

Impact of Human Capital Management on Employee Retention in Automobile Industry with special reference to Selected Companies in Bengaluru

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Abstract

Human Resource Management is all about managing human resource or employees of an organization in a single focused line where employees are hired only for productivity. Human capital Management is a complete or total development of human potentials for creating organizational value. Human Capital Management is about creating value through people and it is a people oriented philosophy aiming at the development of people. Every employee needs to be empowered with knowledge, resources and relationship by their automobile companies. The main outcome of Human Capital Management practices in Automobile company is the total organizational effectiveness which paves the way to retain the employees within the organization. In particular, the Human Capital Management strategies increase the Organizational Efficiency, Individual Efficiency and create conducive situations for career development of employees. This leads to, monetary and non – monetary benefits to the employees which in turn directly or indirectly create impact on the psychology of the employees to show the loyalty to the organization. The main objective of study is to know the Factors responsible for Human Capital Management in Automobile companies and to classify Employee Perception towards Employee Retention in the study domain, and to measure the Influence of Personal and Organizational Variables on Human Capital Factors and Employee Retention in Automobile Companies. The author finally to know the Impact of Human Capital Management on Employee Retention in Automobile Companies in Bengaluru. The main hypothesis of the study indicates that the Employees in different Managerial Levels do not differ in their Perception of Human Capital Management and there is no significant influence of Years of Service on Human Capital Management perception. There is no significant Impact of Human Capital Factors on Employee Retention.

The employees strongly agreed that this system typically interviews the candidates before Placement and provides quality candidates on time and effectively administers the total number of employees required are discussed in the top management level whereas they moderately agreed towards this process of selecting quality candidates based on performance appraisal system scores and the transparency in judging the performance Appraisal System in the organization. To conclude, the Automobile Industry need to find a way to increase employee retention to achieve more organizational goals. Moreover, the organization should understand the potential grievances that prevent employees from leaving. Automobile Industry that continually seeks to improve HCM practices and there is no single policy to retain the employees.

Keywords: Employee Retention, Human Capital Management, Organizational Efficiency, Individual Efficiency & Job Commitment

1. Introduction

Human Resource Management is considered as a vital element in many organizations. Human Resource Management is all about managing human resource or employees of an organization

in a single focused line where employees are hired only for productivity. In the concept of Human Resource Management, employees are viewed as resources from which benefits, productivity and performance can be extracted.

Employees play an important role in Human Resource Management but still fall short of being treated as capital investments.

In order to develop and sustain employees, organizations have to invest in their employees. Here the concept of treating Employees as Human Capital comes into focus. Under Human Capital Management employees are not treated as mere resources but as capital to invest in. Human Resource Management was derived from Personnel

Management. Since Personnel Management was inadequate in managing the human resources of organizations, Human Capital Management is a more refined form of Human Resource Management (Marcel van Marrewijk and Johanna Timmer, 2003). Human Capital Management lays emphasis on investing in employees to help them achieve competitive advantage and nourish themselves with efficiency and growth in order to increase their commitment, dedication and passion for the organization they work. This study aims to assess the outcome of Human Capital Management.

2. Human Capital

At Standard Chartered, the term Human Capital is used to refer to the talents, skills and knowledge of employees. The term Human Capital was originally spoken by an economist, Schultz (1961). He proved that the returns on Human Capital Investment through education and training in the United States were larger than Investments made on Physical Capital. This concept was further elaborated in 1981. All human beings possess abilities. For few abilities could be what they have acquired over experience or time. These abilities or attributes when nurtured and augmented by investing in them will spring forth as Human Capital. Any individual who invests in himself will be able to enlarge his boundaries for choices.

The need for analyzing and identifying areas for investment, project the need for an Effective Human Capital Management. Human Capital management is the first and foremost step in moulding human capital. The later step would be to gauge the value of these areas identified. This further leads to measurements and metrics to calculate return on investments made.

Investments made in the right area would definitely yield good returns. Hence Human Capital Management is the key to generate, mould, exhibit, employ and evaluate or measure Human Capital.

Human capital Management is a complete or total development of human potentials for creating organizational value. Human Capital Management is about creating value through people and it is a people oriented philosophy aiming at the development of people. People development can be considered as development of human capital only when it is interpreted or translated into value (Kearns 2005).

Human Capital Management is driven by values and hence strives to create dedication, commitment and motivation among employees (Angela Baron & Michael Armstrong, 2007). The first step to achieve dedication, commitment and motivation among employees is to identify the composition of factors that form human capital. Then the identified factors should be analyzed to find out the gaps and shortfalls in managing Human Capital.

3. Elements of Human Capital Management

An intense research on Human Capital Management has revealed twenty human capital factors that are most reported and used by companies in Human Capital Management.

A study conducted in Bangladesh companies have confirmed that these twenty HC Items listed below are the mostly recorded and reported Human Capital Items (Md Habib-Uz-Zaman Khan et al, 2010).

1. Employee Training
2. Educational Qualification
3. Employee Participation in Training
4. Number of Employees
5. Employee Benefits
6. Employee Compensation Plan
7. Employee involvement in the community activities

8. Establishment of own training institute
9. Employees incentive program
10. Employees Safety and Health
11. Entrepreneurial Spirit
12. Employee turnover
13. Employee Job Rotation
14. Employees skills and Competencies
15. HC Statistics
16. Employee Career Development and Opportunities
17. Intellectual Skills
18. Employee Value
19. Employee recruitment policies
20. Employee leadership

4. Need For Human Capital Management

Every employee needs to be empowered with knowledge, resources and relationship by their automobile companies. Employees are no longer mere resources. Human Resource management calls for an up gradation where employees are viewed as capital for every organization. Making staff more efficient is the most effective way for achieving competitive advantage in the present situation. Human aspects are reconsidered the most valuable production factors, the most important capital of competitive advantage that creates fundamental capabilities of each organization,

IT industry is no exception. Here comes the need for Human Capital Management in every IT companies. In order to face the challenges of competition in global economy, IT companies must focus on Human Capital. The Human Capital in Automobile companies is the factor that produces most profit. Human Capital is essential to obtain Performance and development (Daniel Harangus, 2010).

Employee retention in manufacturing industry is the efforts taken by employers to retain current

employees in their workforce. It is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. It refers to the policies and practices that manufacturing companies use to prevent valuable employees from leaving their jobs. The biggest problem that plagues the manufacturing companies in the competitive market place is the attrition of employees. Nowadays, the manufacturing industries often find that they spend considerable time, effort and money to train an employee only to have them developed into a valuable commodity and leave the company for greener pastures.

In order to develop a successful company, employers should consider as many options as possible when it comes to retaining employees, while securing their trust and loyalty so that they have less of a desire to leave the company in future. Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Manufacturing industries face a lot of problems in employee retention these days. Hiring knowledgeable people for the job is very essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for talented persons. There are many organizations which are looking for such employees. If a person is not satisfied by the job he is doing, he may switch over to some other more suitable job. In today's environment it becomes very important for organizations to retain their employees.

5. STATEMENT OF THE PROBLEM

The main outcome of Human Capital Management practices in Automobile company is the total organizational effectiveness which paves the way to retain the employees within the organization. In particular, the Human Capital Management strategies increase the Organizational Efficiency, Individual Efficiency and create Conclusive Situations for career development of employees. This leads to, monetary and non –

monetary benefits to the employees which in turn directly or indirectly create impact on the psychology of the employees to show the loyalty to the organization.

6. SCOPE OF THE STUDY

- The impact of Human Capital Management is not directly created retention strategies whereas it helps the organization to increase the individual efficiency of the employees as well as the career development. This motivation makes them to show their loyalty to the organization to improve the quality of the products and to increase the productivity of the organization.
- Human Capital Management elements identified can be given more focus for improvement based on the results.
- The results of this study will cater to the needs of Investment in Human Capital elements.
- This study can be used as a bench mark in future to compare and analyse the pitfalls in Human Capital Management in Organizations

7. LITERATURE REVIEW

(Kathleen, Skills, 2006) experience and knowledge have economic value to an organization and as employee value increases, so does the organization's capacity. Human Capital is intertwined with performance management. Those who recognize the importance of Human Capital create a work environment that facilitates maximum employee performance. Another major issue involved in human capital management is employee work problems. She concludes by saying, to manage nursing human capital, there is a need to invest in recruitment and retention, healthier work environment, patient safety, training and development and succession planning. The study also emphasizes that the organization should not overlook the importance of Job Coaching, the best way to keep organization's stars is to know them better than they know themselves. One of the best methods for inspiring the employees to greatness is through investing in human capital.

(Bozzolan et al., 2003; Bontis, 2003) There has been an increasing consciousness that workforces are considered not only as a vital resource for a business but also as a key basis of competitive advantage in today's changing business environment. As a result, substantial investments towards upgrading stocks of HC are evident among firms that believe human resources are their most valuable assets. Studies argue that skilled employees, employees' knowledge and spirit, leadership quality, etc. facilitate the improvement of company performance.

(Smith, D. 2010) It is argued that a distinction should be made between the general body of publicly available knowledge and economic knowledge - a subset of knowledge from the general body which businesses have found a way to use profitably. The authors actually state that general knowledge is converted into economic knowledge by the efforts of entrepreneurs, who essentially sift through the general body of knowledge until they find something they believe they can exploit and then start a business based on that piece of knowledge. Thus, knowledge by itself is not enough to create economic growth, since entrepreneurship is required to turn general knowledge into economic knowledge.

(Rashki, Zahra; Hasanqasemi, Abdolmajid; Mazidi, Alireza, 2014) This research was carried out in 2012-13 in order to study the relation between job rotation and staff performance in Customs. Finding of this research showed that there are significant relationships between importance of job rotation and staff performance, management style in organization and staff performance, organization goals of job rotation and staff performance and also, satisfaction with job rotation and staff performance in Customs organization of Golestan and Mazandaran Provinces.

(Suhasini, N, Babu, T, Naresh, 2013) The constant merging trends in business environment initiate so many changes in all organizations. Every organization has to strive to increase its profitability, improve the quality of goods and services to ensure customer satisfaction. In order to meet the challenges posed by emerging trends organizations need the committed participation of talented people so that effectiveness & efficiency of the organizations

could be enhanced.

(Koleva, Silvana, 2013) Training and improving of employees represents a framework which is focused on organizations skills, development of the employee through education, long term needs of the company, individual goals in the career and the value of employees could be provided. Training is a very expensive process which demands time and money for realization. Bringing decisions, preparing good programs for the training process, and upgrading the skills and employees attitudes on every possible level, increase the efficiency in the company, and can bring back the money and time invested with interest. This represents the only way to get the company

Al-Omari, Burhan M Awad, 2012) Skills of workers alone are not enough to make progress but it should be organized in an integrated and coherent framework so that those skills are integrated and are resembled to accomplish the work. This change requires shifting toward sustainable management in action and continuous improvement of the skills and reviewing of structures and foundations and providing adequate support, including the freedom of the workers.

(Al-Omari, Burhan M Awad, 2012) Organization that seeks to reach and maintain an outpost in the area of increased competition, especially in financial and investment fields must rely on the creative and intellectual skills of their employees. Because these skills generate new ideas for dealing with problems and difficulties and product development and participate in the formulation of ideas that help to implement them and afford the risk consequences when change in product is made and to commensurate with the needs and tastes of consumers.

(Nofan, Hamid Mohammed Al-Oleemat, 2014) The study emphasized that the managements of Jordanian public universities should fill the administrative vacancies based on the experience, skill and knowledge of the employees, follow a policy of acquiring and generating knowledge at the level of the individual in the financial departments and concentrate on the companies of awareness to adopt with the challenges of era of information so as to keep up with

new innovations.

(Nusair, Talal T, 2013) Leadership is perceived to play a vital role in enhancing the creative thinking capacity for individuals and innovative outcomes through the many practices that support innovative efforts and provide risk tolerance, so the individuals feel more confident to express and implement their innovative ideas. Transformational leadership is highlighted to enhance subordinate's innovative outcomes by stimulating them intellectually and motivate them to think "out of the box", and encourage them to exceed the expected performance by challenging themselves and prove that they can achieve more. (Rakhmayil, Sergiy; Yuce, Ayse, 2013) This paper examines the effect of managerial qualifications on firm value. The study focuses on financial performance of Fortune

500 firms using annual data for 2006-2009 using Univariate and Multivariate methodologies. Results indicate that companies whose managers have (Masters in Business Administration) MBA degrees or degrees from the prestigious schools have higher market values.

(Ming Foong, 2008) Investigated the role of career development practices to turnover intention. He collected data from four different industries finance, information technology, engineering and education. There were 357 Malaysian knowledge workers. The findings revealed that the most significant factor which has effect on turnover intentions depend on the nature of organizations career development practices. These practices enhance personal goals, motivate the workforce and reduce turnover.

(Baugher, David, 2010) If the workload causes an attorney to shed business, it may be time to bite the bullet and expand. Number of employees in an organization, their deficit and overpopulation impacts individual performance of employees and organizational performance at large. Workload is a barrier for efficient performance.

(Schraeder, Mike, 2009) The purpose of this viewpoint is to highlight the importance of organizational actions toward employees, matching the stated value of

employees. Organizations may benefit from consciously endeavouring to treat employees in a manner that is consistent with explicit and implicit statements made with regard to the value of employees to the organization. The article reminds managers and leaders to consider their actions toward employees. Inconsistencies between their actions and their words may be negative to organization's performance.

(Haroon, Muhammad, 2010) The study found that unmet expectation mediated the relationship between recruitment sources (internal vs. external) and both job satisfaction and organizational commitment. Results suggest that automobile companies should prefer internal recruitment practices to ensure less unmet expectations of employees and high level of job satisfaction and organizational commitment.

(Hameed, Abdul, et al, 2014) Compensation is very important for the performance of the employees. Therefore, they are very important for the organization too. The purpose of this research is to measure the impact of compensation on employee performance. A questionnaire was designed to collect the data on the factors related to compensation like salary, rewards, Indirect Compensation and employee performance. The data was collected from different IT companies of Pakistan. Different analytical and descriptive techniques were used to analyze the data. It was found from different results that Compensation has positive impact on employee performance.

(Khan .I, Shahid .M, Nawab .S & Wali S. S. 2013) It is suggested in the literature of human resource management and organizational behaviour that non-monetary incentives act effectively in motivating employees. The essence of incentives is to establish linkage with desired behaviour and the outcome that makes the employee feel appreciated. Non-monetary rewards play a significant role in the perception of the employee regarding the reward climate in the workplace.

(Jayawardena, et al, 2013) Organizations are paying increased attention on Career Management practices, in their quest for organizational growth and the career development of employees. The role of career management practices adopted by organizations has a special significance to the occupational self-efficacy with the progress of

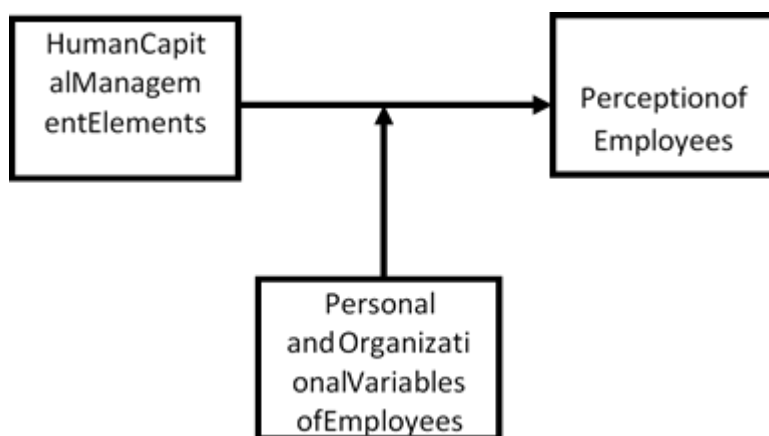
employees in their careers. Study has focused the impact of Career and Knowledge management practices adopted by Czech organizations of thirty elderly employees holding administrative positions. Findings revealed a positive relationship of Knowledge management practices to the Occupational Self Efficacy, and career development of elderly employees.

8. OBJECTIVES OF THE STUDY

1. To study the Factors responsible for Human Capital Management in Automobile companies
2. To classify Employee Perception towards Employee Retention in the study domain.
3. To measure the Influence of Personal and Organizational Variables on Human Capital Factors and Employee Retention in automobile Companies.
4. To study the Impact of Human Capital Management on Employee Retention in Automobile Companies.

9. HYPOTHESES

1. The Employees in different Managerial Levels do not differ in their Perception of Human Capital Management.
2. There is no significant influence of Years of Service on Human Capital Management perception.
3. There is no significant Influence of Personal and Organizational Variables on Human Capital Factor and Employee Retention in Automobile Companies
4. There is no significant Impact of Human Capital Factor on Employee Retention.



10. METHODOLOGY

The study is conducted using both analytical and descriptive type of methodology.

The study primarily depends on primary and secondary data.

10.1 Study Area

The Survey is conducted in Automobile Companies located in Bengaluru city. Bengaluru hosts a number of Automobile companies making the study realistic and meaningful. The city consists of Large, medium units as well. As Automobile Companies have entered the economic arena, their high level of pay has raised the economic standing of young and educated professionals. Bengaluru, being the metropolitan city, truly represents

employees belonging to various strata of the society. The attractive parameters include skills availability, infrastructure, skills retention, cost of living, political support, access, and overall quality of life.

10.2 Sampling Size and Design

The primary data are collected through survey method. Survey was conducted using well-formulated Questionnaire. Convenience Sampling method is applied for generating data. Samples for the purpose of the study are selected systematically. Totally 1000 Questionnaires were distributed and 596 collected out of which 531 completed questionnaires were found usable.

The following table gives the distribution of samples of different firms:

Sl.No	Number of Firms	Received & Used
1.	Rane Madras Limited. Mysore	75
2.	J K Tyre & Industries Ltd. Mysore	72
3.	Automotive Axels Ltd. Mysore	70
4.	TVS Motor Company, Kadakola, Nanjangud	61
5.	Triveni Turbines Ltd, Mysore	69
6.	Volvo Trucks India Pvt. Ltd. Hoskote	55
7.	Veoneer India Pvt. Ltd, Bangalore	62
8.	Toyoda Gosei South India Pvt. Ltd - Bidadi	67

	TOTAL	531
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11. SAMPLE SELECTION

The convenience sampling method is applied to collect the primary data. This sampling method is justified as follows: The automobile companies are downsized into Automobile industry in the first stage of sampling. The second stage is preceded with technical employees working in the automobile industry. After these two stages, the convenience sampling method is applied to obtain the responses from the employees. Hence, the convenience sampling method is justified to collect the samples from the Software companies.

12. SCALING TECHNIQUE IN THE QUESTIONNAIRE

The questionnaire used comprises both optional type and Statements in Likert's 5-point scale. The responses of these sections are obtained from the employees of Automobile companies in the 5-point scale, which ranges as follows:

5—Strongly agree 4—Agree 3—Neutral 2—Disagree 1—Strongly Disagree

12.1 Secondary Data

The Secondary Data collected from the automobile industry will be used to identify the growth and development of automobile industry at All India Level and State Level

13. QUESTIONNAIRE DESIGN

The researcher designed the questionnaire with IV parts. The Part – I deal with the Personal details of the Employees and Part – II deal with the Organizational details of the Employees. The Part – III is aimed at ascertaining the Elements of Human Capital Management. The Gaps in the Literature identified the 9 Elements of Human Capital Management namely (A) Human Capital Statistics (B) Work Environment (C) Employee Retention (D) Employee Benefit (E) Training & Development Performance

Evaluation (G) Leadership (H) Grievance Redressal and (I) Organizational Culture. The Part – IV in the questionnaire completely deals with the Employee Retention Strategies. Part – I and Part – II are completely based on Optional Type Approach whereas Part – III and Part – IV are the mixture of Optional and Likert's Five Point Scale Statements.

14. PILOT STUDY

A pilot study was conducted to validate the questionnaire and to confirm the feasibility of the study. The filled up Questionnaires are collected from 100 respondents and Cronbach's Alpha Criterion was applied to test the reliability. The value determined is 0.894 proving the reliability of the instrument. The quality of the questionnaire was ascertained and the test showed high reliability. The variables considered for the analysis are satisfying the normal probability distribution. Based on the pilot study, the questionnaire was modified suitably to elicit response from the sample group.

16. DATA ANALYSIS

The Primary data collected are analyzed using the SPSS (Statistical Package for Social Sciences) computer packages.

The Statistical tools used for obtaining results are as follows:

1. T-test and Paired T-test are applied to ascertain the nature of responses of employees about the HCM Practices and significant difference among the various factors of employee retention.

2. Factor Analysis by Principal Component Method is used to identify the factors of HCM Practices and Employee Retention.

3. K-means Cluster Analysis is exploited to classify the employees of Automobile companies based on their perception.

4. Regression Analysis is used to find the Influence of Human Capital Management factors on Employee Retention in automobile companies.

5. Karl Pearson's Co-efficient of Correlation is brought into the context to explore the parametric relationship among the various factors of HCM practices and retention.

6. One-way Analysis of Variance (ANOVA) is applied to ascertain the significant relationship between various HCM practices and their effects with respect to the organizational and personal variables of employees.

The researcher

used Univariate and Multivariate Statistical Tools -test, Structural Equation Model, Cluster Analysis, Discriminant Analysis and One Way Analysis and Regression to examine the perception of Human Capital Management in automobile companies.

16.1 GENDER OF THE RESPONDENTS

Automobile Industry needs to hire a large number of employees. It is critical that these new employees are quite familiar with the current system. It is now possible to make hiring decisions based on gender by assessing the employees' qualification and experience. Female respondents were more interested than male respondents.

Table No.1 Frequency based on Gender

Gender	No. of Employees	Percent Computed	Added Percent
Male	222	41.7	41.7
Female	309	58.3	100.0
Total	531	100	

Source: Primary Data

From the above table No.1 it is found that in the sample unit of 531 respondents, 41.7 percent of the respondent falls under the category of male and 58.3 percent under the category of female respondents in the automobile sectors.

16.2 Age of the respondents

Age of the employee plays a significant role in Automobile industry. It acts as an

important function in the personal profile of employees in Automobile Companies. Commitment to job differs according to the age of the employees. Majority of the Automobile industry prefer only experienced rather than young age, because they can suit anywhere and active. The age group of employees are as follows:

Table No.2 frequency based on Age

Age	No. of Employees	Percent Computed	Added Percent
Below 30 years	141	26.6	26.6
31-40 Years	259	48.9	75.4
41-50 Years	109	20.6	96.0
Above 50 Years	22	4	100
Total	531	100	

Source: Primary Data

From the above table 2 it is found that out of

total samples, 26.6 percent of the respondent in the age group below 30 years and 48.9 percent of the respondents between the age group of 31-

40 years. It is also clear from the table that 20.6 percent of the respondents are between the age group of 41 - 50 years followed by 4 percent, which constitutes the respondents in the age group above 50 years.

16.3

Educational qualification of the respondents

Appointment of employees in Automobile industry is primarily based on the educational qualification. The minimum educational qualification

prescribed as UG/PF/Professional. Increments and promotions are given to employees based on educational qualification. Those employees who have more experience and highest educational qualification are considered for any special assignment for the betterment of the Automobile industry. The frequency distribution table clearly expresses the educational qualification of employees.

Table No.3

Frequency based on Educational Qualification

Educational Qualification	No. of Employees	Percent Computed	Added Percent
UG	100	18.9	18.9
PG	375	70.6	89.4
Professional	53	10.0	99.4
Others	3	0.6	100
Total	531	100	

Source: Primary Data

From the table 4.3, it is found that 18.9 percent of the respondents of the total samples in IT sectors are UG holders, 70.6 percent are PG, 10 percent are professionals and merely 0.6 percent of the respondents are from other degree holders.

Designations of employees in Automobile industry are different based on educational qualification and experience. The researcher classified the sample into top level executive, middle level managers, and junior level, operational level managers. The below table shows that the distribution of the samples according to designation:

16.4 Designation of the Respondents

Table.No.4 Frequency based on Designation

Designation	No. of Employees	Percent Computed	Added Percent
Top level	64	12.0	12.0
Middle level	56	10.6	12.6
Junior level	378	71.1	93.7
Operational level	33	6.3	100
Total	531	100	

Source: Primary Data

The above table shows that out of the total respondents in the Automobile industry 12.0 percent are Top levels, 10.6 percent respondents

belongs to middle level and 71.1 percent of the respondents are junior level and 6.3% are operational level employees.

16.5 Job experience of the respondents

Experience is more and more the knowledge also more and they are specialized in particular subject. Experience here indicates 'job tenure' of employee's service in the Automobile

industry. In this study, the researcher has divided the total service rendered by the employees in the organization into five categories i.e., below 5 years, 6-10 years, 11-15 years, 16-20 years and above 20 years. The frequency distribution table of experience rendered by employees in different sectors is presented in the following table:

Table No.5 Experience of the respondents

Experience	No. of Employees	Percent Computed	Added Percent
Below 5 Years	185	34.9	34.9
6-10 Years	168	31.7	66.6
11-15 Years	88	16.6	83.1
16-20 Years	49	9.1	92.3
Above 20 Years	41	7.7	100
Total	531	100	

Source: Primary Data

It is inferred from the above table 4.5, that respondents in Automobile industry with below 5 years of service are accounted for 34.9 percent of the total sample. It is also clear that 31.7 percent of the respondents with 6-10 years of experience and 16.6 percent of respondents with 11-15 years of experience. 9.1 percent of the respondent with 16.-20 years of experience and 7.7 percent of the respondents from

above 20 years of experience.

16.7 Income of the Respondents

Monthly income of the employees is fixed based on the educational qualification and experience. Basic pay is generally below Rs.30000 at the time of appointment and it will be increased based on experience and qualification.

Table No.6 Income of the respondents

Income	No. of Employees	Percent Computed	Added Percent
Below Rs.30,000	285	53.7	53.7
Rs.30001-Rs.50000	76	14.3	68
Rs.50001-Rs.75000	36	6.9	74.9
Rs.75001-Rs.100000	88	16.6	91.4
Above Rs.100000	46	8.6	100.0
Total	531	100	

Source: Primary Data

Table No.6 shows that out of the total samples taken for the study 53.7 percent of the respondents in IT sector earn income below Rs.

30000 per month. Followed by 14.3 percent of the respondents earn income between Rs.30001 to Rs.50,000 per

month, 6.9 percent of the respondents earn between Rs. 50001 to Rs. 75000 per month and 16.6 percent of the respondents earn between Rs. 75001 to Rs. 100000. It is clear that 8.6 percent of the respondents earn more than Rs. 100000 per month.

17. HUMAN CAPITAL STATISTICS PERSPECTIVE OF HUMAN CAPITAL MANAGEMENT

The respondents gave the responses on human capital statistics practices in their

respective companies. Their awareness level on various types of measurement of human capital statistics and instruments used to evaluate the human statistics are ascertained through the statistical methods as stated below;

17.1 Internal Human Capital Management

Human capital Management had been used as a part of control function. It is the examination and evaluation of policies, procedures and practices in all phases of the organization to achieve the most effective administration of the organization.

Table No. 7 Internal Management

Internal Management	No. of Employees	Percent Computed	Added Percent
Yes	411	77.4	77.4
No	120	22.6	100
Total	531	100	

Source: Primary Data

Table No. 7 reveals that 77.4 of the respondents felt that human capital management is conducted in the organization through internal sources and 22.6 percent of the respondents felt that internal sources didn't conduct human capital management in the organizations.

Instrument Used to evaluate Human Capital management

There are various instruments that are used to evaluate human resource functions are Interview, Group Discussion and Workshop, Observation, Analysis of Records and Questionnaire.

17.2

Table No. 8 Interview

Interview	No. of Employees	Percent Computed	Added Percent
Yes	320	60.3	60.3
No	211	39.7	100.0
Total	350	100	

Source: Primary Data

It is ascertained that 60.3 percent of the respondents felt that interview is used to evaluate the human resource functions and 39.7 percent

of the respondents felt that the organization didn't use interview to evaluate human resource functions.

Table No. 9 Group discussion

Group discussion	No. of Employees	Percent Computed	Added Percent
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Yes	103	19.4	19.4
No	428	80.6	100.0
Total	531	100	

Source:PrimaryData

It is analyzed that 19.4 percent of the respondents agreed that group discussion and workshop is the instrument used to evaluated

human resource functions. Majority of the respondents i.e., 80.6% disagreed about the instrument used to evaluated human resource functions.

Table No.10 Observation

Observation	No. of Employees	Percent Computed	Added Percent
Yes	416	78.3	78.3
No	115	21.7	100.0
Total	531	100	

Source:PrimaryData

It is clear that 78.3 percent of the respondents felt that observation method is used to evaluated human resource functions and 21.7 per

cent disagreed about the usage of observation method while evaluated human resource functions.

Table No.11 Analysis of employee records

Analysis of records	No. of Employees	Percent Computed	Added Percent
Yes	294	55.4	55.4
No	237	44.6	100.0
Total	531	100	

Source:PrimaryData

It is revealed that 55.4 percent of the respondents agreed that analysis of records is the method used to evaluated human resource functions and 44.6

percent of the respondents disagreed about analysis of records is the method used while evaluated human resource functions.

Table No.12 Questionnaire

Questionnaire	No. of Employees	Percent Computed	Added Percent
Yes	85	16	16.0
No	446	84	100.0
Total	531	100	

Source:PrimaryData

It is found out that 16 percent of the respondents agreed that questionnaire is the method used to evaluated human resource functions and 84 percent of the respondents disagreed about questionnaire method used to evaluated

human resource functions.

18. T-TEST FOR THE FACTORS INFLUENCING

GHUMANCAPITAL MANAGEMENT

The mechanism of the test for human capital management and human capital statistics, work environment, employee recruitment policies, employee benefit, training and development, performance evaluation, leadership, grievance redressal, organizational culture and job autonomy. The mean is compared with the mid value 3 and t – test values with positive and negative nature would imply agreements as well as disagreements. The insignificant T value is meant for neutral opinion.

19. CONFIRMATORY FACTOR ANALYSIS OF ALL THE ELEMENTS OF HUMAN CAPITAL STATISTICS

After reviewing national and international literature regarding human capital statistics, the researcher identified human capital statistics followed by the work environment, employee recruitment policies, employee benefit, training and development, performance evaluation, leadership

, grievance redressed, organizational culture, job autonomy. Each element is composed of the statements in Likert's five-point scale which ranges from strongly agree to strongly disagree. It is used in order to check the reliability of the statements, and as well as to confirm their implications to explain the Elements of Human Resources Management. Therefore, the researcher used Cronbach's Alpha method followed by confirmatory factor analysis using AMOS software. The results of CFA are clearly presented for all the elements of human capital statistics in order. It confirms the reliability as well as the validity of the statements included in the present research.

19.1 Reliability and Validity of Human Capital Statistics

The Human Capital Statistics consists of seven statements in Likert's five-point scale. The application of Cronbach's Alpha method and confirmatory factor analysis brought the following results.

Table No.13 Human Capital Statistics

Statistics	Value	Significant
Cronbach's Alpha	0.776	0.000
CMIN (Chi-square value)	2.213	0.000
GFI (Goodness of fit index)	0.964	0.000
NFI (Normed fit index)	0.903	0.000
CFI (Comparative fit index)	0.927	0.000
RMSEA (Root mean square error of approximation)	0.087	0.000

From the above table it is found that Cronbach's Alpha value and other model fit indices are found to be significant at 5/100 level. Therefore, it can be concluded that all the seven variables regarding human capital statistics are more suitable to ascertain the perception of employees in IT sectors regarding human capital statistics. The following t-test indicates their perceptual level for all these seven variables. In this study, the

human capital statistics are identified through 7 statements (see appendix). The sample T-test is applied on seven statements of human capital statistics on the employees. This test is performed with the test value 3 and the following results are obtained. In this context, a parametric t-test has been applied and the following results are obtained.

Table 14 Employees Perception towards Human Capital Management

	Sample	Avg	SD	SEM

	Size			
HCM finds out the contribution of each department towards organizational development.	531	4.3114	.66223	.03540
HCM identifies the present organizational culture of each department	531	4.1543	.77509	.04143
HCM establishes a baseline for future improvement.	531	4.1429	.73951	.03953
HCM assesses current knowledge and skills of human resources.	531	4.0457	.85858	.04589
Management treats employees as an important asset of the organization.	531	4.1571	.93997	.05024
HCM is an important process.	531	4.0800	.82885	.04430
HCM provides timely legal support.	531	3.8771	.77518	.04144

The table no.4.14 indicates that the mean value limitations are within the range of 3.88 to 4.31. The above table expressed-

test values significantly greater than the test value 3 at 5 percent level of significance.

Table 15 Computation of T values						
	Test Value = 3					
	Statistics	Degrees of Freedom	Significance	Difference between Mean Values	Level of Confidence	
					Minimum	Maximum
HCM finds out the contribution of each department towards organizational development	37.048	530	.000	1.31143	1.2418	1.3810
HCM identifies the present organizational culture of each department.	27.861	530	.000	1.15429	1.0728	1.2358
HCM establishes a baseline for future improvement.	28.912	530	.000	1.14286	1.0651	1.2206
HCM assesses current knowledge and skills of human resources.	22.786	530	.000	1.04571	.9555	1.1360
Management treats employees as an important asset of the organization.	23.031	530	.000	1.15714	1.0583	1.2560

HCM is an important process.	24.377	530	.000	1.08000	.9929	1.1671
HCM provides timely legal support..	21.169	530	.000	.87714	.7956	.9586

It is inferred from the above table that the statistics values 37.048, 27.861, 28.912, 22.786, 23.031, 24.377 and 21.169 are significant. Therefore, it is concluded from the above table that the employees strongly agreed towards the process of implementing human statistics management analyses in the organizations in order to identify the present organizational culture prevailing in the companies. Implementation of human statistics management also gives more priority to the employees and establishes a baseline for future improvement and assessing the current knowledge and skills of human resources but they moderately agreed when it comes to providing timely legal support.

20. DOMAIN OF HUMAN CAPITAL MANAGEMENT & WORK ENVIRONMENT

Every organization is formulating its own policies, practices and programmes for achieving a better work environment. It is future oriented activities with charting out the desired direction of organizational activities. For recasting is one of the important elements in the entire organization.

Awareness of Mission and Vision of the Organization

Table No. 16 awareness of Mission and Vision

Mission and Vision	No. of Employees	Percent Computed	Added Percent
Yes	519	97.7	97.7
No	12	2.3	100.0
Total	531	100	

Source: Primary Data

It is observed that 97.7 percent of the respondents are aware of Mission and Vision of the organization and only 2.3 percent of the respondents are unaware about the mission and vision of the organization.

organization.

Awareness of Policies in Written Statement

Table No. 17 Policies in Written Statement

Written Statement	No. of Employees	Percent Computed	Added Percent
Yes	350	65.9	65.9
No	181	34.1	100.0
Total	531	100	

Source: Primary Data

It is found out that 65.9 percent of the respondents agreed that management provides organizational policies in written statement and 34.1 percent of the respondents is

agreed that they didn't provide organizational policies in written statement.

Awareness of Performance Standards

Table No. 18 Performance Standards

Source: Primary Data

Performance Standards	No. of Employees	Percent Computed	Added Percent
Yes	476	89.6	89.6
No	55	10.4	100.0
Total	531	100	

Human Capital Management

It is observed that 89.6 percent of the respondents have awareness about performance standards and only 10.4 percent of the respondents are unaware about performance standards.

The work environment of human capital management consists of six statements in Likert's five-point scale. The application of Cronbach's Alpha method and confirmatory factor analysis brought the following results.

Reliability and validity of work environment of human capital management**Table No 19** Work environment

Statistics	Value	Significant
Cronbach's Alpha	0.810	0.000
CMIN (Chi-square value)	130.78	0.000
GFI (Goodness of fit index)	0.905	0.000
NFI (Normed fit index)	0.824	0.000
CFI (Comparative fit index)	0.833	0.000
RMSEA (Root mean square error of approximation)	0.197	0.000

From the above table it is found that Cronbach's Alpha value and other model fit indices are statistically significant at 5% level. Therefore, it can be concluded that all the six variables regarding work environment followed in human capital management are more suitable to ascertain the perception of employees in IT sectors regarding human resources management. The following t-test indicates their perceptual level for all these seven variables.

2.1 T-TEST FOR WORK ENVIRONMENT

In this study, the work environment followed after implementation of human capital management in automobile industry of Bengaluru district are identified through six statements. The sample T-test is applied on six statements of work environment followed in the automobile industry regarding human capital management. This test is performed with the test value 3 and the following results are obtained.

Table 4.20 Work Environment

	Sample Size	Avg	SD	SEM
Self-objective coincides with mission of your work environment in your Organization.	531	4.2057	.78887	.04217

Schedule of plan as per project assigned to you in the work environment.	531	4.3686	.77470	.04141
Human Capital management monitors personnel policies, procedures & legal provisions.	531	3.9029	.88070	.04708
Human capital management evaluates both short term & long term plans of human resources.	531	3.8629	.90749	.04851
Policy deviations are recorded and used for policy updates in the work environment	531	3.8743	.93709	.05009
Updates and changes in Policies are communicated in time.	531	3.9057	.94534	.05053

The Table No 20 indicates that the mean value limitations are within the range of 3.86 to

test values significantly greater than the test value 3 at 5 percent level of significance.

4.36. The above table expressed -

Table 21 Computation of T values						
	Test Value = 3					
	Statistics	Degree of Freedom	Significance	Difference between Mean values	Level of Confidence	
					Minimum	Maximum
Self-objective coincides with mission of your work environment in your Organization.	28.594	530	.000	1.20571	1.1228	1.2886
Schedule of plan as per project assigned to you in the work environment.	33.050	530	.000	1.36857	1.2871	1.4500
Human Capital management monitors personnel policies, procedures & legal provisions.	19.179	530	.000	.90286	.8103	.9954
Human capital management evaluates both short term & long term plans of human resources.	17.788	530	.000	.86286	.7675	.9583
Policy deviations are recorded and used for policy updates in the work environment	17.454	530	.000	.87429	.7758	.9728
Updates and changes in Policies are communicated in time.	17.924	530	.000	.90571	.8063	1.0051

It is inferred from the above table that the t-values 28.594, 33.050, 19.179, 17.788, 17.454, 17.924 are statistically significant. Hence, the research can come to the conclusion that the employees confessed that the practicing of human capital management increases self-objective of the employees and also coincides with mission and moderately agreed that about this system for monitoring personnel policies, procedures & legal provisions and that this method of management evaluates both short term & long term plans of human resources. It is further found the employees also moderately agreed on this method used for recording and updating the policy and communicating the updates in time.

22

EMPLOYEES RECRUITMENT POLICIES

Employees' recruitment is the process of locating, identifying and attracting capable applicants. Selection is the process of choosing from among the candidates from

within the organization or from the outside, the most suitable person for the current position or for the future position. Placement involves assigning a specific job to each one of the selected candidates. It involves a fit between the requirements of a job and the qualifications of a candidate.

22.1

Type of Recruitment Followed in automobile Industry

There are different types of recruitment followed in the organizations.

Selecting among different types is based on the automobile Industry

Advertisement in Newspaper

Advertisement is the most widely used method for generating many applications. Its reach is very high compared to other sources. It can be used for jobs like clerical, technical and managerial also.

Table No. 22 Advertisement in Newspaper

Advertisement in Newspaper	No. of Employees	Percent Computed	Added Percent
Yes	454	85.4	85.4
No	77	14.6	100.0
Total	531	100	

Source: Primary Data

It is found out that 85.4 percent of the respondents agreed that the type of recruitment followed are advertisement in newspaper, it will reach all the place also and 14.6 percent of the respondents

disagreed about type of recruitment followed are advertisement in newspaper.

Internal Computerized Data Base

Table No. 23 Internal Computerized Data Base

Internal Computerized Data Base	No. of Employees	Percent Computed	Added Percent
Yes	73	13.7	13.7
No	458	86.3	100.0
Total	531	100	

Source: Primary Data

13.7 percent of the respondents accepted that the type of recruitment used are internal computerized database and majority of them (86.3) are not accepted about the type of recruitment used is internal computerized database.

the candidates from within the organization or from the outside, the most suitable person for the current position or for the future position. The selection process is likely to vary from organization to organization depending upon the nature of jobs.

23. METHOD OF SELECTION ADOPTED IN ORGANIZATIONS

Selection is the process of choosing from among

Written Examination

A written examination is a systematic procedure used to compare the behavior of two or more persons.

Table No. 24 Written Examination

Written Examination	No. of Employees	Percent Computed	Added Percent
Yes	464	87.4	87.4
No	67	12.6	100.0
Total	531	100	

Source: Primary Data

It is observed that 87.4 percent of the respondents agreed about the selection method used to select the candidate is written examination and 12.6 percent of the

respondents disagreed about the selection method used to select the candidate is written examination.

Panel Interview

Table No. 25 Panel Interview

Panel Interview	No. of Employees	Percent Computed	Added Percent
Yes	326	61.4	61.4
No	205	38.6	100.0
Total	531	100	

Source: Primary Data

It is ascertained that 61.4 percent of the respondents agreed that panel interview method is adopted to select the candidate and 38.6 percent of the respondents disagreed that panel interview is used

while selecting the candidate.

24. FACTORS INCLUDED IN PERFORMANCE APPRAISAL SCORES

Table No. 26 Job Completion Records

Academic Record	No. of Employees	Percent Computed	Added Percent
Yes	314	59.1	59.1
No	217	40.9	100.0
Total	531	100	

Source: Primary Data

It is ascertaining that 59.1 percent of the respondents agreed that job completion records are used in performance appraisal scores and 40.9 percent of the respondents disagreed

the usage of this record in performance appraisal scores.

Innovative Ideas

Table No. 27 Innovative Ideas

Research Activities and Publications	No. of Employees	Percent Computed	Added Percent
Yes	309	58.3	58.3
No	222	41.7	100.0
Total	531	100	

Source: Primary Data

It is found out that 58.3 percent of the respondents agreed that the innovative ideas are another factor included in the performance appraisal score and 41.7 percent of the respondents disagreed this innovative idea as

another factor included in the Performance Appraisal score.

Post held in Various Committees

Table No. 28 Post held in Various Committees

Post held in various committees	No. of Employees	Percent Computed	Added Percent
Yes	74	14.0	14.0
No	457	86.0	100.0
Total	531	100	

Source: Primary Data

It is observed that only 14.0 percent of the respondent agreed that position held in various committees are another factor included in the performance appraisal score and majority of the respondents (86.0 percent) are disagreed that position held in various committees are another factor included in the performance appraisal score.

25. RELIABILITY AND VALIDITY OF EMPLOYEES RECRUITMENT POLICIES OF HUMAN RESOURCES MANAGEMENT

The employee recruitment policies consist of five statements in Likert's five-point scale. The application of Cronbach's Alpha method and confirmatory factor analysis brought the following results.

Table No. 29 Employee Recruitment Policy

Statistics	Value	Significant
Cronbach's Alpha	0.747	0.000
CMIN (Chi-square value)	25.603	0.000

GFI(Goodness of fit index)	0.972	0.000
NFI(Normedfitindex)	0.939	0.000
CFI(Comparativefitindex)	0.949	0.000
RMSEA(Rootmeansquareerrorofapproximation)	0.109	0.000

From the above table it is found that Cronbach's alpha value and other model fit indices are to be significant at 5/100 level. Therefore, it can be concluded that all the five variables regarding employee recruitment policy are more suitable to ascertain the perception of employees in IT sectors regarding human capital management. The following t-test indicates their perceptual level for all these seven variables

26. T-TEST FOR EMPLOYEE RECRUITMENT POLICIES

In this study, the employee recruitment policies practiced in human capital management in IT sectors of Bengaluru district is identified through six statements (see appendix). The sample T-test is applied on six statements of employee recruitment policies followed in the automobile Companies. This test is performed with the test value 3 and the following results are obtained.

Table 4.30 Employee Recruitment Policies

	Sample Size	Avg	SD	SEM
Candidates are typically interviewed before Placement.	531	4.3457	.70440	.03765
The increase/ decrease of employees and administration staff are discussed in the organizational Committee.	531	4.1486	.73448	.03926
Recruitment and Selection process provides quality candidates on time.	531	4.2200	.78682	.04206
Quality candidates are selected based on API scores obtained by them.	531	3.9057	.94836	.05069
Performance based Appraisal System based on API in the Organization is transparent.	531	3.7886	.99043	.05294

The table no. 30 indicates that the mean value limit at 3.79 to 4.34. The above table expressed t-test values significantly greater than the test value 3 at 5/100 level of significance.

Table 4.31 Computation of T values

	Test Value=3					
	Statistics	Degree of Freedom	Significance	Difference between Mean values	Level of Confidence	
					Minimum	Maximum
Candidates are typically interviewed before Placement.	35.741	530	.000	1.34571	1.2717	1.4198
The increase/ decrease of employees and administrative staff are discussed in the top level management.	29.256	530	.000	1.14857	1.0714	1.2258
Recruitment and Selection process provides quality candidates on time.	29.008	530	.000	1.22000	1.1373	1.3027
Quality candidates are selected based on PAS scores obtained by them.	17.867	530	.000	.90571	.8060	1.0054
Performance based Appraisal System in the organization is transparent.	14.895	530	.000	.78857	.6844	.8927

It is inferred from the above table that the t-values 35.741, 29.256, 29.008, 17.867, 14.895 are statistically significant. The employees strongly agreed that this system typically interviews the candidates before Placement and provides quality candidates on time and effectively administers the total number of employees required are discussed in the top management level whereas they moderately agreed towards this process of selecting quality candidates based on performance appraisal system scores and the transparency in judging the performance Appraisal System in the organization.

27. SUGGESTIONS

1. The organizations ought to create a positive employee experience to attract and retain employees in a highly competitive job market. The well-structured employee experience leads to high levels of work engagement, work enthusiasm, job involvement and employer brand commitment.

2. Organizations need to renovate HCM Practices by digitalizing all employee-related tasks and make the right use of technology in streamlining performance reviews, hiring, onboarding, processing payroll, employee self-service and more. Paperless onboarding, online access to compensation and benefits information gives ease and flexibility to employees to manage the data on their own.

3. The management needs to treat the employees as special as customers for improving engagement, retention and experience at the workplace. The higher authorities or the immediate supervisors need to support them and provide a solution to their problems to work more effectively.

4. Organizations need to give flexibility to the employees for team collaboration because the employees can remotely connect enough HCM technologies and manage project/work online. This enables them to share the work progress on each task to the team members.

5. Management needs to be transparent and conduct unbiased performance reviews, compensation benefits, training and development sessions and about the succession plan to the employees to establish a clear and objective culture.

6. The organization needs to align employees' goals with respect to the organizational objectives more effectively and holistically. This encourages the interaction between employees and managers to build a healthy work environment.

7. The technology enabled work environment to boost creativity and efficiency of the employees. This helps the management to retain the employees for longer period of time.

8. The management also needs to take effort for recognizing the top performing employee to improve the workplace experience. The praise and recognition in the workplace encourage the employees in a highly productive manner and motivates them to work harder.

9. The management needs to support the employees to express or share their opinion with lots of freedoms to reach the organizational goal. This encourages their contribution in a positive way and realizes that they have the opportunity for personal growth and development supported by management and strong leaders.

10. The organizations also need to create a work climate where the employees work more flexibly and creatively to make a difference. This helps and encourages the employee to bring the best out from the employees, which make them to stay longer period of time.

11. The organizations need to enhance integration and employee engagement, which helps to attract and retain the new and existing employee in the team. It enables the employee to get access to the most senior executive in the organization directly as well as digitally.

12. Automobile Companies should encourage retaining more experienced employees as they would bring in their in-depth knowledge and varied experience to handle complex and challenging situations. Career growth is a prime factor of employee's retention.

13. The information technology industry should be supporting to employee training to enhance productivity. It is highly beneficial to

the company.

14. Automobile Companies should endeavor by offering sufficient rewards and recognized to potential work it gives emotional bonding to the employees having the intention to remain in the same company

15. Employees working in the Automobile Industry can become stressful when they don't get the time to spend with their family/spouse, they will start thinking to quit. Lack of spirit of co-operation, co-ordination and team also contributes to rising turnover rates. So, Automobile Companies should encourage work from home or flexi-time without being penalized; support their employees with good coordination and spiritual teamwork.

16. Automobile Industry should endeavor to satisfy employees in its sensitive issues of health insurance coverage that is comparable to other organization. The successful organization needs transparent communication from top management to all levels of employees that overcome the problems and avoid conflicts.

17. Management support plays a predominant role in retention. Employers should support their employees by recognizing the effective work to improve their career ladder, which helps in retaining top talents.

18. Automobile Industry should be considered organizational productivity that it can be increased by good compensation, training and development, rewards and recognition, work-life balance, work environment, job satisfaction, welfare, communication, career development, the management or organizational support and respect/fairness.

19. Organizations need to ensure the right choice of managers and leaders. In most of the cases, employees leaving not because of the organization, because of their bad bosses.

20. Organization needs to embrace the opportunity of socialization, team building and bonding activities play a major role in retaining the employees.

28. CONCLUSION

The employee may leave the organization for personal or professional reason. It is not easy to

retain every employee in the organization. Many employee retention philosophies can work to mitigate turnover and create a desirable workplace. Employee retention can help the organization reach its strategic goals and may reduce the expenses involved in employee turnover. These expenses can be measured in various ways, including: The cost of recruiting, hiring, and training replacements, especially given today's tight job market and the increased costs of finding and hiring the right people. The adverse effects on organization culture and employee morale stemming from dissatisfied workers or constant turnover of positions. The loss of valuable knowledge about the organization internal operations when trained staffs resign the job for outside opportunities. If the resigned employee has not documented job procedures appropriately, or if the management fails to provide adequate training to the newly hired employee in place of the old employee, there is a risk that a newly hired employee may take a longer time to learn the procedures of the assigned task.

The interruption of workflows that happens when the existing employee leaves the organization and their manager needs to reallocate the work assignment to other employees as well as invest additional time in training and developing a new employee in the position. The study inferred that Automobile Companies, offering competitive and alluring salary are also one of the problems when it comes to retaining their employees as they feel a little difference in their pay they shift from their organization to another over a short period, since Automobile Companies feeling recruiting or replacing the new employee cost is too high while comparing to retaining the existing employee. Improving retention is a critical issue for every automobile company to sustain in the competitive business world and companies are trying to redefine the HCM policies and practices for keeping employees in the long run. The factors influencing retention in the Automobile Industry in this study were compensation, training and development, rewards and recognition, work-life balance, work environment, job satisfaction, welfare, communication, career development, management or organizational support and respect/fairness. From the above factors, the organization can increase their productivity and

profitability. Especially, compensation, conducive work environment, communication can enhance the retention, therefore retention has positively influenced on organizational effectiveness. To conclude, the Automobile Industry need to find a way to increase employee retention to achieve more organizational goals. Moreover, the organization should understand the potential grievances that prevent employees from leaving. Automobile Industry that continually seeks to improve HCM practices and there is no single policy to retain the employees.

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