

# A study on organisational culture and it's impact on employees' behaviour in automobile industry

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## Abstract

The study brings out the behavioural aspect of the employees working in Hyundai Motors India Ltd. The main objective of the study is to find the overall performance of the employees. The study is descriptive research with the sample of 100 employees working in Hyundai Motors India Ltd. Data was collected by survey method through structured questionnaire with close ended questions. The primary data was obtained through questionnaire and secondary data from the company records and websites. The purpose of the survey process is to provide a more accurate assessment of the existing culture from the employees' point-of-view and also to assess their behaviours with respect to that of the existing culture. The culture of an organization consists of the values and beliefs of the people in an organisation. The organisational culture usually has values and beliefs that support the organisational goals. Organizational culture has an impact on employee's satisfaction. The analysis was done through simple percentage analysis and weighted average method. From the analysis it was found that the employees of HMIL were much satisfied with their interpersonal relationships, co-ordination and integration between various departments of the organization, and also the rewards & incentives given by their management. But the management has to provide more practical sessions in training programmes to improve their performance in their respective fields. Such training programmes will help them to enhance their knowledge in the respective fields.

**Keywords:** Automobile industry, Organisational culture, Employee behavior and Interpersonal relationships.

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## INTRODUCTION

Automobile Industry, industry that produces automobiles and other gasoline-powered vehicles, such as buses, trucks, and motorcycles. The automobile industry is one of the most important industries in the world, affecting not only the economy but also the cultures of the world. It provides jobs for millions of people, generates billions of dollars in worldwide revenues, and provides the basis for a multitude of related service and support industries. Automobiles revolutionized transportation in the 20th century, changing forever the way people live, travel, and do business.

The automobile has enabled people to travel and transport goods farther and faster, and has opened wider market areas for business and commerce. The auto industry has also reduced the overall cost of transportation by using methods such as mass production (making several products at once, rather than one at a time), mass marketing (selling products nationally rather than locally), and globalization of production (assembling products with parts made worldwide). Between 1886 and 1898, about 300 automobiles were built, but there was no real established industry. A century later, with automakers and auto buyers expanding globally, auto making became the world's largest manufacturing activity, with nearly 58

million new vehicles built each year worldwide.

As a result of easier and faster transportation, the United States and world economies have become dependent on the mobility that automobiles, trucks, and buses provide. This mobility allowed remote populations to interact with one another, which increased commerce. The transportation of goods to consumers and consumers to goods has become an industry in itself. The automobile has also brought related problems, such as air pollution, congested traffic, and highway fatalities. Nevertheless, the automobile industry continues to be an important source of employment and transportation for millions of people worldwide.

## Indian automobile industry

Following India's growing openness, the arrival of new and existing models, easy availability of finance at relatively low rate of interest and price discounts offered by the dealers and manufacturers all have stirred the demand for vehicles and a strong growth of the Indian automobile industry. The data obtained from ministry of commerce and industry, shows high growth obtained since 2001- 02 in automobile production continuing in the first three quarters of the 2004-05. Annual growth was 16.0 per cent in April-December, 2004; the growth rate in 2003-04 was 15.1 per cent the automobile industry grew at a compound annual growth rate (CAGR) of 22 per cent between 1992 and 1997. With investment exceeding Rs. 50,000 crore, the turnover of the automobile industry exceeded Rs. 59,518 crore in 2002-03. Including turnover of the auto-component sector, the automotive industry's turnover, which was above Rs. 84,000 crore in 2002-03, is estimated to have exceeded Rs.1,00,000 crore ( USD 22. 74 billion) in 2003-04.

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## Automobile Dealers Network in India

In terms of Car dealer networks and authorized service stations, Maruti leads the pack with Dealer networks and workshops across the country. The other leading automobile manufactures are also trying to cope up and are opening their service stations and dealer workshops in all the metros and major cities of the country. Dealers offer varying kind of discount of finances who in turn pass it on to the customers in the form of reduced interest rates.

## Major Manufacturers of Automobiles in India

- |                            |                      |
|----------------------------|----------------------|
| • Maruti Udyog Ltd.        | General Motors India |
| • Ford India Ltd.          | Eicher Motors        |
| • Bajaj Auto               | Daewoo Motors India  |
| • Hero Motors              | Hindustan Motors     |
| • Hyundai Motor India Ltd. | Royal Enfield Motors |
| • Telco                    | TVS Motors           |
| • DC Designs               | Swaraj Mazda Ltd     |

Government has liberalized the norms for foreign investment and import of technology and that appears to have benefited the automobile sector. The production of total vehicles increased from 4.2 million in 1998- 99 to 7.3 million in 2003-04. It is likely that the production of such vehicles will exceed 10 million in the next couple of years.

## Company profile

### Hyundai motors india limited

Hyundai Motor India Limited (HMIL) is a wholly owned subsidiary of Hyundai Motor Company, South Korea and is the second largest and the fastest growing car manufacturer in India. HMIL presently markets over 25 variants of passenger cars in six segments. The Santro in the B segment, Getz in the B+ segment, the Accent in the C segment, the Elantra in the D segment, the Sonata in the E segment and the Terracan in the SUV segment.

The company recorded combined sales of 215,630 cars during the calendar year 2004 with a growth of 43% over year 2003. HMIL is India's fastest growing car company having rolled-out over 700,000 cars in just over 70 months since its inception and is the largest exporter of passenger cars with exports of over Rs. 1,700 crores. HMIL has recorded a staggering growth of 149% in exports over the year 2003.

HMIL's fully integrated state-of-the-art manufacturing plant near Chennai boasts some of the most advanced production, quality and testing capabilities in the country. In continuation of its investment in providing the Indian customer global technology, HMIL has announced plans for its second plant, which will produce 150,000 units per annum, raising HMIL's total production capacity to 400,000 per annum by 2007. The plant will be built on a 2.1 million square meter site adjacent to the existing facility with an investment of \$450-\$500 million on its new integrated facility. HMIL is investing to expand capacity in line with its positioning as HMC's global export hub for compact cars. Apart from expansion of production capacity, HMIL plans to expand its dealer network, which will be increased

from 146 to 180 this year. And with the company's greater focus on the quality of its after-sales service, HMIL's service network will be expanded to over 1,000 in 2005.

## Hyundai motor company

The parent company of HMIL is the Korean Car giant Hyundai Motor Company (HMC), a part of the Hyundai Motor Group comprising Hyundai Motor Company, Kia Motors, Hyundai Mobis and other affiliated companies, with a combined turnover of over US\$ 50 Billion. The Hyundai Motor Group with a presence in over 185 countries and with a combined annual sale of over 3 million units is one of the fastest growing auto manufacturers in the world.

Hyundai Motor and its sister concern Kia Motor achieved global sales of over 3.16 million cars worldwide in 2004. The target for 2005 is an ambitious 3.7 million vehicles.

## Objectives of the study

This study is undertaken with the following objectives.

1. To assess the existing culture of the organization and to find its impact on employees' behaviour.
2. To analyse the overall performance of the employees.
3. To learn the employees relationship with their peers.
4. To study the employees feel about the management.
5. To understand how the employer encourages participation in decision making.
6. To find out the employees motivational factor.

## REVIEW OF RELATED STUDIES

Collins and Porras, 2000 identified that organizational culture always refers to a system of shared meaning held by members of the society that distinguish one organization from other organizations. The members believe that these shared meanings are a set of key characteristics, and that the organization values and the essence of an organization's culture can be captured indifferent basic characteristics.

According to Herzberg, F. (1968) and Hackman J. R., & Oldham, G. R., (1976) Job security, salary, fringe benefits, work conditions) that do not give positive satisfaction, though dissatisfaction results from their absence. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary.

Locke (1969) defined job satisfaction as an emotional state related to the positive or negative appraisal of job experiences. Kreis and Brockopp (1986) suggested that job satisfaction is related to self-perception of needs fulfillment through work. Valentine et al., (2002) revealed Employees who are committed to their organizations may easily accept and adhere to the organizational objectives and goals

Culture historian Raymond Williams (1992) defined culture as whole way of life, or structure of feeling. It is a set of signs and rules for their use that signal how we might differ from another. And it is also a set of signs and rules about rubbing along or not depending on the particular cultural convention of that place and time. Some cultures affirm their existence by thumping anyone who breaks its rules.

Mckenzie (1994) defined culture as the use of artifacts and rituals to pass on notions of identity. These resources of identity sustain structures of feeling that organize and make sense of everyday life. It has to do so under the extra ordinary pressure of the modern division of labour, which fragments people's experience, such that people are always having to negotiate with each other a cultural politics that allow different bits of identity to co-exist sounds impossible, but it gets even harder when culture finds itself circulated and negotiate not just through media that can simultaneously reach millions.

Schein (1983), believes that an organization's current customs, traditions, and general ways of doing things are largely due to what it has done before and the degree of success it has had with those endeavors. This leads us to the ultimate source of an organization's culture: its founders. The founders of an organization traditionally have a major impact on that organization's early culture. They have a vision of what the organization should be. They are unconstrained by previous customs or ideologies. The small size founders imposition of their vision on all organizational members.

## RESEARCH METHODOLOGY

### Collection of data

This study involves collection of primary data from the employees of Hyundai. This survey method is used considering the size of the universe and time factor. Data are collected through structured Questionnaire. Questionnaire has been designed and personally administered

### Sample size

The universe of the study consists of employees of Hyundai with a total number of 105. Out of the total population data could be collected from 100 persons.

## ANALYSIS AND INTERPRETATION

As the questions generate direct information the data were analyzed using Statistical tools such as, Simple percentage and Weighted average (Table. 1)

Table 1. Opinion about the organizational factors with respect to employees behavioral aspects.

S.No.	Factors	Weightage Score
1.	I am highly involved in my work	4.21
2.	I have the ability to manage my own work	4.24
3.	The people I work with cooperate to get work done	3.89
4.	My team members have a good interpersonal relationship with me	3.80
5.	My boss consults me on important matters	3.47
6.	My skills and abilities are utilized effectively by the company	3.61
7.	My capabilities are viewed as an important source of competitive advantage	3.49
8.	My work related suggestions are valued	3.50
9.	The organization values diversity	3.67
10.	There is a clear and consistent set of values	3.65
11.	When disagreements occur, I work hard to achieve "win-win" solutions	3.82
12.	It is easy for me to reach consensus, even on difficult issues	3.65
13.	I feel happy to work with people from other parts of the organization also	4.07
14.	It is easy for me to coordinate with different departments of the organization	4.24
15.	I respond well to the organizational changes	4.31
16.	I continually adopt new and improved ways to do work.	4.06
17.	The company's current activities reflect a strong focus on clients	3.79
18.	I am given a real opportunity to improve my skills in this organization	3.82
19.	I view failure as an opportunity for learning and improvement	3.93
20.	There is a clear mission that gives meaning and direction to my work	3.75
21.	I am clear with the organizations long-term purpose and direction	3.90
22.	I have clear idea about my company's goal	4.07
23.	I continuously track my progress against the stated goals	3.95
24.	I have a shared vision of what the organization will be like in the future	4.12
25.	Organization's vision creates motivation for me	3.94

## Inference

From the above table (1) it is clear that most of the respondents gave more weightage for the statement "I respond well to the organizational changes", secondly respondents give more weightage for two statements "I have the ability to manage my own work & It is easy for me to coordinate with different departments of the organization", third weightage for statement "I am highly involved in my work", fourth weightage for the statement "I have a shared vision of what the organization will be like in the future" and the fifth position is for two statements "I feel happy to work with people from other parts of the organization also & I have clear idea about my company's goal".

## FINDINGS, SUGGESTIONS AND CONCLUSION

### Major findings

- Majority (53%) of the respondents strongly agreed that they are highly involved in their work.
- Sizable number (47%) of the respondents strongly agreed that they have ability to manage their own work.
- Majority (65%) of the respondents agreed that the people they work with are cooperating to get work done.
- Sizable number (41%) of the respondents agreed that they have good relationship with other members.

- Half (50%) of the respondents are neutral that their boss consult them on important matters.
- Majority (56%) of the respondents agreed that the company utilizes their skills and abilities effectively.
- A good number (39%) of the respondents agreed that their capabilities are viewed as an important source of competitive advantage.
- Sizable number (44%) of the respondents agreed that their work related suggestions are valued by the company.
- Half (50%) of the respondents agreed that the organization values diversity.
- A good number (35%) of the respondents agreed that there is clear and consistent set of values in the organization.
- Majority (58%) of the respondents agreed that while disagreements occur they work hard to achieve "win-win" solutions.
- Sizable number (49%) of the respondents agreed that it's easy for them to reach solutions even on difficult issues.
- Sizable number (44%) of the respondents strongly agreed that they feel happy to work with people from other parts of the organization also.
- Sizable number (46%) of the respondents agreed that it's easy for them to coordinate with other departments.
- Sizable number (47%) of the respondents agreed that they respond well for the organizational changes.
- Sizable number (46%) of the respondents agreed that they continuously adopt to new & improved ways to do work.
- Sizable number (45%) of the respondents agreed that company's current activities reflect a strong focus on clients.
- Sizable number (41%) of the respondents agreed that they are given a real opportunity to improve their skills in the organization.
- Majority (52%) of the respondents agreed that they view failure as an opportunity for learning and improvement.
- Sizable number (48%) of the respondents agreed that the organization's clear mission gives meaning and direction to their work.
- Half (50%) of the respondents agreed that they are clear with organization's long term purpose and direction.
- Sizable number (49%) of the respondents agreed that they have clear idea about the company's goal.
- Sizable number (48%) of the respondents agreed that they continuously track their progress against stated goals of the company.
- Sizable number (46%) of the respondents strongly agreed that they have shared vision on organization's future.
- Majority (57%) of the respondents agreed that the organization's vision creates motivation for them.
- Most of the respondents gave more weightage for the statement

"I respond well to the organizational changes".

## SUGGESTIONS

1. In training programmes practical sessions must receive greater emphasize.
2. The management may enhance the frequency of employee's feedback on their performance.
3. Now, only the employees who belong to committees can participate in decision-making. The management may encourage all the employees to participate in decision-making process.

## CONCLUSION

The study about the organizational culture and behaviour on employees reveals that the workers were satisfied with their ability, co-operation, team work, involvement, supervisors, utilization of their skills and rewards etc. They are highly satisfied with the current culture of HMIL. Because of this favourable culture the employees' show positive behaviours like high involvement, highly commitment to the organization, highly motivated and highly flexible to the organizational changes etc.

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