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Enhancing workforce diversity and performance: A case study of employee referral programs in the automotive industry

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Abstract

The research article entitled “Enhancing Workforce Diversity and Performance: A Case Study of Employee Referral Programs in the Automotive Industry”. It deals with the introduction of employee referral which is a special partition with respect to employee satisfaction. The core of an organization is collective behavior of its employees governed by the organizational culture and shaped by the values, vision and mission of the organization. The objective of the study is to analyze the employee referral program adopted in automotive industries. To Identify Employee Satisfaction and how likely employees are to refer automotive industry to their friends and family. To study whether the employees are motivated to work in automotive industry. This study will help the organization understand the causes of employees for not referring their family or friends, assess the effectiveness of employee referral, feedback and performance appraisal systems and correct positive employee referral patterns and create a healthy working environment. This study is a descriptive one. Primary data collected with the help of structured questionnaire administrated to employees and few management personnel of automotive industry. 92 samples were collected based on simple random sampling. Collected data were analyzed by using relevant statistical techniques like percentage analysis method, chi-square method, and coefficient of correlation. The research shows that the employees are satisfied with the current referral program and it is also found that new employees also aware of the program and its benefits.

Keywords: Enhancing workforce diversity, employee referral programs, automotive industry, customer satisfaction

1. Introduction

Employee referral programs in the automotive industry play a crucial role in attracting and retaining talent while fostering a culture of internal growth and trust. These programs are designed to leverage existing employees as ambassadors who actively participate in the recruitment process by recommending qualified candidates from their networks. In an industry known for its technical expertise and specialized skills, such programs not only streamline the hiring process but also enhance workforce diversity and ensure a better cultural fit within the organization. Automotive companies often incentivize employees to participate in referral programs through monetary rewards, recognition, or other perks. This not only motivates employees to actively engage in recruiting efforts but also reinforces a sense of ownership and camaraderie among team members. Moreover, referrals tend to result in higher-quality hires who are more likely to stay longer with the company, reducing turnover rates and recruitment costs over time.

2. Automotive Industry Overview

Early car manufacturing involved manual assembly by a human worker. The process evolved from engineers working on a stationary car, to a conveyor belt system where the car passed through multiple stations of more specialized engineers. Starting in the 1960s, robotic equipment was introduced to the process, and today most cars are produced largely with automated machinery. The automotive industry encompasses a diverse range of companies involved in the design, manufacturing, marketing, and selling of motor vehicles. It is one of the largest industries globally, with significant economic and technological impact. The automotive industry is characterized by its dynamic nature, technological innovation, and significant economic impact on global economies. It continues to evolve rapidly in response to changing consumer preferences, technological advancements, regulatory requirements, and societal demands for sustainability.

3. Statement of the Problem

Employee referral programs may inadvertently perpetuate homogeneity within the workforce, as referrals often come from existing employees' networks, which may lack diversity in terms of race, gender, or background. The automotive industry is rapidly evolving with advancements in electric vehicles, autonomous driving technology, and digitalization. Finding candidates with the required skills and expertise can be challenging through traditional referral channels.

4. Need of the Study

The purpose of this study is based on encouraging employees to help the recruitment team in recruiting by referring right candidates. This study is carried out to find that the employees are satisfied with their work environment, superior officers and their job so that they can refer their friends to join the organization. Addressing the benefits of employee referral program saves employer's recruitment expenditure, time of hiring and improves retention level. This study will showcase the employee morale and loyalty towards the organization.

5. Research Objectives

- To evaluate the overall effectiveness of employee referral programs in the automotive sector.
- To identify employee satisfaction and how likely employees are to refer automotive industry to their friends and family.
- To investigate how employee referral programs influence organizational culture within automotive companies.
- To study whether the employees are motivated to work in automotive industry.

6. Research Design

Designing a research study on employee referral programs

in the automotive industry involves several key considerations to ensure a comprehensive and insightful analysis. Research design is a systematic problem. It is a detailed outline of how an investigation will take place. A research design typically include how data is to be collected and what instrument will be employed. Simple random sampling method is used in this research. A part of the population selected for the study is called Sample. The population of the study consists of the employees of Ki Mobility Solutions Pvt Ltd with a total number of 120. Here, 92 employees of Ki Mobility Solutions Pvt Ltd, Chennai are selected as sample. The present research study is descriptive and analytical in nature and therefore, data are collected from both primary and secondary sources. Survey is conducted while working hours of the employees. The data gathered is analyzed using Percentage Analysis, Chi-Square Analysis and Coefficient of Correlation.

6.1 Classification of Age Group

Table 1 Classification of Age Group

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-30	70	76.1	76.1	76.1
30-40	19	20.7	20.7	96.1
40-50	3	3.3	3.3	100.0
Total	92	100.0	100.0	

Source: Primary Data

Interpretation

From the above table it is clear that out of 92 respondents the majority of of the respondents ie., 76% are in the age group of 20-30 years, 21% of the respondents are in the age group of 30-40 years, 3% of the respondents are in the age group of 40-50 years and there are no respondents above the age of 50.

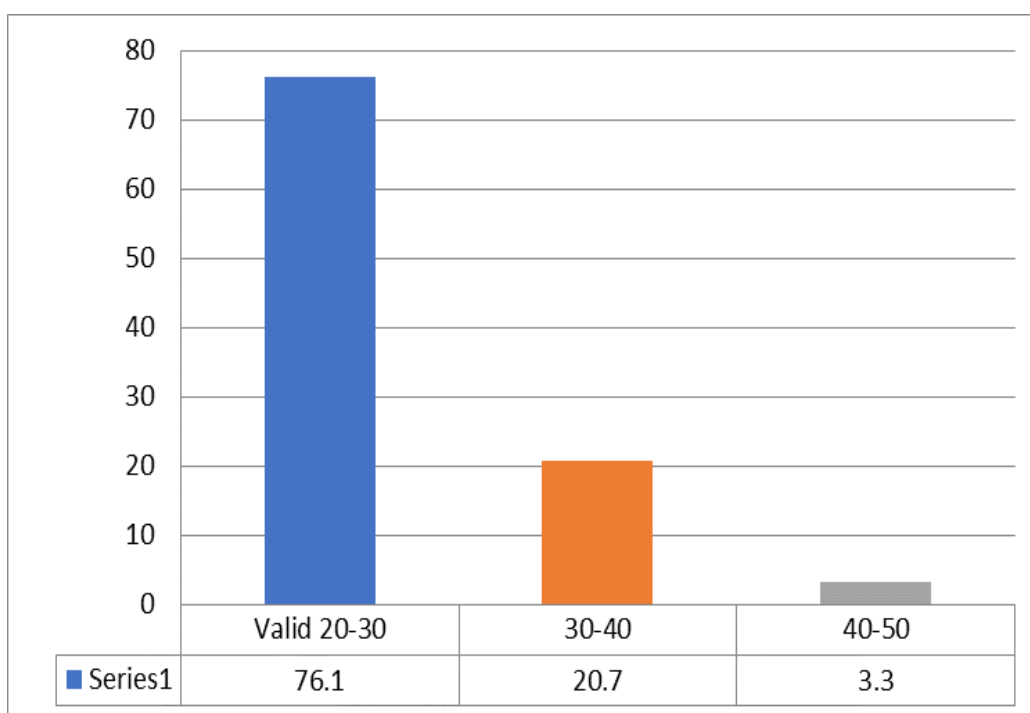


Fig. 1 Classification of Age Group

6.2 Classification of Monthly Salary

Table 2 Classification of Monthly Salary

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 15K-30K	53	57.6	57.6	57.6
30K-45K	29	31.5	31.5	89.1
45K-60K	8	8.7	8.7	97.8
60K-75K	2	2.2	2.2	100.0
Total	92	100.0	100.0	

Source: Primary Data

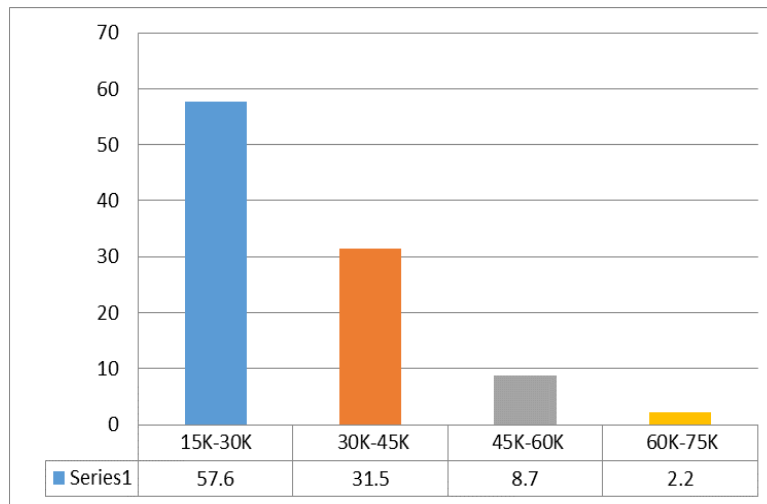


Fig. 2: Classification of Monthly Salary

6.3 Likeliness of Employees to work with Ki Mobility

Table 3: Likeliness of Employees to work with Ki Mobility

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	44	47.8	47.8	47.8
	Agree	29	31.5	31.5	79.3
	Neutral	12	13.0	13.0	92.4
	Disagree	7	7.6	7.6	100.0
	Total	92	100.0	100.0	

Source: Primary Data

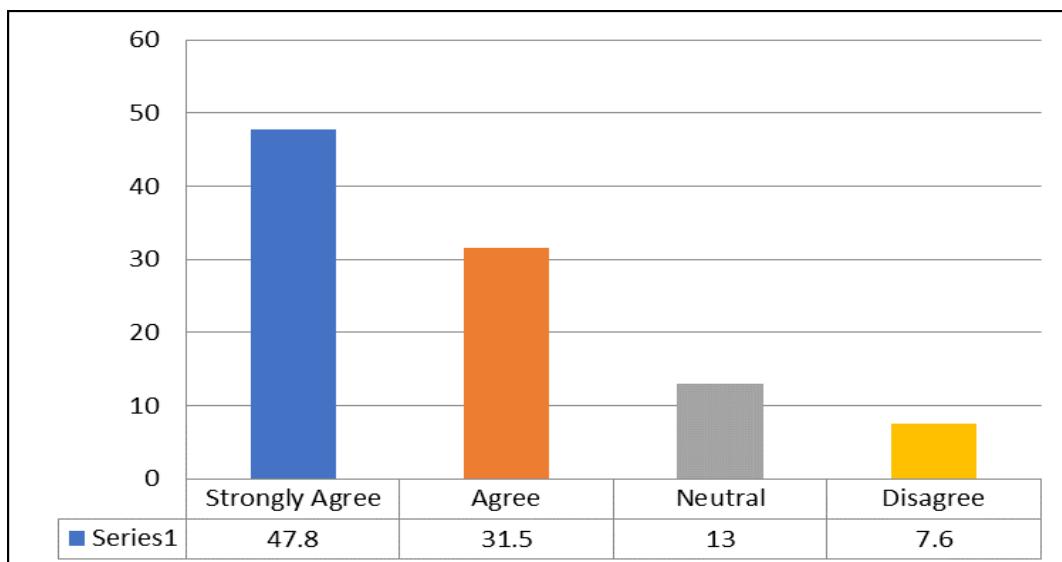


Fig 3: Likeliness of Employees to work with Ki Mobility

Interpretation

The table 5.3 represents the Monthly salary of the respondents and out of 92 respondents the majority 58% of the respondents are getting salary of Rs. 15K-30K followed by 32% of the respondents are getting salary of Rs. 30K-45K, 9% of the respondents are getting salary between. 45K-60K and 3% of the respondents are getting salary above 75K.

Interpretation

From the above table, 47.8% of the respondents strongly agree to like to work with Ki Mobility, 31.5% of the respondents agree for the likliness to work with Ki Mobility, 12% of the respondents have chosen neutral for the likliness to work with Ki Mobility, 7.6% of the respondents have disagreed for the likliness to work with Ki Mobility and none have selected strongly disagree for the likliness to work with Ki Mobility.

6.4 Balance between Work and Life of Employees Interpretation

From the above table, it is understood that 35.9% of the respondents agree that they have a balance between work and life at Ki Mobility, while 46.7% of the respondents

agree that they have a balance between work and life while working at Ki Mobility, 6.5% of the respondents have chosen neutral, 4.3% of the respondents have chosen 4.3% and 6.5% of the respondents have chosen strongly disagree.

Table 4: Balance between Work and Life of Employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	35.9	35.9	35.9
	Agree	43	46.7	46.7	82.6
	Neutral	6	6.5	6.5	89.1
	Disagree	4	4.3	4.3	93.5
	Strongly Disagree	6	6.5	6.5	100.0
Total		92	100.0	100.0	

Source: Primary Data

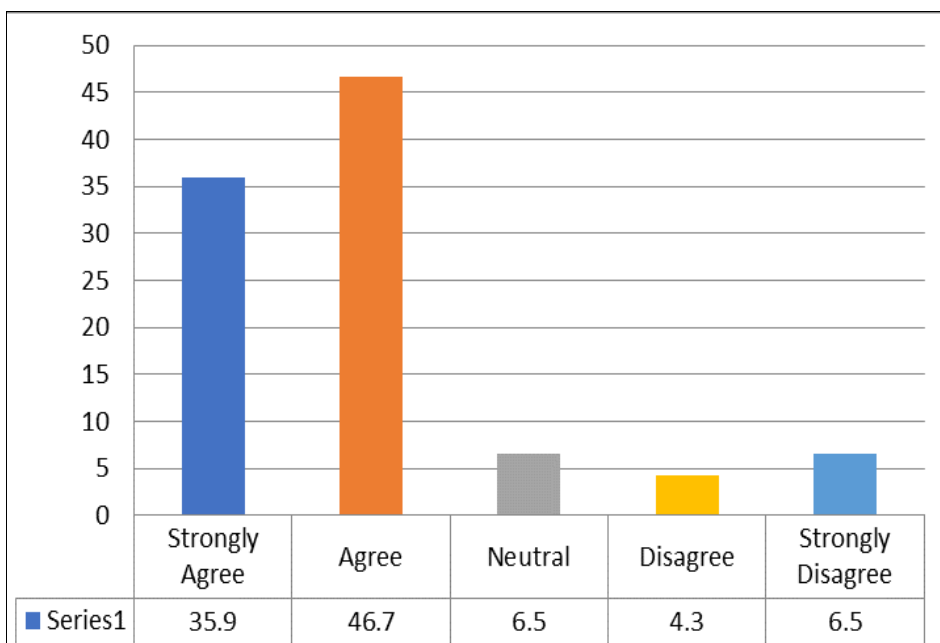


Fig 4: Balance between Work and Life of Employees

6.5 Chi-Square Analysis

The chi square table showing the significant relationship between the Experience level and Monthly salary level.

Null Hypothesis

H0: There is no significant relation between salary and experience of the employees.

Alternative Hypothesis

H1: There is a significant relation between salary and experience of the employees.

Table 5: Relationship between the Experience level and Monthly salary level.

		Monthly Salary of the Employee				Total
		15K-30K	30K-45K	45K-60K	60K-75K	
Experience of the Employee	0-5 years	46	17	0	0	63
	5-10 years	7	10	7	1	25
	10-15 years	0	2	0	1	3
	15-20 years	0	0	1	0	1
Total		53	29	8	2	92

Chi-Square Table

Table 6: Calculation of relationship between the Experience level and Monthly salary level

Observed	Expected	(O-E) ²	(O-E) ² /E
46	36.29	94.28	2.59
17	19.85	8.12	0.40
0	5.47	29.92	5.46
0	0.78	0.60	0.76
7	14.40	5.47	0.37
10	7.88	4.49	0.56
7	2.17	5.19	2.39
1	0.54	0.50	0.92
0	1.72	8.88	5.16
2	0.94	1.23	1.30
0	0.26	0.003	0.01
1	0.06	0.81	13.5
0	0.57	0.108	0.18
0	0.31	0.008	0.02
1	0.08	0.81	9.41
0	0.02	0	0.00
Total			43.03

Calculated Value = 43.03
 Degrees of Freedom = (C-1) (R-1)
 = (4-1) (4-1)
 = 9

Interpretation

The table value 9 at 0.05 is less than the Calculated value, H₀ is rejected at 5% level of significance. Hence H₁ is accepted. Therefore, there is a significant relation between salary and experience of the employees.

6.6 Coefficient of Correlation

Coefficient of Correlation is a measure of such a tendency

the degree to which Two variables are interrelated is measured by a coefficient which is called Coefficient Correlation

6.6.1 The relationship between the Satisfaction of work Environment and Referred Family/Friend

X- Satisfaction of work Environment Y- Referred Family/Friend

Table 7: Relationship between Satisfaction of work environment and Referred Family/Friend

X	Y	dx= \bar{x} -x	(dx) ²	dy= \bar{y} -y	(dy) ²	(dx)(dy)
41	23	-18	324	0	0	0
41	51	-18	324	-28	784	504
9	16	14	196	7	49	98
1	2	22	484	21	441	462
$\sum X_{=92}$	$\sum Y_{=92}$	0	1328	0	1274	$\sum(dx)(dy)_{=1064}$

$$\text{Coefficient Correlation} = \frac{\sum(dx)(dy)}{\sqrt{\sum(dx)^2 \sum(dy)^2}} = 0.8180$$

high degree of correlation between the Satisfaction of work environment of the employees and their Reference of Family/Friend.

Results

This is Highly Correlated. In this case the inference reveals that the Correlation is high degree of correlations of the calculated value 0.8180. So, it can be concluded that there is

6.6.2 The relationship between the Recognition of work and Confidence of Employees

X – Recognition of work Y – Confidence of Employees

Table 8: The relationship between the Recognition of work and Confidence of Employees

X	Y	dx= \bar{x} -x	(dx) ²	dy= \bar{y} -y	(dy) ²	(dx)(dy)
25	22	-2	4	1	1	-2
58	61	-35	1225	-38	1444	1330
7	7	16	256	16	256	256
2	2	21	441	21	441	441
$\sum X_{=92}$	$\sum Y_{=92}$	0	1926	0	2142	$\sum(dx)(dy)_{=2025}$

$$\text{Coefficient Correlation} = \frac{\sum(dx)(dy)}{\sqrt{\sum(dx)^2 \sum(dy)^2}} = 0.9969$$

Results

This is very Highly Correlated. In this case the inference reveals that the Correlation is very high degree of correlations of the calculated value 0.9969. So it can be concluded that there is high degree of correlation between the Satisfaction of work environment of the employees and their Reference of Family/Friend.

7. Findings

- Majority of the respondents are male.
- 76.1% of the respondents are between 20-30 years of age.
- Majority of the respondents get 15K-30K as their monthly pay.
- 68.5% of the respondents have 0-5 years of work experience.
- 40.2% of the respondents are married and 59.8% of the respondents are unmarried.
- Most of the respondents like to work with Ki Mobility.
- 81.6% of the respondents are able to balance between work and life while working in Ki Mobility.

- Majority of the respondents are satisfied with the work environment of Ki Mobility.
- 25% of the respondents refer their family or friends to get perks from the organization.
- 85.9% of the respondents agree that their opinions are being valued by the organization.
- 84.7% of the respondents feel respected by their colleagues in the organization.
- 88% of the respondents say that their superiors provide timely feedback about their assignments.
- Greater part of the respondents feel that their superior recognizes their full strength and capitalizes them.
- Mainly the respondents are satisfied to work in teams.
- 90.2% of the respondents feel that their works are being recognized by their superiors at work.
- 97.8% of the respondents feel proud to be a part of Ki Mobility.

8. Suggestions

- The company can use Slogans and Logos to popularize the employee referral program.
- The company can give a specific name to the employee referral program so that the program becomes more effective.
- The company can give training to the employees in

- order to refer a right candidate with right qualification.
- The company may use some attractive posters regarding employee referral program inside the organization in working area, cafeteria, etc., so that it will create more awareness among the employees.

9. Conclusion

The study on the employee referral program helped to find out the drawbacks that affecting the program in the company. It is found that the employees are satisfied with the current referral program and it is also found that new employees also aware of the program and its benefits.

The organization can concentrate much more on the program so that both the organization and the employees can be benefited by the employee referral program. The organization can conduct training programs so that the employees may be aware of referring a right candidate. The organization can also make the referring process much easier by using referral portals, drop boxes, etc. The organization must give feedbacks to the referrers about the status of the referred candidates. So if the management rectifies their errors in the above areas or fields, the level of satisfaction among the workers will increase further and will improve the number of referrals in the organization.

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