

Determinants Of Organisational Effectiveness Among The Employees Of Automobile Industry In Tamilnadu

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ABSTRACT

The increasing dynamics in business landscape, such as changing market demands, diminishing product or service lifecycle and technological complexities, makes creating and sustaining competitive advantage a difficult feat for most organisations. The importance of innovation in paving way for business growth has been discussed in many literatures, including governmental reports and industrial white papers. Such an importance stems from the definition of innovation itself which is defined as the use of different resources in a combinative manner to seek differentiation in a competitive market (Dodgson et al., 2006). A similar trait exists in the automotive industry.

This study proposed knowledge sharing as a potential mediator for the relationship between organizational factors (organizational climate, structure and leadership) and organizational effectiveness. This study also proposed ICT as a potential moderator for the relationship between organizational factors and knowledge sharing.

Major findings of the study are: Most of 359 employees out of 400 forming 89.75 percentage are completed diploma. Employees with diploma qualification are interested to work in automobile industry. They have some awareness about the recent industrial policies which help them most. Majority of 384 employees out of 400 comprising 96 percentage has experience between 6 years to 10 years. Young generation employees have experience of 6 to 10 years. Eight components had extracted for the measuring the determinants of organisational effectiveness in automobile industry with reference to Tamilnadu with the overall influence of 81.59%. It has observed that the Knowledge sharing has the highest level of control based on the eigenvalue is 23.41%, Organizational climate has 19.78% of the variance, stress level has the influence of 10.50%, Organizational structure has 10.42% of control, Organizational leadership has 7.34% of control, Information and communication technology has 4.56% of control, strategies to overcome work life conflict has 2.94% of control and Organisational support has 2.65% of control.

Major suggestions are: Based on the discussion with the employees, it is reveals that the level of dissemination of information is found to be low in the automobile industry. Hence, automobile industries need to understand the requirements of the employees and properly need to communication the information to the employees for enhancing their towards building the sustainable model for the effectiveness of the organisations. Strategies to overcome work life conflicts are found to be low to determine the effectiveness of the organisation. Hence, the organisation need to formulate strategies to overcome work life conflicts among the employees and formulate the quality councils. It is suggested that to spend money for impacting training to employees are the intellectual investments. Hence they must train their employees to acquire the latest training to improve their performance. It will be solution to reduce anxiety of new technologies. Employees are suggested that to acquire the knowledge towards latest technology. Thereby their level of stress regarding the performance of the organisation may reduced. Hence, if these findings and suggestions are to be taken in right direction, will bring more effectiveness in the organisation.

Keywords: organisational effectiveness, organisational climate, stress level, work life conflict

1. INTRODUCTION

Today's global economic growth can be characterized by the speed of innovation, dynamic technological advancement, shorter product life-cycles and higher rate of new product development (Islam et al., 2011). Organizations need to reconfigure themselves on an ongoing basis to keep up with these trends to achieve sustainable organizational effectiveness (Mohrman & Lawler, 2014). In simple term, Organizational effectiveness is the extent to which an organization realizes its goals (Daft, 2010). In other words, an organization's objective achieving ability is known as organizational effectiveness. Though existing literature attempted to explain organizational effectiveness through different contexts or characteristics, still there is no single formula for achieving optimum organizational effectiveness (Zheng et al., 2010). A lack of understanding still prevails regarding the influencing factors and the intervening mechanisms to explain organizational effectiveness comprehensively.

Over the last few decades, the global economy is considered to be a knowledge-based economy (Dess et al., 2013). The knowledge-based view of the organization considers knowledge to be the key resource for the organization that creates competitive advantage (Grant, 1996).

This research work focused on the factors affecting organizational effectiveness, the factors among others include: performance, motivation, organizational environment, organizational competitiveness and socio-cultural factors. There is no doubt that employees performance is a function of salary increments, individual satisfaction, job security, welfare packages, etc.,

Communication sector was chosen because it is one of the services sector and as at 2010, according to WTO, it represents more than two thirds of World Gross Domestic Product (GDP). Organizational effectiveness is a concept that describes how effective an organization is in achieving the outcome it intends to produce.

Organizational effectiveness is an abstract concept and is basically impossible to measure. Instead of measuring organizational effectiveness, the organization determines proxy measures which will be used to represent effectiveness. It may include such things as efficiency of management, performance of employees, core competencies, number of people served, types and sizes of population segments served and so on.

The concept of organizational effectiveness is one the most elusive and controversial one in the organization theory literature. A major contributor to the controversy appears to be the fact that organizational effectiveness has come to be regarded by many as synonymous with goal attainment. In the simplest form, an organisation is said to be effective if it achieves the outcomes the organization intends to produce. Thus, it refers to outcome accountability. In the research, it will include student-outcomes in particular.

Organisational effectiveness 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. A strong retention strategy becomes a powerful recruitment tool. Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning.

Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Hence, failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations' costs up to five times of his salary. Intelligent employers always realize the importance of retaining the best talent.

Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. In prominent Indian metros at least, there is no dearth of opportunities for the best in the business, or even for the second or the third best. Retention of key employees and treating attrition troubles has never been so important to companies.

This approach assumes that organizations have goals and the extent to which the goals are met determines the organizational effectiveness. If goals can be identified properly, then it can be tracked over the timeline specified for a certain goal. Though this approach does not address the problems that are arising out of conflicting goals in the automobile sector,

2. STATEMENT OF THE PROBLEM

The increasing dynamics in business landscape, such as changing market demands, diminishing product or service lifecycle and technological complexities, makes creating and sustaining competitive advantage a difficult feat for most organisations.

The importance of innovation in paving way for business growth has been discussed in many literatures, including governmental reports and industrial white papers. Such an importance stems from the definition of innovation itself which is defined as the use of different resources in a combinative manner to seek differentiation in a competitive market (Dodgson et al., 2006). A similar trait exists in the automotive industry. Hence the present is made an attempt to measure the determinants of organisational effectiveness in automobile industry with reference to Tamilnadu

3. OBJECTIVES OF THE STUDY

- To know the profile of the respondents
- To measure the impact of information and communication technology towards knowledge sharing in automobile sector
- To find out the factors influencing organisational effectiveness in automobile sector

4. NEED FOR THE STUDY

The importance of innovation in fostering organizational performance has been researched for many years. The roles of various elements is important to determine what influences innovative capability and how translate to business performance, across various countries. A similar stand has to made for automobile parts manufacturing firms. This study was undertaken with the objectives of examining the significance of factors toward innovative capability. Hence it is essential for the study on measuring the determinants of organisational effectiveness in automobile industry with reference to Tamilnadu.

5. RESEARCH METHODOLOGY

This study is belongs to the descriptive research design. Researcher has conducted the study and posted the results without any manipulation to determine the organisational effectiveness in automobile industry with reference to Tamilnadu. Hence, this study is well fitted into the descriptive research design. Both primary and secondary data is used in this study.

Researcher has collected primary data using questionnaire and secondary data has been collected from the various sources like journals, magazines, newspapers and websites of the companies to collect and consolidate the literature. In total of 400 samples were collected from the employees who are working in automobile industries in Tamilnadu. This sample size has been finalised based on the sample standard deviation from the pilot study. Researcher has applied convenient sampling to gather response quickly form the respondents.

6. DATA ANALYSIS AND DISCUSSIONS

6.1 Exploratory Factor Analysis for measuring the determinants of organisational effectiveness in automobile industry

The constructs validity has investigated by using Bartlett's Test of Sphericity and the Kaiser-Mayer-Olkin measure of the sampling adequacy for analysing the strength of association among factors. The Kaiser-Mayer-Olkin measure of sampling adequacy (KMO) was first computed to determine the suitability of applying variables analysis. It also assesses whether the data is appropriate to conduct variables analysis.

The values of KMO differ from 0 to 1, and KMO overall should be .60 or higher to perform factor analysis. The Bartlett test of sphericity showed that the correlation matrix has significant correlations ($p = 0.000$ for all variables) which indicated very good overall sampling adequacy (Hair et al. 1998). The result of KMO and Bartlett's Test of Sphericity have presented in the below table.

6.2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.840
Bartlett's Test of Sphericity	Approx. Chi-Square	36462.392
	Df	5995
	Sig.	.000

It is inferred from the above table, depicts that the results of the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's Test of Sphericity. Kaiser-Meyer-Olkin test used to measure the sampling adequacy and the minimum of 0.6 required to decide that the current sample is enough for attempting factor analysis or not. KMO value for this study is excellent for based on the samples for measuring the determinants of organisational effectiveness in automobile industry with reference to Tamilnadu (0.840). Hence, it is accepted to attempt the factor analysis statistically.

Bartlett's test of sphericity indicates the goodness of the overall fitness of the model, and it measures whether a given correlation matrix is an identity matrix, which would suggest that the variables are unrelated. The significance level gives the result of the test. Minimal values (less than .05) indicate that there are probably significant relationships among given variables. An amount higher than about .10 or so may suggest that data are not suitable for factor analysis. In this case, the significance level has a minimal value, i.e. .000 which is less than .05 thus suggesting that the variables are highly correlated and attained goodness of fit.

6.3 Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	35.74	32.491	32.491	25.746	23.406	23.406
2	22.1	20.091	52.582	21.755	19.778	43.184
3	9.269	8.427	61.009	11.458	10.498	53.682
4	7.945	7.223	68.232	11.549	10.417	64.099
5	5.718	5.198	73.43	8.074	7.34	71.439
6	3.59	3.263	76.693	5.015	4.558	75.997
7	2.344	2.13	78.823	3.231	2.937	78.934
8	2.153	1.957	80.78	2.916	2.651	81.585

Above table revealed that the eight components had extracted for the measuring the determinants of organisational effectiveness in automobile industry with reference to Tamilnadu with the overall influence of 81.59%. It has observed that the Knowledge sharing has the highest level of control based on the eigenvalue is 23.41%, Organizational climate has 19.78% of the variance, stress level has the influence of 10.50%, Organizational structure has 10.42% of control, Organizational leadership has 7.34% of control, Information and communication technology has 4.56% of control, strategies to overcome work life conflict has 2.94% of control and Organisational support has 2.65% of control.

Principal Component Analysis has used for extracting the factors. This method is widely accepted and used to formulate the theory. In this method, factors are obtained based on the highest influence on the lowest level of significance. Varimax with Kaiser Normalization used for rotating variables and based on the rotation applied to decide the loading of variables into factors. Rotation converged in 31 iterations.

7. FINDINGS OF THE STUDY

- Most of 359 employees out of 400 forming 89.75 percentage are completed diploma. Employees with diploma qualification are interested to work in automobile industry. They have some awareness about the recent industrial policies which help them most.
- Majority of 384 employees out of 400 comprising 96 percentage has experience between 6 years to 10 years. Young generation employees have experience of 6 to 10 years.
- Level of significance of the Fisher's test for the hypothesis is less than the level of 0.05. Hence, the null hypothesis is rejected. Therefore, it is concluded that there is a significant difference between Occupational stress and Perceived relative advantages
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- Eight components had extracted for the measuring the determinants of organisational effectiveness in automobile industry with reference to Tamilnadu with the overall influence of 81.59%. It has observed that the Knowledge sharing has the highest level of control based on the eigenvalue is 23.41%, Organizational climate has 19.78% of the variance, stress level has the influence of 10.50%, Organizational structure has 10.42% of control, Organizational leadership has 7.34% of control, Information and communication technology has 4.56% of control, strategies to overcome work life conflict has 2.94% of control and Organisational support has 2.65% of control.

8. SUGGESTIONS OF THE STUDY

- Based on the discussion with the employees, it is reveals that the level of dissemination of information is found to be low in the automobile industry. Hence, automobile industries need to understand the requirements of the employees and properly need to communication the information to the employees for enhancing their towards building the sustainable model for the effectiveness of the organisations.
- Strategies to overcome work life conflicts are found to be low to determine the effectiveness of the organisation. Hence, the organisation need to formulate strategies to overcome work life conflicts among the employees and formulate the quality councils.
- It is suggested that to spend money for impacting training to employees are the intellectual investments. Hence they must train their employees to acquire the latest training to improve their performance. It will be solution to reduce anxiety of new technologies.
- Employees are suggested that to acquire the knowledge towards latest technology. Thereby their level of stress regarding the performance of the organisation may reduced.

9. CONCLUSION

Today's global economic growth can be characterized by the speed of innovation, dynamic technological advancement, shorter product life-cycles and higher rate of new product development (Islam et al., 2011). Organizations need to reconfigure themselves on an ongoing basis to keep up with these trends to achieve sustainable organizational effectiveness (Mohrman & Lawler, 2014). In simple term, Organizational effectiveness is the extent to which an organization realizes its goals (Daft, 2010). In other words, an organization's objective achieving ability is known as organizational effectiveness. Though existing literature attempted to explain organizational effectiveness through different contexts or characteristics, still there is no single formula for achieving optimum organizational effectiveness (Zheng et al., 2010). A lack of understanding still prevails regarding the influencing factors and the intervening mechanisms to explain organizational effectiveness comprehensively.

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