



Changing Role Of Hr Infamily Business And Entrepreneurship Organisation Of Auto Component Industriy- Global Perspective

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ABSTRACT:

Entrepreneurial activity is increasing throughout the world. In India, entrepreneurs and entrepreneurship are playing important roles in today's global business environment. Various changes are taking place in Indian entrepreneurship like, digitization, education & learning, increasing consumer awareness, increasing communication and changes in entrepreneurship family structure. These changes are happening with greater **SPEED** to result for future higher heights of entrepreneurial activity in the Auto component industry in India and globally. This paper is talks about entrepreneurship and family business & HR practices in the context of changes in auto component industry. This article makes important contribution to the entrepreneurship research by identifying & study of entrepreneurship, its importance, role of HR, policy, development, entrepreneurial challenges and business opportunity. It gives the latest insights on the state of the art of the field.

KEYWORDS: Autocomponent industry, Business. Entrepreneurship, family Business, HR role

OBJECTIVES OF STUDY:

1. To study the business & importance of family & entrepreneurship to meet the global challenges
2. To study the changing role of HR & business in entrepreneurship and family organization in Auto component industry
3. To provide effective suggestions to minimize the issues & challenges of family & entrepreneurship organization of Auto Component industry

INTRODUCTION:

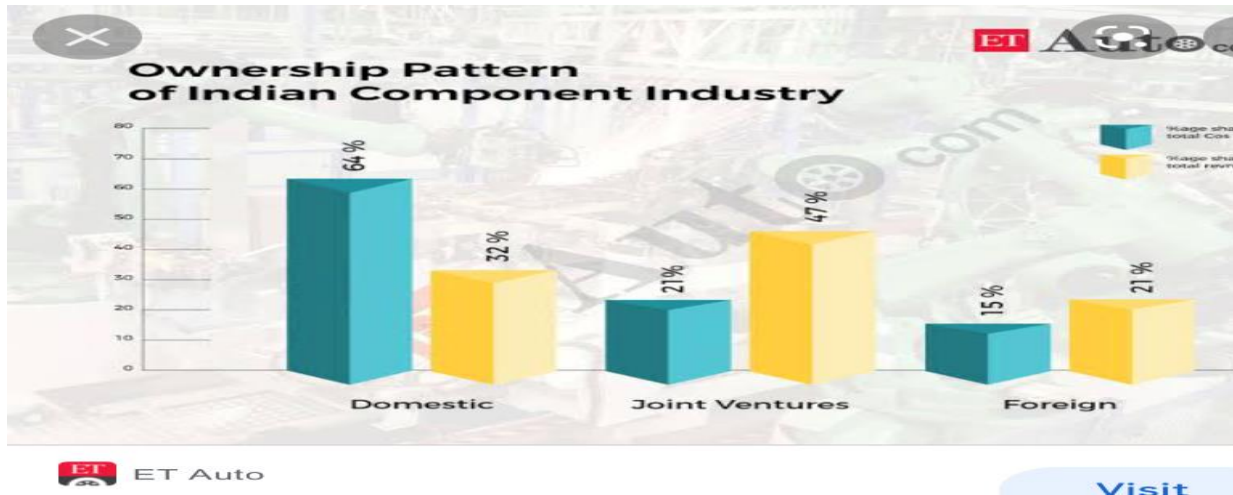
Entrepreneurship plays an important role in the economic and industrial development of the country. Entrepreneurship is a creative activity. It includes numerous activities involved in commencement, creation and running an enterprise. In auto component business entrepreneurship, it is equally applicable to big and small businesses in economic and noneconomic activities.

In the business organisation various types of business exist. Like family / proprietary business, Partnership, Joint stock company, multinational company, etc. In India various family ventures, entrepreneurs like Bharat Forge, Mahindra, Bajaj, Kirloskar's, Tata, Rane Brakes, Motherson Sumi Systems, Bosch India, Sundram Fasteners, Sundaram Clayton, Lucas TVS, etc. are more successful not only as Indian entrepreneurs but proved as successful industrialists at global level in auto component industries.

In 1897, the first car ran on Indian road & in 1930's imported cars came but in small numbers. An embryonic automotive industry emerged & today varieties of Indian brand cars are running on road. As a result of emergence of Indian auto, many auto component clusters developed very fast in different parts of India: Maharashtra, Tamil Nadu, Delhi, Gujarat, Madhya Pradesh, etc.

Entrepreneurship is to create value through recognition of business opportunity, the management of risk-taking to the opportunity and through the communicative and management skills to mobilize human, financial and material resources. Entrepreneur precedes entrepreneurship.

The rapidly globalizing world has opened newer opportunities for the transport industry. It makes a shift towards electric, electronic and hybrid cars. Today entrepreneurship is a highly dynamic and fast-growing scholarly field of research with a long intellectual tradition. Several Indian original equipment manufacturers (OEMs) such as Hero, Mahindra, TVS, Bajaj and Tata Auto components have already begun setting up production units in attractive international markets.



(Source: ET Auto)

Indian auto component industry as an entrepreneur is broadly classified into organized & unorganized sectors. The organized sector caters to original equipment manufacturers (OEMs) consists of high value precision instruments while unorganized sector comprises low valued products & caters mostly to the aftermarket category.

For Indian suppliers with relationships with such OEMs, it creates a significant opportunity to globalise either through exports or by setting up Greenfield production units in the target markets. Most OEMs prefer to continue sourcing from their existing suppliers for cost and reliability.

AutoComponent industries have to compete with other global players to market their products locally as well as globally. In the global village quality and price will be the key factors for gaining market supremacy. Indian industry has to cope with the rapid transformation that is taking place in the areas of product quality and cost, technological leadership, capability to cater to the international market, product innovation and competition

The Indian auto components industry has experienced healthy growth over the last few years.

It is contributing to the growth of sector by providing genuine auto parts. The Indian Auto compo component company is growing 20% a year since 1920. With one million direct employees, and as many indirect, the Rs 2, 11,765 crore (\$35.13 billion) auto component industry is still a small in the global context. The Indian auto component industry is set to become the third largest in the world by 2025& they are well positioned to benefit from the globalisation.

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To support auto component entrepreneurship business, various institutions came forward:

- Automotive Component Manufacturers Association of India (ACMA),
- Confederation of Indian Industry (CII),
- Automotive Research Association of India (ARAI)
- Society of Indian Automobile Manufacturers (SIAM)

GLOBAL ENTREPRENEURSHIP

The Global Entrepreneurship Monitor 2000 report covered 21 countries. The highest levels of entrepreneurial activity were found in five countries (Australia, Canada, Korea, Norway and the United States.) Average levels of entrepreneurial activity were found in 14 countries and the lowest levels of entrepreneurial activity were found in two countries – France and Japan. The researchers further found among the major industrialized G-7 countries (group of seven countries including Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States), in particular, a very strong relationship between the level of entrepreneurial activity and economic growth.

The GEM report provides conclusive evidence that promoting entrepreneurship and enhancing the entrepreneurial dynamics of a country should be an integral element of any government's commitment to boosting economic well-being.

LITERATURE REVIEW: The literature studies that have been conducted reveal the issues & challenges & impact of entrepreneurial activities in India as well as other countries.

Literature Survey International experiences show that small firms are unable to face competitive pressure because of their isolation and ineffective linkages with relevant support organizations and commercial service providers. In developed countries like Italy, USA, France and Germany, clusters of SMEs bound together in strong and dynamic networks and relying upon strong linkages with relevant local / national support institutions have proved competitive in the global context. In developing countries Cluster exists in Brazil, Peru & Mexico. According to UNIDO it is estimated that 350 modern SME clusters and 2000 artisan based rural clusters exist in India.

- 1) Desai (1983)** Rapid industrialization in India depends on the growth of small scale industries. Most of the small scale industries are operating under certain challenges like shortage of raw materials, low levels of technical knowledge and counseling, poor infrastructure, inadequate capital and credit facilities, improper distribution

system, lack of facilities for market analysis and research and development. They are also weak in marketing their products beyond their localities especially in global markets.

- 2) **Kanter (1988)** shows that whether organizational culture is traditional-oriented or change-oriented, whether it is proud or inferior, and whether it can give employees a sense of security and values will affect their innovative behavior. Other studies have shown that support from leadership and organizational climate promotes innovative behavior
- 3) **Bepin Behari (1997)** In his study entitled, "Rural industrialization in India" has examined the problems, possibilities and perspectives of rural industrialization and has discussed the crisis in Indian villages, the need for a new strategy of rural industrialization and the provision of full employment in rural and small scale industries
- 4) **Mali (1998)** The study has observed that enterprises have to face increasing competition in the present scenario of globalization, they have to specifically improve themselves in the fields of management, marketing, product diversification, infrastructural development and technological up-gradation. Moreover, new enterprises may have to move from slow growth area to high growth areas and have to form strategic alliances with entrepreneurs of neighboring areas. Data bank on industries to guide the prospective entrepreneurs including investors from abroad is also needed.
- 5) **Lal and Ronald W (2005)** studied the value orientation and political guidance of the new generation entrepreneurs. They found that different political guidance influenced the characteristics of new generation entrepreneurs and further changed their value orientations. The fourth is the impact of enterprise innovation on employment.
- 6) **Raiyani (2005)** In his study Micro and Small Entrepreneurs Progress, Problems and Prospects opines that industrialization plays a crucial role in directing the development process of the country for growth and progress. For developing economies, especially India, which is a labour abundant country, small scale sector is considered as the major source of employment generation and foreign exchange earnings. Small-Scale Entrepreneurs require small investment, so the entrepreneurs can afford to take risk. Small-scale sector has emerged as a dynamic and vibrant sector of the economy. Thus, the role played by this sector in the country's development is too vital to escape notice.
- 7) **Kalyanaram G.K.2009:** The policies adopted by our country has fostered entrepreneurship while China have adopted policies for resource mobilization. The author has tried to benchmark India 's growth & development against China by

comparing growth & market potential. In his conclusion, India & China have adopted different models but he found Indi's model is likely to be more sustainable.

- 8) **Aldieri and Vinci (2018)** found that strong innovative actions can create more jobs to achieve the overall sustainable development of enterprises.
- 9) **Piva and Vivarelli (2018)** found that there is a positive effect of innovation on employment, which is more significant when product innovation is adopted as proxies of technological change. The fifth is the influencing factors of innovative behavior of new generation entrepreneurs.

RESEARCH GAP:

On entrepreneurs there is few research work to identify, tackle the issues & challenges of auto component entrepreneurs. This paper tries to identify HR issues & challenges of auto component entrepreneurs

Today the auto component industry is moving at a very important stage & HR plays a vital role in this changing global scenario.

Earlier, in the auto industry, the past scenario of product was:

- Same models of vehicles,
- Less producers in sectors,
- Only limited brands of products, limited range of vehicles,
- Demand exceeded supply,
- Reaching out customer – not a need.

Now in global village it has changed. New generation cars came in market, rapid increase in the number of models of cars, (From 5 model's cars in 1994 to 20 in 2000 & in 2021 reached to 42 models)**Source: <http://www.india & business high value in replacement products>**

As a result of change of expectations of customers, business there exist the demand of quality, competitive skill & competency oriented people.

GLOBAL HAPPENINGS:

In the global development lot are happenings have taken place around the World:

- Constantly changing environment
- Rapid change in technology
- User friendly approach
- Quick response time
- Supplier partnership

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- Work through strategies
- Flat organization
- Customer expectation & satisfaction
- Value for money

In the global village, the market trends have changed significantly:

CHANGING FOCUS:

The focus of family entrepreneur organization has changed **FROM:**

- Restricted market to free market entry
- Limited players to no restriction on players
- Local competition to global competition
- Sales driven market to marketing driven market
- Limited product availability to plenty product availability
- Open quality standard to global yardstick quality standard like QS,ISO
- Good enough quality to World class quality
- Target driven to Vision driven
- Less OEM focus to replacement market
- Regulatory role to creative & innovative role
- Bureaucratic to participative approach
- Hierarchies structure to Lean growth structure
- National economy to world economy
- Focus on objectives to focus on process
- End result to continuous improvement

Though global business has come in existence there are more similarities observed in Indian companies & multinational companies:

SIMILARITIES:

- Employees: Old employees,
- Culture of workers: Money related (Less work more pay)
- Nature & type of employees: Passengers, Workable & Key Performers

What is Entrepreneurship?

Entrepreneurship is defined as the act of starting and running your own business & wish to work for yourself in your own venture. Entrepreneurship is a person who is running his own business

CONCEPT:

Entrepreneurship is the ability & readiness of person to develop, organize and run a new business enterprise, along with its uncertainties in order to make profit.

CHARACTERISTICS OF ENTREPRENEURSHIP:

- 1) Ability to take risk
- 2) Innovation
- 3) Visionary leadership
- 4) Adaptability
- 5) Product knowledge
- 6) Open & transparent

IMPORTANCE OF ENTREPRENEURSHIP:

- Employment creation
- Innovation
- Community development
- Increase standard of living

Role of HR has changed in Family entrepreneur organization & Multinational organisation

COMPARATIVE STUDY- HR IN INDIAN & MULTINATIONAL AUTO COMPONENT INDUSTRY

Family – Indian	Multinational
More role played by owners	More role played by Managers
Local View	International view & its effect
Assessed locally by owners	Assessed at Group level
Role Static	More flexible role
More political leadership of Union	Less political leadership of Union
Restricted career growth	Large career growth
Career development at National level	Career development at international level
Limited access to modern management techniques	Immediate & more access to modern management techniques
Adequate facilities	Liberal facilities

Good infrastructure	Better infrastructure
Traditional Practices	More sophisticated practices
Reasonable capacity to pay	More capacity to pay
Restricted budget for HR, training, admin	More budget for HR, Training, admin
Less stress on environmental aspects	More stress on environmental aspects

HR as a Backbone: Earlier in family entrepreneurship, HR role, was not looked at with such high respect. Right from interfacing with organizational strategy to operational level, HR people could experience the involvement with deep dive approach. HR functionaries are not only considered as professionals sitting in air-condition office but they were seen as Strategists, Consultant, Motivators, Coaches, and Executors and even as Fire Fighters. To exhibit these qualities, high level of mental composition, /adaptability, rational approach, data collection and its analysis was considered as preferred HR Competencies. Ability to keep close eye on various Government orders/circulars and its interpretation is considered as mandatory requirement on the part of HR functionary.

EMERGING ROLE OF HR

EARLIER	EMERGING
Transactional	Strategic
Maintenance	Development
Compliance	Catalyst for change
Relationship Management	Performance Management
Doing less with More resources	Doing More with less resources
HR Cost factor	HR value added

HR APPROACH:

- Share Vision & Mission
- Open, Transparent & Fast to Change
- Focused view & approach
- Fast & continued communication
- High Competence
- Customer friendly & Innovative
- Proactive & Participative
- Collaborative & Cooperative

Previous success has no guarantee for future success. HR has to come with new strategies:

What Strategies HR should adopt?

- Quick to Change
- Empowerment
- Always customer focus
- Learning & growing
- More Team working
- Focus on cost
- Be competitive

RESEARCH METHODOLOGY: This study is based on the basis of professional experience & based on secondary data. Data gathered from economic surveys, various reports, newspapers, journals, & other sources of secondary information.

TWENTY FIRST CENTURY CHALLENGES

- Service sector will gain energy in growth & manufacturing sector will gradually slide down
- Work from anywhere
- Workers will be more knowledgeable with the availability of educational facilities. Executives will be commendable. High competent workforce will be available.
- Multicultural workforce will give rise due to ample talent
- Scope of self advancement which will be geographically highly mobile
- Employees will be highly motivated on account of self advancement. To retain such highly aspirant people will challenge before HR professionals
- Giant industries will be replaced with flat structures
- Rapid change in Information technology.
- Need of outsourcing HR functions for speedy results & reduction in operational costs.
- Markets will be of stiff completion. Customer demands better quality & services
- Lack of competent managerial skill among the new entrepreneurs
- Legal constraints and regulations
- Lack of technical knowhow & availability of skilled labour
- Complacency – lack of motivation and individual spirit
- Unfavorable family ground
- Influence of Gender, Caste, Custom.
- Inadequate infrastructure facilities.
- Lack of transportation and communication facilities.

- Finance Problem. Entrepreneur suffers heavily while arranging finances
- More documentation -The excessive and unnecessary documentary and other formalities discourage new entrepreneurs to come forward.
- Lack of Technology, Technology is one among major problems faced by the new energetic entrepreneurs while establishing their business

SUGGESTIONS:

Efforts to develop Entrepreneurship: Auto Component challenges have taught all of us a hard lesson. One amongst the lesson is “If you don’t take care of your employees during the challenging time, they won’t take care of your business in future”. Unexpected happenings, challenges of budgets and revenues, continuous changes in customers’ requirements, agility in exhibiting towards health, hygiene and safety of your employees are of top most priority on the agenda. At the backdrop of all above, Human Resource professionals are expected to develop different type of leadership which will lead towards building up entrepreneurship spirit, amongst employees.

- Establish and upgrade HRD facilities including skill upgradation, training
- Establish and strengthen the Research and Development infrastructure, facility for all industries having a manufacturing, development establishment in the Industrial Estates
- Up-grading, developing technology and facilitate technology transfer to any or all of the industries in the Member Industrial Associations
- To encourage public-private partnership in infrastructure development in the auto ancillary sector and to operate and maintain the infrastructure to be developed for the purpose of improving the competitiveness of the auto ancillary industry
- The government can also play a positive role in the emergence and development of entrepreneurship by providing training, incentives, concessions etc. and by creating an environment conducive for the growth of entrepreneurship.
- New and more branches of Entrepreneurship Development Institutes at district level should be opened, so that more willing entrepreneurs should be provided necessary skill and competent knowledge to make them more successful entrepreneurs.
- Government should reduce the administrative burden from entrepreneurs during startup of their business ventures.
- Government should provide industry friendly policies & programmes for entrepreneurs.
- Reduce the paper work and other formalities for opening the business units.

- Government should include entrepreneurship development in curriculum at secondary school and at higher education institutions in order to provide necessary basic knowledge and build adequate entrepreneur skill and attitude among youth from primary level.

CONCLUSION:

In global world, Auto components industries economic development & growth is based on success of entrepreneurship whether it's small, medium or big.

People usually seek secure and long term employment, like Government jobs, while they are very much sensitive and give least even last preference to become entrepreneur.

The challenges are lack of social and family support, lack of capital and discourage response for finance, lack of inadequate and necessary physical infrastructure, lack of skill development institutes providing and creating necessary skill. The major issues faced by the new and young energetic entrepreneurs for being a successful entrepreneur are lack of necessary and timely government support and lack of adequate technology and technological advancements, etc.

The educational sector needs to be revamped with emphasis on science and technology. There is need to change the mind set of young generation. There is need to come with innovative ideas in technology & people management to translate the ideas into action to bring fruitful results.

From a global perspective, entrepreneurship plays an important role in a country's economic growth. Today the entrepreneurship is endorsed and encouraged by educational institutions, governments, society / and other corporate bodies in India and other developing countries. The study of entrepreneurship has relevance today, not only because it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures. Auto Component manufacturing entrepreneurs have made phenomenal progress during the last three decades and today occupy an important position in the industrial economy of India.

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