalty and commitment towards their job.

While the employees at junior level and middle level are predominantly influenced by monetary rewards, the senior and top level executives are professionals with a very high degree of career orientation and money is one of the factors to influence their career decision. Employees with a passion for the given assignment are to be preferred in the automobile industry to take the organizations to a higher platform, thereby earning their growth within the organizations. The Indian, Japanese and Korean companies are expected to upgrade their product/service quality to meet the requirements of the global customers with global standards. Long term benefits would accrue to the employees committed to sustained performance and consistent hard work with clear career goals.

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