CHAPTER 1

INTRODUCTION

1.1 RESEARCH CONTEXT

People spend nearly one-third of their adult lives at work, which causes workplace issues to become common source of stress for many. It is impossible to have a workplace where everyone's roles, expectations, and personalities work perfectly together, without conflict or issues at the place of work. Awareness of the prevalence and the negative impacts of workplace issues have risen in the past three decades, as evidenced by increased and broadened research, greater public awareness efforts, and changes in legislation and policy, including in India. In competitive global business climate, automotive industries believe that cost-cutting measure would save billions of dollars’ which may increase their profit and facilitate them in achieving the organizational objectives in the present engineering world. Hence this automotive giant employ temporary workforce to whom which employment is limited to a certain period of time based on the needs of the employing organization.

Foremost critical nature of the temporary employment is that temporary employees are not eligible to receive salary in par with permanent employees and also for other benefits and welfare measures. This discrimination may cause lot of workplace issues and it may affect the job satisfaction of the temporary workers. Through this study, the researcher made an attempt to find out the impact of workplace issues on job satisfaction.
between temporary workers from the selected automotive industries in Chennai.

1.2 STATEMENT OF THE PROBLEM

In the modern business world, organizations are pebbledash numerous defies due to the dynamic nature of the environment. The increase of players in Automotive industries created hyper competition in the industry, therefore in order to survive and retain their position in the market, Automotive industries are forced to find out the means and ways to improve the quality, adding features of the products and provides the products to the customers at least possible cost. Among the various cost of production, apart from raw material cost, employees’ wages and salary plays a crucial role. The availability of cheap labour at India attracted even the international players like Renault Nissan, Ford, Hyundai, etc to setup their plants of international standards at outskirts of Metropolitan city like Chennai with the support of Tamil Nadu State government.

Every human being in the world spends their major portion of their lifetime at their workplace, in order to improve their livelihood. The workplace is the place where the employees are expected to perform the assigned task in an effective manner using their qualification, knowledge, skills and experience. In recent decades, the automotive industries want to downsize their permanent employee strength by increasing temporary employee strength, in order to have flexible workforce according to the demand of the products, automotive industries are no exception to this. Automotive industries are having around twenty percent of their workforce as permanent employee and remaining as temporary workers. The reasons behind this strategic decision are to reduce cost of salary / wages, welfare measures and other benefits (Houseman & Susan 2000). Having temporary work force may lead to many advantages and disadvantages to the
organization. The advantages of having temporary workers are immediate availability based on fluctuation in demand, effective trial period of employees performance & productivity, ability to hire specialized skill set labours for short span based on the project, no long-time commitment, cost saving, etc. The disadvantages of temporary workers are safety issues, legal concerns, higher wage rate, team issues, training requirements, etc.

The earlier researches reported that the presence of temporary workers at the workplace is associated with lower job satisfaction and higher job anxiety among employee (Alex Bryson, 2013). Permanent employees are rewarded huge benefits during employment. But temporary employees can not avail such benefits. No doubt in this case organizations can save a huge amount at retirement, on the other hand this nature of job also effects on employee performance. Business performance is directly related with ability to adopt changes in number and nature of the employees (Anwar et al., 2011). Therefore, in order to manage the pros and cons of temporary workers, the automobile industries should choose the right blend of permanent and temporary work force, and appropriate policies and strategies need to be formulated to minimize the negative impact of workers on the productivity & performance of the organization.

Now–a-days, in multinational organizations, people from different parts of the nation / world is employed, which may leads to cross cultural issues and other work related issues. Lot of earlier researches evident that, the workplace issues such as bullying, gossip, interpersonal conflict, discrimination, communication problems, occupational stress, harassment, etc, which may affect the physical health, mental health, productivity (Awan & Tahir 2015), performance (Naharuddin & Sadegi 2013), and job satisfaction of the employees. However, in this study the researcher attempted to study the impact of workplace issues (i.e. bullying, gossip, interpersonal conflict, discrimination, and communication problems) on job satisfaction
(Fassoulis & Alexopoulos 2015) through occupational stress, physical health and mental health of temporary workers in Automotive industries in Chennai city.

Job satisfaction plays a critical role in industries, which may increase efficiency, effectiveness, productivity and job commitment of employees, therefore the researcher would like to study the impact of workplace issues (i.e. bullying, gossip, interpersonal conflict, discrimination, and communication problems) on job satisfaction of temporary workers in Automotive industries in Chennai city.

**The researcher attempted to probe the answer to the following research questions:**

i. What extent the demographic profile of the temporary employees have impact on workplace issues, perception towards occupational stress, physical & mental health and job satisfaction in Automotive industry at Chennai?

ii. Do workplaces issues cause occupational stress among the temporary employees?

iii. Whether occupational stress affects physical and mental health of the temporary employees?

iv. Is there any association between physical and mental health of the employees and their job satisfaction in automotive industries?

v. What extent the degree of the impact of workplace issues on job satisfaction factors such as motivators and hygiene factors among workers those are working in the selected Automotive industries at Chennai?
vi. How to develop and test suitable model which integrates the factors of workplace issue and factors of workers’ job satisfaction, occupational stress, physical health & mental health?

1.3 THE STUDY IS PRESENT WITH THE FOLLOWING RESEARCH OBJECTIVES

i. To analyze the impact of demographic variables on temporary workers’ perception towards workplace issues, occupational stress, physical & mental health, and job satisfaction in automotive industry at Chennai.

ii. To assess the impact of workplaces issues on occupational stress among the temporary employees.

iii. To examine the influence of occupational stress on physical and mental health of the temporary employees.

iv. To find out the association between physical and mental health of the employees and their job satisfaction in automotive industry.

v. To identify the degree of the impact of workplace issues on job satisfaction factors such as motivators and hygiene factors among employees those are working in the selected automotive industry.

vi. To develop and test a model which integrates the factors of workplace issues with the factors of workers’ job satisfaction.


1.4 SCOPE OF THE STUDY

Researcher has made an attempt in the present research study to evaluate the impact of workplace issues on job satisfaction of temporary workers at selected automotive industries companies in Chennai. Due to the existence of key Automotive manufacturing units and similar industries around the city, Chennai has been christened as the "Detroit of Asia" or “Automotive Corridor”. This corridor alone accounts for 33% of commercial vehicles, 21% of all passenger cars, and 35% of auto components which are produced in the country moreover all the big motor companies have their presence along the Automotive Corridor.

The research focused on the workplace issues on top two Passenger vehicles Automotive manufacturing companies, Renault-Nissan Alliance and Ford India. Renault-Nissan Alliance is the country’s third-biggest carmaker and Ford India ranked as fifth, whereas based on the growth rate Renault-Nissan Alliance stands 1st company to achieve a 52.72% of growth rate and Ford India stands second that has achieved a growth of 41.16% in 2016. Hence the researcher has taken these two automotive giants for the study. There is also a wider scope for workplace issues in both the giant companies such as offering incentives, collective bargaining rights, recognition of trade union, payment of gratuity, provide permanent employment to all the workers, suspension of employees on the grounds of violating the code of conduct and employee standing orders. Moreover this study covers the perception of temporary workers’ satisfaction towards their job in the two automotive companies.

1.5 SIGNIFICANCE OF THE STUDY

Many organisations have recently begun to count the cost of managing workplace issues poorly as well as the benefits of managing it
effectively (Human 2005). In the context of human resource management, workplace issues management could be defined as a managerial process that is workplace issues are the issues concerned with the working conditions, employee behaviour, communication, employee appointment & termination, and employee development, which result in the overall performance, stability, and culture of an organization, where no person is excluded on the basis of factors unrelated to productivity. In broader terms, workplace issues management is about managing the increasing of issues that confront humankind in contemporary organizational and societal affairs (Flood & Romm 1996). With the increasing mobility of the workforce in the twenty-first century, organizations are facing a issues with work environment, striving to recruit, effectively manage, interpersonal conflict, bulling, discrimination, gossip, communication problems, occupational stress, physical health, mental health and managing the workforce issues are important goals and need for the Automotive companies in Chennai in order to ensure that the right combination of skills and competencies that are available. Therefore, to reduce and manage of human activities in workplace issues has been a critical task, so there is a need for the present research study to focus on workplace issues that sustainable affect the satisfaction of job.

Contract employees account for 34% of the total workforce (contract plus regular) of India’s top companies. Indian industry where contract workers, have a 46% share in industry and 8.8% in the services sector. In the Automotive industry, where labour unrest has been more visible in recent years, the ratio is high at 47% of temporary workers. It is important for organisations to understand and know how their employees feel and perceive workplace issues as this would help the organisations to plan, develop and implement programmes to manage workplace issues more appropriately as well as the organisation can focus their programmes on specific groups of people that would lead to job satisfaction.
1.6 LIMITATIONS OF THE STUDY

There are numbers of limitations that are identified during the progress of completing this research study. A major problem that can never be eliminated during the process of generating information is respondents’ bias. The respondents may not be willing to participate in the survey because answering the questionnaires was a time consuming and does not bring any benefits to them. This may affect the reliability of the information collected through the study. This research has studied the selected automotive companies in Chennai district. Hence, it does not replicate the true picture of overall automotive companies with the other districts of Tamil Nadu. Moreover this study is restricted only to 800 respondents from temporary workers of selected Automotive companies in Chennai district and henceforth the observation of these respondents need not be the sight of the temporary workers of the whole automotive companies of the country.

1.7 INDUSTRY PROFILE

Automotive Industries is one of the world's oldest continually published trade publication and the oldest specialising in the auto-making business. It was founded in November 1895 as The Horseless Age, the first magazine created to cover the world's transition from horse-drawn conveyances to those powered by the new internal combustion engine. The magazine changed its name to The Automobile in July 1909, an era when gasoline, steam and electricity all vied for pre-eminence in motive power. The magazine's present name was established in November 1917. The title was briefly amended to Automotive and Aviation Industries during the World War II years, as the magazine expanded its coverage of technologies and production methods to include the aircraft industry, in which many automakers participated.
The automotive industry is increasingly becoming the cynosure of the manufacturing sector across the globe. The attention and importance to the automotive industry in the economic development and planning policies of Government and its agencies has also witnessed significant uprise. The industry has been evolving over the years, meeting up with challenges as diverse as transitions, consolidations and restructuring, and thereby adapting to the new market conditions.

In the last few years, the world automotive industry has changed its locational preferences due to various reasons. Earlier, the automotive industry was largely confined to the triad - North America, Europe and Japan; however, with the emergence of some vibrant developing economies, like Brazil, India and China, the global automotive industry has been considering a different growth perspective, and has been relocating the operations. These growing developing economies have been evolving as the manufacturing hub, as also the newfound markets, for the global majors like Ford.

General Motors, Chrysler, Toyota, Honda, Nissan and BMW, who are competing to enhance their market share in these markets. Increasing growth in GDP and the growing disposable income has catapulted these emerging economies as market for automotives, while the low cost of operations and skills in design and R&D made them as destinations for investment and manufacturing operations.

The entry of global auto-majors into India has significantly altered the automobile-manufacturing scenario in the country. The changes in design and adaptation of international technologies have enabled the Indian automotive industry to compete globally, and thus are also exposed to global challenges. Alongside the challenges, the trend also presents a plethora of opportunities to Indian automotive industry, which needs to be capitalized, so as to emerge as a successful global player.
1.7.1 Growth of Chennai as Automotive Capital Of India

Chennai is the most industrialized state in South India and it was at the forefront of this movement. Just about 55 km from the southern port town, an automobile hub was quietly taking form. Tamil Nadu has always been known for its automobile industry and it traditionally boasts of a strong engineering and auto-parts industry, so this transformation, though an evident one, saw the presence of major number of automobile and auto components manufacturing companies in the state which earned it 'Detroit of Asia' moniker.

It was under the first Jayalalithaa regime that Ford Motor Company forayed into India in 1995. Ford's decision to build a base in Chennai was a breakthrough for the automobile industry in Tamil Nadu. It was initially a 50:50 joint venture with Mahindra & Mahindra until Ford picked up majority stake in 1998 to be renamed Ford India. It was Ford's first passenger car facility in India and in addition to making available 36.1 acres of land belonging to the Chennai Metropolitan Development Area (CMDA) to Ford India for its plant, the then Chief Minister J Jayalalithaa announced incentives such as providing infrastructural facilities, sales tax exempt for input, refund of output tax up to limit of investment, capital subsidy of 1.5 crore and power tariff discount during the first three years of operation of the plant. Ford has since expanded their operations and production capacity through investments and has also recently announced plans to build a new global engineering and technology centre in Chennai.

Under Jayalalithaa's regime in 2012 the Tamil Nadu government signed a Memorandum of Understanding with five automobile majors with an investment of at least 5,700 crore to create 9,530 jobs. The MoUs were signed with Daimler India Commercial Vehicles Pvt Ltd, Yamaha Motor India Ltd,
Ashok Leyland-Nissan Motor Company Ltd, Eicher Motors Ltd and Philips Carbon Black Ltd. In fact, her government also unveiled the first-of-its-kind automobile policy in 2014 called the Tamil Nadu Automobile and Auto Components Policy 2014.

The policy aims at making Chennai one of the top five centres in the world in the automobile and components space. India's total export of automobiles during 2007-09 was 8861.33 crore, Chennai exported over 53 per cent of those (4,733 crore). Tamil Nadu accounts for 35 per cent of India's auto component production and three Chennai based industrial groups make up more than 22 per cent of India's auto components production.

While Tamil Nadu has become a manufacturing and export hub, it's obvious that more carmakers want to be based out of this state. The Government of Tamil Nadu has offered 390 acres of land to KIA Motors to set up a factory in India. KIA Motors, a subsidiary of Hyundai Motors, has been scouting for locations for a factory to make its entry into India and are looking to produce over 3 lakh units per annum. But it doesn't stop there the Jayalalithaa government also helped in adding critical infrastructure - a world-class 450 crore Global Automotive Research Centre unit run by the National Automotive Testing R&D Centre (NATRiP). It gives vehicle manufacturers a range of facilities including to design testing, safety emissions and performance standards. Tamil Nadu then is turning out to be at the epicenter of the growth of the automotive industry and clearly is already the Detroit of Asia. It's been an arduous task to get Tamil Nadu where it currently is but staying there seems equally challenging.

1.7.2 Automotive Industry Contribution Towards India’s GDP

India is the largest tractor manufacturer, 2nd largest two- wheeler manufacturer, 2nd largest bus manufacturer, 5th largest heavy truck
manufacturer, 6th largest car manufacturer and 8th largest commercial vehicle manufacturer.

The automotive industry in India has been on a growth trajectory with impressive spikes in sales, production, and exports over the last two years. With an average production of around 24 million vehicles annually and employer of 29 million people (direct and indirect employment), the automotive sector in India is one of the largest in the world. India is the largest tractor manufacturer, 2nd largest two-wheeler manufacturer, 2nd largest bus manufacturer, 5th largest heavy truck manufacturer, 6th largest car manufacturer and 8th largest commercial vehicle manufacturer.

For every vehicle produced, direct and indirect employment opportunities are created with employment of 13 persons for each truck, 6 persons for each car and 4 for each three-wheeler and one person for two-wheelers. The $ 93 billion automotive industry contributes 7.1% to India’s GDP and almost 49% to the nation’s manufacturing GDP (FY 2015-16).

As a major employment generator, GDP contributor and FDI earner, the automotive industry is instrumental in shaping the country’s economy and hence regarded as a 'Sunrise sector' under Make in India. In order to further promote the sector, initiatives are being undertaken by the Government of India to promote innovation and R&D and create a favourable policy regime to make India a prominent manufacturing destination.

1.8 CHAPTER SCHEME

Chapter 1: It provides an introduction to the research, highlighting the need for the study. An overview is also given about the statement of problem in the study and highlights the key objectives to be obtained from the
study. The first chapter also includes brief profile of the Automobile industries. It ends with chapter scheme of the present research.

**Chapter 2:** This chapter starts with an introduction, follows with an overview of the literature, reflecting the variables being investigated in the field of work place issues, occupational stress, physical & mental health and its association with job satisfaction of the workers.

**Chapter 3:** Chapter three provides the theoretical background of the present study, which explains basic concepts & definition of all the variables used in the present study, framework of major constructs and related theoretical concepts were also explained.

**Chapter 4:** It draws round with research method how the research problem is investigated. In this chapter the research methodology is explained. Specific reference is made to the data collection methods, the research design and the statistical techniques utilised for the research are narrated here.

**Chapter 5:** This chapter provides completely the highpoints of analysis data and its interpretation which are found from the statistical outcome of the current study, whereas explanation for investigation data are offered and briefed.

**Chapter 6:** It isolate regarding the key result identified from analysis data and its interpretations of the current study. This chapter concludes with inference of the present study, theoretical contributions made by the research, various restrictions faced in the researcher in the study and this chapter end with the conclusion drawn from the research work.