

An Empirical Study of Human Capital Management on Organizational Effectiveness

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ABSTRACT

In terms of philosophy and strategy, the concepts of human capital and strategic human resource management are extremely distinct in today's organizations. Human Capital is an important aspect of maximizing an organization's assets because it provides a long-term competitive advantage and increases staff productivity. These individuals should have enough experience, data, creativity, and power to increase client satisfaction and create a competitive edge for the organization. As a result of a magnified economic process and market saturation as a result of the recent recession in various economies around the world, human capital is attracting increased attention. Human capital development is given greater priority in both developed and developing countries in order to speed up the economic process by allocating the necessary time and resources. The findings of the study endorse a strategy of investing in and dominating human resources in order to achieve a competitive edge at the organizational and national levels. To achieve a competitive advantage over rivals, companies have systematically put a high priority on human resources by introducing mandatory interventions such as fostering a data-sharing culture, recruiting highly qualified workers, and developing new creative ideas.

KEYWORDS: Human Capital Management, employee Performance

INTRODUCTION

At the macro level, human capital is the supply of intense economic development. It's also a source of intense economic process by investing in education (by raising the value of human capital). It is a required output input and a producer of the company's value at the corporate level. Human capital is currently receiving a lot of attention. As a consequence, it's also a subject that can be taught in a number of subjects at the school of Management Science and Information Processing. These include topics such as economic science foundations, political economy, business in small and medium enterprises, and business economy.

Human capital management (HCM) is a group of activities dealing with the management of human resources. These activities are based on the structure's need to have unique competencies and are divided into three categories: Personnel selection, management, and optimization are all aspects of personnel management.

The definition of organizational effectiveness refers to how effective a corporation is at achieving the results it needs to provide. Organizational structure effectiveness teams are specifically involved with a variety of main areas. Talent management, leadership development, organizational style and structure, measurement and scorecard styles, amendment and transformation implementation, deploying good processes and technology to manage the firm's human capital, and thus the formulation of the broader Human Resources agenda are among them.

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REVIEW OF LITERATURE

1. Few recent studies have focused on identifying the processes that help businesses value each employee's human capital strategically (Polycarp et al., 2014; Wright and McMahan, 2011; Polyhart and Moliterno 2011).
2. The term "human capital," also known as "skilled labour," was first used in economics. Goode (1959) shared various perspectives on human capital, owing to the fact that a broad range of factors can affect the production and use of human capital directly or indirectly Mincer (1958), and Becker (1975, 1962).
3. Human capital was coined in the to demonstrate how individuals' investments in themselves is comparable to companies' investments in physical capital. Theodore Schultz and Gary Becker developed 1950s and 1960.
4. The government's development goals include the recognition that human capital investment is critical to the success of Afghanistan's development goals. Human capital refers to people's "knowledge, facts, ideas, abilities, and health" (Becker 2002).
5. Human capital theory has been used in the past to address a variety of strategic human resource management problems HR architecture (Lepak&snell, 2002).

6. Delaney and Huselid discovered strong empirical evidence of the connection between HR practises and company performance (1996). In human resource management, there are only a few tasks that can be categorised as having a commitment or control component. Arthur claims that (1994).

OBJECTIVES

1. To identifies factors affecting human capital.
2. To identified factors affecting employee performance.
3. To analyse human capital and employee performance.

COMPANY PROFILE

Rane (Madras) Ltd is a subsidiary of the Rane Group of Companies, which produces and distributes steering and suspension systems. Manual Steering Gear Products (SGP) and Suspension & Steering Linkage Products are two of the company's main products (SSLP). Tie rod assemblies, drag link assemblies, centre link assemblies, and gear shift ball joints are among the other items available. Ashok Leyland, Volvo, M&M, Tafe, and Tata are just a few of the companies that use its products. Tata Motors is the company's largest customer and the primary supplier of Nano parts. In Sanand, Gujarat, the company has also established a dedicated Tata

Nano factory. After Tata left, the company was forced to relocate its manufacturing facility from West Bengal to Gujarat. Rane brake lining limited is a Plastic & Rubber Product Manufacturing company headquartered in Chennai, Tamil Nadu, India. Rane brake lining limited employs 529 people and produces \$65.25 million in revenue across all of its locations (USD). The Rane brake lining limited corporate family consists of 26 businesses.

Key Principal

- Industry
- Plastic & Rubber Product Manufacturing
- Manufacturing Sector
- Brake linings, rubber
- Clutch facings, asbestos
- Motor vehicle parts and accessoriess

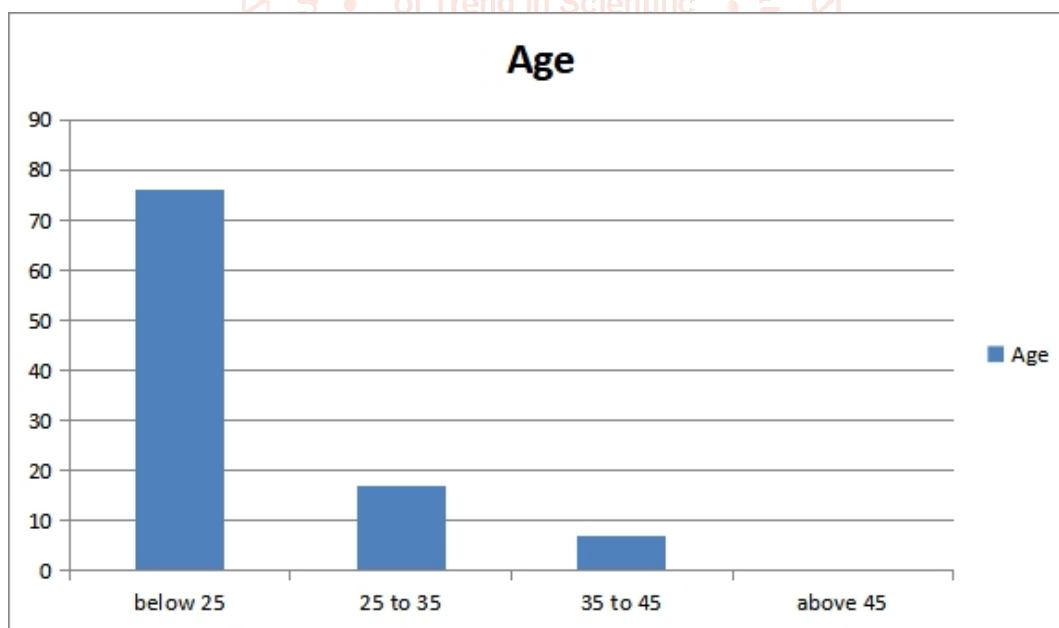
METHODOLOGY

Primary and secondary methods were used for data collection for the purpose of this analysis. From a formal questionnaire and personal interview, the primary data was obtained. Business blogs, newspapers, textbooks and other publications were obtained with the secondary data.

DATA ANALYSIS AND INTERPRETATION

Table No. 5.1.1 Age

S. no	Factor	No of respondents	percentage
1	Below 25	77	76.24
2	25 to 35	17	16.83
3	35 to 45	7	6.93
4	Above 45	0	0.00
	Total	101	100



Interpretation

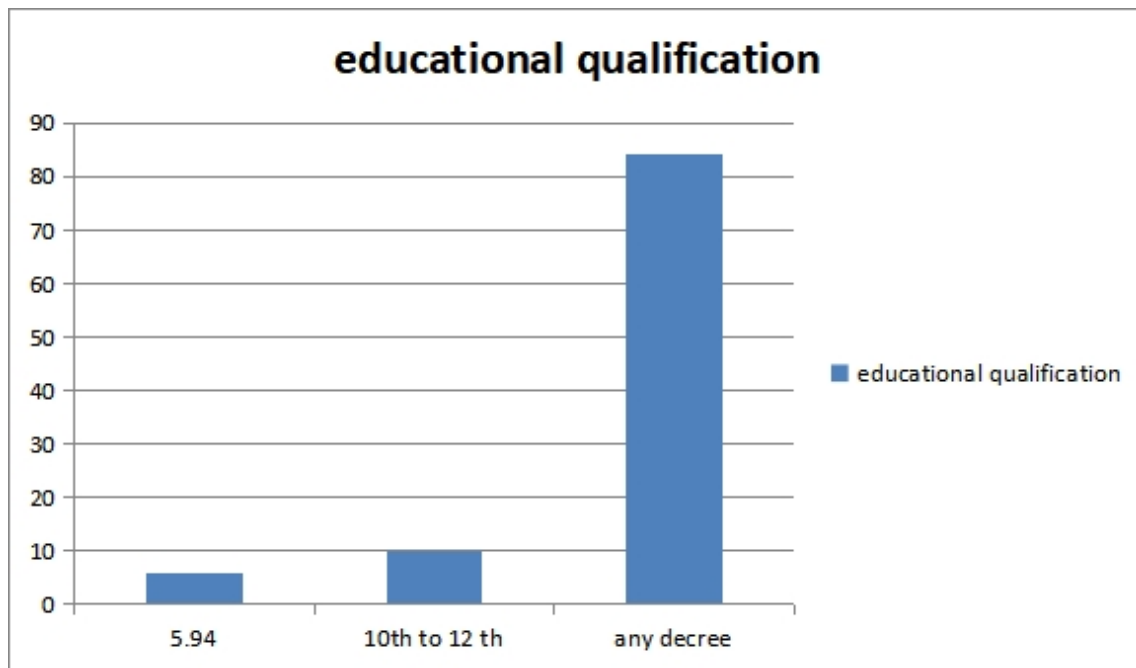
The above figure shows the age of the respondents. From figure 4.1.2 it is inferred that 76.24% are below 25, 16.83% are 25 to 35, 6.93% are 35 to 45, 0.00% are above 45.

Inference

Majority 76.24% respondents are below 25.

Table No. 5.1.2 education qualification

s. no	Factor	No of respondents	percentage
1	Below 10 th	6	5.94
2	10 th to 12 th	10	9.90
3	Any decree	85	84.16
	Total	101	100



Interpretation

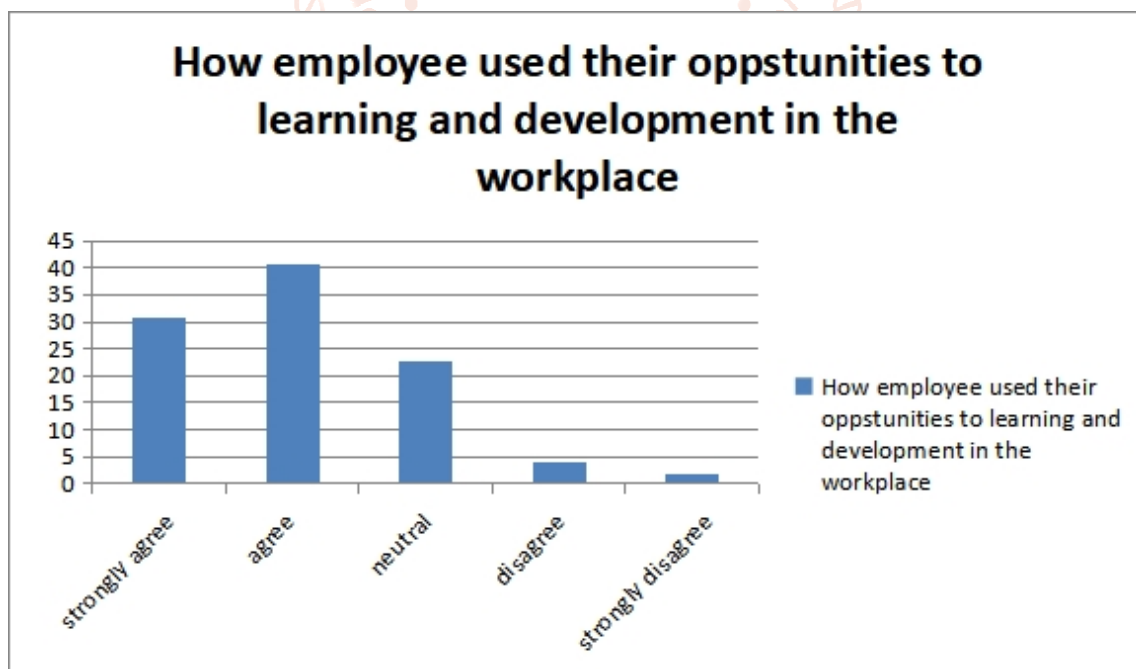
It is clearly inferred that demographic profile of the study. From figure 4.1.3 it is inferred that 5.94% below 10th, 9.90% 10th to 12th, 84.16% any degree.

Inference

Majority 84.16% respondents Any Degree.

Table No. 5.1.2 oppourtunities & learnings of employees

s. no	Factor	No of respondents	Percentage
1	Strongly agree	31	30.69
2	Agree	41	40.59
3	Neutral	23	22.77
4	Disagree	4	3.96
5	Strongly disagree	2	1.98
	Total	101	100



Interpretation

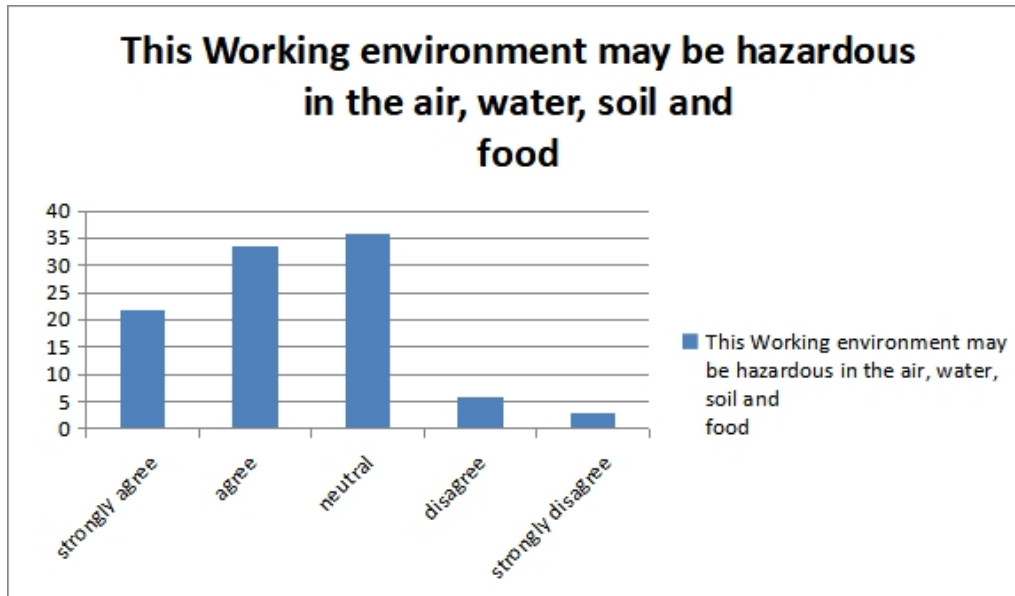
From the above indicates 30.69% of the respondents are Strongly agree, 40.59% of the respondent agree, 22.77% of the respondents neutral, 3.96% of the respondents disagree, 1.98% of the respondents strongly disagree in employee feel comfortable and gain knowledge with working team.

Inference

Majority 40.59% respondents are agree in How employee used their opportunities to learning and development in the workplace feel comfortable and gain knowledge will working with my team.

Table No. 5.1.2 working environment condition

s. no	Factor	No of respondents	Percentage
1	Strongly agree	22	21.78
2	Agree	34	33.66
3	Neutral	36	35.64
4	Disagree	6	5.94
5	Strongly disagree	3	2.97
	Total	101	100

**Interpretation**

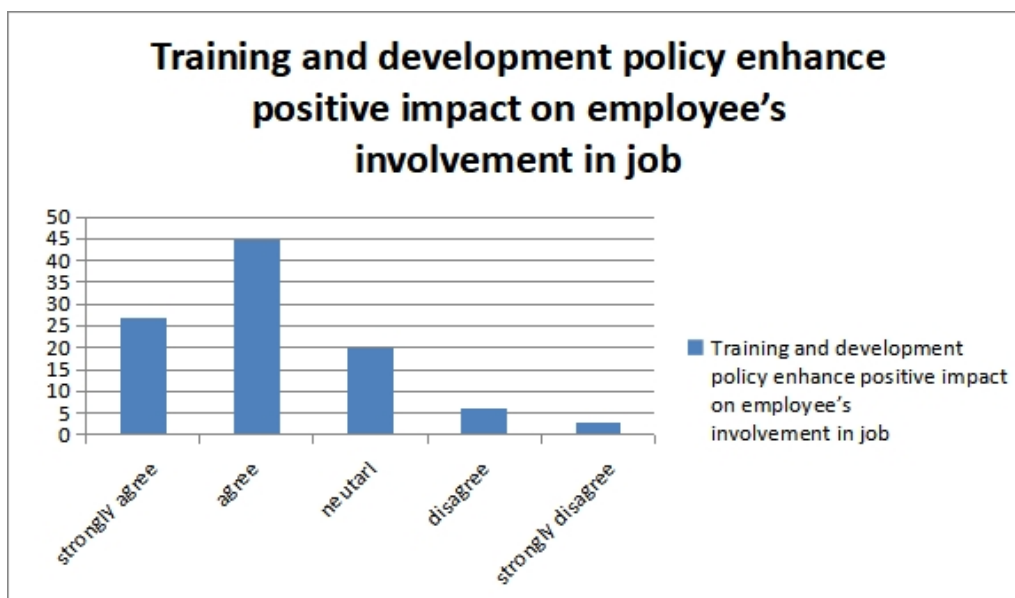
From the above indicates 21.78% of the respondents are Strongly agree, 33.66% of the respondent agree, 35.64% of the respondents neutral, 5.94% of the respondents disagree, 2.97% of the respondents strongly disagree in employee feel comfortable and gain knowledge with working team.

Inference

Majority 35.64% respondents are Neutral in This Working environment may be hazardous in the air, water, soil and food feel comfortable and gain knowledge will working with my team

Table No. 5.1.2 training and development

s. no	factor	No of respondents	Percentage
1	Strongly agree	27	26.73
2	Agree	45	44.55
3	Neutral	20	19.80
4	Disagree	6	5.94
5	Strongly disagree	3	2.97
	Total	101	100



Interpretation

From the above indicates 26.73% of the respondents are Strongly agree, 44.55% of the respondent agree, 19.80% of the respondents neutral, 5.94% of the respondents disagree, 2.97% of the respondents strongly disagree in employee feel comfortable and gain knowledge with working team.

Inference

Majority 44.55% respondents are agree in Training and development policy enhance positive impact on employee's involvement in job feel comfortable and gain knowledge will working with my team

Chi square 1:

Analysis between age and Working Environment may be hazardous in the Air, Water, Soil and Food.

Null hypothesis (H_0): There is a relationship between the age and Working Environment may be hazardous in the Air, Water, Soil and Food.

Alternative hypothesis (H_1): There is no relationship between the age and Working Environment may be hazardous in the Air, Water, Soil and Food.

Table showing the Analysis between age and Working Environment may be hazardous in the Air, Water, Soil and Food

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.348 ^a	8	.911

χ^2 Table value at 5% Level of significance = 15.507

χ^2 Calculated value = 3.348

$\chi^2_{cv} > \chi^2_{tv}$

So, H_0 is rejected, H_1 is accepted.

Hence p value is lesser than 0.05, it is significant. So we reject the hypothesis(H_0).

Inference

There is no relationship between the age and Working Environment may be hazardous in the Air, Water, Soil and Food.

Chi square-2

Analysis between Educational Qualification and using of opportunities for learning and development.

Null hypothesis (H_0): There is a relationship between the Educational Qualification and using of opportunities for learning and development.

Alternative hypothesis (H_1): There is no relationship between the Educational Qualification and using of opportunities for learning and development.

Table showing the Analysis between Educational Qualification and using of opportunities for learning and development.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.397 ^a	4	.052

χ^2 Table value at 5% Level of significance = 9.488

χ^2 Calculated value = 9.397

$\chi^2_{cv} > \chi^2_{tv}$

So, H_0 is rejected, H_1 is accepted.

Hence p value is lesser than 0.05, it is significant. So we reject the hypothesis(H_0).

Inference

There is no relationship between the Educational Qualification and using of opportunities for learning and development.

ANOVA (ONE WAY)

Analysis between the Null hypothesis (H_0): There is a relationship between the Training and development using of opportunities for learning and development..

Alternative hypothesis (H_1): There is no relationship between the Training and development using of opportunities for learning and development.

Table shows analysis between Training and development using of opportunities for learning and development.

ANOVA					
How employee used their opportunities to learning and development in the workplace.					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.819	4	1.955	2.351	.060
Within Groups	79.824	96	.832		
Total	87.644	100			

Interpretation

The significant value is 0.060 and it is greater than 0.05 so null hypothesis is accepted. Hence there is no significance difference in Training and development using of opportunities for learning and development.

Inference

There is no relationship between the Training and development using of opportunities for learning and development.

DISCUSSION AND CONCLUSION

According to studies, human capital is strategic and has evolved gradually in organisations, despite the fact that it is a new subject in human resources. In conclusion, human capital is critical to people's growth, improving their quality of life and financial benefit, growing data, ability, and merchandise capacities, the economic process, and poverty reduction. As there have been new revolutions in the fight against free enterprise around the world, human forces have become more important than at any other time. Future human capital research should pursue two aims, according to recent revolutions: measuring the differences between human capital and the way human capital results in increased potency and revenue. Staff and people who contribute human capital to their careers expect a return on their investment in the form of wages, benefits, work satisfaction, and new learning opportunities, as well as promotion. These accomplishments allow families and governments to invest a significant portion of their wealth in human resource education and training. It's worth noting that the economic perspective on human capital (education and training of labour force) is crucial for a country's strength and economic growth. Human capital management (HCM) is a group of activities dealing with the management of human resources. These activities are based on the structure's need to have unique competencies and are divided into three categories: Personnel selection, management, and optimization are all aspects of personnel management.

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