

CHAPTER 1

INTRODUCTION

1.1. Introduction to the study

According to Oxford English dictionary the word retain means “keep in one’s service, secure the services of a person or absorb and hold”. So, Retaining employees signify hold of employees. Simply, employee retention can be stated as the processes in which employees are encouraged or motivated to stay with the organization for the maximum period of time or until the completion of the project. In the 1970s and early ’80s, the term “employee retention” first began to appear with fidelity on the business panorama. Until then, during the early and mid-1900s, the strength of the relationship between employer and employee had been a statement of the status quo. Retaining talent has become very important aspect for each and every organization in current years. The concept retention is very critical for ensuring a highly productive workforce. Today’s management cannot influence the decision of employees, leaving or staying in the same organisation. It is because for more industrialization of the world work environment, lots of employment opportunities have emerged for the employees. Globalization has changed not only the business world but also the minds of the individuals. So, when they are dissatisfied with their current job, they immediately switch over to a new job or new organisation. Again, every organization is concerned to snatch the best one from such a competitive environment. Hence employee retention has gained the attention as a key matter in the development of organizational capability. According to Prof. Niyati R Patel and Prof. Dr. Mitsu B.Patel (2014), bright employers understand the importance of retaining the best talent. Because, selecting and recruiting is a costly matter for the organizations, but it is even more costly when skilled workers leave the organization. It is very pertinent in case of Automobile service workshops in Assam as because their main strength lie on technician or equivalent level employees mainly technicians which are skilled one and

responsible for repairing the cars. So, organisation's always intention is retaining the talented employees that they have with them rather not to recruit any new employees. William G.Bliss (2007) estimates the cost of employee turnover as 150% of an individual employee's annual salary. The cost is significantly higher i.e. 200% to 250% of salary for managerial and sales positions. The cost can be substantial when high profile employees or higher number of employees is involved. A huge amount of cost incurred in losing critical employees. For example, Hale (1998), in his study, it was established that employers cited recruitment costs of 50 to 60% of an employee's first year's salary and up to 100% for certain specialized, high-skill positions. Again, In an another study, Fitz-enz (1997) has proved that when direct and indirect costs are combined, the total turnover cost of an exempt employee is a minimum of one year's pay and benefits, or a maximum of two years' pay and benefits. He again added that the regular company loses approximately \$1 million with every 10 managerial and professional employees who leave the organization. So, there is a huge loss of knowledge given to the employee along with his/her departure. As noticed by Mobley (2009), turnover also produced ethereal costs, such as declining morale, and the interruption of social and communication patterns. Employee retention is beneficial both for the organization as well as for the employees and the employers. It is also important because an employee becomes the reservoir of information and secret of the organisation when he/she remains in an organisation for a longer phase. But when he/she leaves the current organisation and joins a new organisation then it becomes positive for the later and negative for the previous one as because knowledge and secrets are moving with him/her only. In addition, organisation's status is also at risk where turnover rate is relatively high. The customers do not feel positive dealing with an organisation which is unable to keep their employees. Again, constant high turnover rate creates disturbances and increased workloads in remaining present employees. So, when employees notice that their colleagues are going to another organisation, automatically their efficiency levels go down. Andrew Carnegie, the famous industrialist of 19th century commented, "Take away my factories, my plants; take away my railroads, my ships, my transportation, take away my money; strip me

of all of these but leave me my key employees, and in two or three years, I will have them all again” (as cited in Gupta V, Srivastava S (2007). These words are very true even in today’s evolution of technology.

Today’s employees are not same as before. Because, human mind is very complicated. They are kept on changing with time passes. What they are thinking is totally unpredictable. It is not easy to read the minds of the employees also by the employers. Their demands are also increasing day by day as ever before. Their demands are increasing not only in case of salaries and other monetary/ non monetary related benefits but also their working environment and a lot more other necessities. As long as employers are able to provide a stretchy, productive and vibrant work environment to their employees, it can be a critical asset in attracting and retaining valuable employees. It is very important to understand the different expectations and needs of the employees in order to develop a successful retention plan for today’s job market.

Again, as a result of the shortage of skilled labour and employee turnover, today’s business organisations are facing employee retention as a very critical issue for them. As stated by Klein et al., 1994; Klein and Kozlowski, 2000; Raudenbush and Bryk, 2002; Yammarino and Dansereau, 2004, an “influences” of retention can arises at multiple levels, so the analysis of retention should be considered at more than just a single level. As because different organizations are using different approaches to retain their employees, so a number of studies have found that managing turnover is a challenge for organizations according to American Management Association, 2001. According to previous researcher Freyermuth, 2004, employee retention commences with the recruiting of right people and continues with practicing programs to keep them engaged and committed to the organization. Study of employee retention is very important in today’s world because according to Earle (2003), if the retention strategies are not properly embedded in the business processes, the all effort since recruitment will ultimately proves futile.

Retention starts at the very early stages of the recruitment process. Retaining core employee is a very important source of competitive advantage for any organization. It was supported by Riley J (2009) in a recent study by Career Systems International in 2005, which surveyed over 7,500 employees about retention process and found out the following attributes of retention: Those are 42.6% career growth/learning, 48.4% exciting work/challenge, 41.8% relationships/working with great employees, 31.8% fair pay, and 25.1% supportive management/great boss. As cited in Benjamin Balbuena Aguenza and Ahmad Puad Mat Som (2012), Anderfuhren-Biget S and et al. 2010 stated that for retaining employees, employers should consider as many options as possible while securing their trust and loyalty, as the cornerstones of relationships within the organization and to meet the goals of employees without losing sight of the organization's goal [Wikipedia (2012)].

1.2. **Problem definition**

Automobile service workshops are facing a lot of problems relating employee retention now a day. It has been discovered in the pilot survey that the attrition rate is very high among technician level employees and also high for executive and managerial level of employees working in automobile service workshops in case of Assam. As employees are the most precious and important asset of an organisation, so, organisation should take measures to encourage employees to stay in the organisation for the maximum period of time or until the completion of the project. It is because, without human resource, the functioning of all other resources of an organisation becomes obsolete. Moreover, the goodwill of customers upon the organisation becomes a question mark after frequent quitting of employees. Again, when an employee leaves an organisation then it incurs a huge loss and an unbalanced situation to the internal environment of the organisation. So, based on the above discussion, the study aims to identify those factors which influence the retention of employees working in the Automobile service workshops in Assam.

The study again tries to explore the difference in retention initiatives taken by the organisation for executive, managerial and technician or equivalent level employees.

Further, an attempt to identify the demographic variables which have an impact on employee's retention in the job of automobile service workshops of Assam. This research also tries to study the impact of various identified factors of retention on retention of employees working in the Automobile service workshops of Assam.

1.3. **Significance of the study:**

In India there has been exceptional increase in the number of automobile service workshops along with authorised dealers as the numbers of production of cars are increasing day by day. Cars are considered as an essential product of every household now a day though some people considered it as a luxury product. Due to its increased number, lots of automobile service workshops have already been set up and many are coming in near future in India along with in Assam also. Because to retain a customer, giving proper timely service to the customer is more important than simply selling the car to him/her only. Thus, by retaining the customer, an organisation can grow and succeed in their journey. Because of these workshops, lots of people of the society are absorbed in this sector. But a dangerous trend can be seen in automobile service sector industry of Assam. It is that highly trained, skilled and experienced employees switch from one organisation to another one due to many reasons. In fact employee attrition problem is a very key issue for every workshop now. So, employee retention becomes one of the biggest challenges facing by almost every automobile service workshops in Assam.

The significance of this study will rebound to the benefit of society considering that employees play a very important role in each and every organisation today. It is felt that employee retention is very important for the growth and success of every automobile service workshops present in Assam. Because by retaining only, the cost

of attrition can be minimised and belief of the society/customer upon these organisations can be maintained.

Keeping this in sight, this study has made an attempt to uncover the factors which will help to retain employees in their present organisation i.e. the automobile service workshops of Assam. Thus, some new strategies on retention may be arrived at after finishing the research. Moreover, the difference in retention initiatives taken by the organisation for managerial, executive and technician or equivalent level employees can also be found out from this study.

The need is also felt to identify the demographic variables which have an impact on employee's retention in the job in their present organisation. This study will help all the automobile service workshops of Assam to retain their valuable employees (both skilled and unskilled) which will directly help for growth and development of these organisations again.

1.4. **Rationale of the study:**

- It is clear that every attrition is responsible for rising cost in many ways. But it is also true that the management is still not able to control attrition. So, it is very necessary for the management to retain their employees by any means. The management should read the mind or psychology of their employees. It is because the psychology of every person is different in this world and so the retention initiative for one person may not be the same for the other person. So, the management should read the mind of the employee and his/her needs or expectations from the organisation to retain them and accordingly management should try to fulfil those needs and expectations so that retention rate can be increased in their organisations. Same for the case of employees working in the Automobile service workshops of Assam.

- This kind of study has not done in Assam in case of Automobile service workshops where attrition rate is very high. So, it has become the keen interest of the researcher to do such kind of study in Assam.
- The researcher has a keen interest to review the retention initiatives presently implementing in the workshops are successful or not and if not then the researcher is eager to formulate new retention strategy for enhancing retention of employees working in the Automobile service workshops in Assam.
- For validating the study and testing the research instrument, the researcher has discussed some issue like turnover of employees with the management of 14 service workshops from Guwahati and 6 service workshops from Tinsukia. It is because Guwahati is the capital of Assam and Tinsukia is the hub for all the service workshops of major Automobile Company's especially for upper Assam. After having a discussion with management of the service workshops present in these two districts, it has been found that total number of employees working in the year 2012-13 is 812 and total turnover in the same financial year is 146(both by primary data collection).

So, Annual turnover rate is for the year 2012-13 is follows:

Resignations = 146 • Number of Employees = 812 • Turnover rate = $146/812 \times 100 = 18\%$ (divide resignations by number of employees).

Again, Annual Turnover rate for the year 2013-14: Resignations = 187 • Number of Employees = 852 • Turnover rate = $187/852 \times 100 = 22\%$.

Again, Annual Turnover rate for the year 2014-15: Resignations = 246 • Number of Employees = 880 • Turnover rate = $246/880 \times 100 = 28\%$.

Table 1: Turnover rate calculation

| Sl no | Name of organisation(Service workshop) | 2012-13(Total employee) | 2012-13(Total Turnover) | 2013-14 (Total employee) | 2013-14(Total Turnover) | 2014-15(Total employee) | 2014-15(Total Turnover) |
|-------|----------------------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| 1 | Maruti Suzuki India Limited | 812 | 146 i.e. 18% | 852 | 187 i.e. 22% | 880 | 246 i.e. 28% |
| 2 | Tata Motors Ltd | | | | | | |
| 3 | Hyundai Motor India Limited | | | | | | |
| 4 | Renault India Private Limited | | | | | | |
| 5 | Volkswagen India Private Limited | | | | | | |
| 6 | Toyota Kirloskar Motor Private Limited | | | | | | |
| 7 | Honda Cars India | | | | | | |
| 8 | Mahindra & Mahindra Ltd | | | | | | |
| 9 | General Motors India Private Limited | | | | | | |
| 10 | Nissan Motor India Private Limited | | | | | | |
| 11 | Ford India Private Limited | | | | | | |

It is seen from the above calculation that turnover rate is increasing year wise from 2012-13 to 2014-15. So, it is a very alarming condition for all the business

organisations. Also, the researcher has felt the need of conducting the study prior to the main research.

1.5. **Research gap:**

Although the fact that the topic employee retention is very important of today's every business organisation and so this topic is very much researched in different parts of India but employee retention and its application in automobile service workshops are under researched specially in case of Assam. An extensive search on the internet, online journals, Shodhganga, Ebsco did not reveal any studies on retention of the employee in automobile service workshops especially in case of Assam and north eastern states. Since current literature has repetitively revealed that salary, working environment, rewards and recognition, training and development, supervisor support etc has positive correlation with employee retention which in turn again positively correlated to customer satisfaction, increase productivity, loyalty and profit of the organisation, the automobile service workshops can also utilize the same idea in its field to tackle serious issues related to retention of all level of employees working here. Though automobile service workshops come under service industry like banking, hospital, education or insurance but still it has been seen that difference (in case of education, experience) is there in work force employing here and other service industries. Women employees are less employed in this sector compared to other sectors. As technician or equivalent diploma or degree or experience is very much needed to enter into this sector so retaining this technician and equivalent level employees is little bit different from other sectors. It is also revealed that women applicants are very less for this sector. Employee retention in the automobile service workshops in Assam appear under-researched, and its impact on business operations. The research gap is that the current research /study aims at closing this gap by understanding the determinants of employee retention which has already been identified in previous literature review of automobile as well as other service sectors and to find out whether they are the same or new determinants/drivers of retention can

be extracted from this study which will be applicable the employees working in automobile service workshops of this particular state of India i.e. Assam except barak valley.

1.6. **Research questions:**

Leading from the above, the research questions are:

1. How a workshop can retain their existing employees?
2. What is the need for retaining their existing employees?
3. What is the importance for employee retention strategies?
4. Is employee retention strategies are different for different level of employees working in an organisation?

1.7. **Objectives of the study:**

The following objectives have been set up in the study:

- [1] Identification of factors and their relationship with retention of employees working in the Automobile service workshops of Assam.
- [2] To find out the impact of demographic variables on retention of employees working in the Automobile service workshops of Assam.
- [3] Making a comparative analysis of employee retention initiatives meant for Technician or equivalent, Managerial and Executive level employees working in the Automobile service workshops of Assam.
- [4] To study the impact of various identified factors on retention of employees working in the Automobile service workshops of Assam.

1.8. **Hypotheses:**

The following hypotheses will be tested in this research work:

- H1. The identified factors have a significant relationship with retention of employees working in Automobile service workshops in Assam.
- H1.1. The retention of employee is positively related to Remuneration & career succession.
- H1.2. Managerial hold with proper guide ship is positively related to employee retention.
- H1.3. Learning and development is positively related to employee retention.
- H1.4. On job counselling positively impacts on employee retention.
- H1.5. Growth opportunity with process clarity has relationship with employee retention.
- H1.6. The retention of employee is due to Better authorization with fair appraisal.
- H1.7. Work culture is positively related to employee retention.
- H1.8. Non monetary recognition is significantly related to employee retention.
- H2. Demographic variables have a significant impact on retention of employees working in the Automobile service workshops of Assam.
- H3. There exists a significant difference in retention initiatives taken by the organisation for Technician or equivalent, Managerial and Executive level employees working in the Automobile service workshops of Assam.
- H4. All identified factors have a significant impact on retention of employees working in the Automobile service workshops of Assam.

1.9. Limitations of the research:

Following are some of the limitations of the research work:

- [1] All findings will be based on the information provided by the respondents and are subject to the potential bias & discrimination of the people involved. Some respondents hesitated to show the actual situation/picture because they panicked that management would take any kind of action against them.

- [2] This study will be conducted only within private organisation whose control and management are not directly under government. Employee retention for public organisation may be different from private organisation. Again Employee retention for Automobile sector may also be different from other sectors like telecom, education or healthcare sector.
- [3] The study and research will be limited to a specific geographical region only. The researcher has covered Assam for data collection excluding Barak valley.
- [4] Primary data will be collected from employees currently working in the automobile service workshops. Since the number of employees working in the sector is very high, covering the whole population will not be possible for a single researcher. Only a sample representing the population will be taken up for the study.
- [5] The information collected by the observation method is limited for this study.
- [6] The information will be collected from authorised four (4) wheeler passenger car vehicles service workshops only.

2.0. **Brief of Automobile Industry:**

In the Indian economy, the Indian automobile industry has emerged like 'sunrise sector'. It is accepted that the automotive industry will play an important role in helping the economy to continue this growth. Automobile industry has become the back bone of the Indian economy. It is because it employs 13 million individuals in India (3). The Industry is valued at about US \$ 35 billion contributing about 3.1% of India's GDP (nominal) (as cited in Jimmy Corton Gaddam (2013). In his study again it has been found that by producing approximately 2 million units annually, the automobile industry in India is the eleventh largest in the world. Again, India is expected to overtake China as the world's fastest growing car market in terms of the

number of units sold it is because though India has a population of 1.1 billion; (the second largest in the world), the rate of car ownership is very low i.e. 25 per 1,000 people (less than 1 percent of the Indian population owns one) and also because of rising economy, India has become a huge attraction for car manufacturers around the world. Also it has been found that there is the potential to penetrate a largely untapped market among the youthful population (over half the population is less than 25 years of age and India has the highest proportion of population below 35). Also, India has the potential to serve as a regional export hub for manufacturers in the Asia-Pacific region because of the availability of cheap, skilled labour. Though India also has one of the fastest growing economies in the world, so, many U.S. companies observe India as a potentially profitable market. It is expected that the automobile industry will play a significant role in helping the economy to continue this growth.

If we go through the history of Indian Automobile industry, Indian automobile market is dominated by domestic companies though several major foreign automakers, like Ford, GM and Honda, have their manufacturing bases in India. When we go through the history of the Indian Automobile industry, we found that the Indian automobile industry can be viewed in terms of the pre-1991 (before liberalization) and post-1991 (after liberalization) phase. The automobile industry in India is growing like never before after 1991 industrial policy. The industry is booming after removing restrictions on foreign collaborations. Since then, almost all the universal majors have set up their services in India bringing up the level of production from 2 million in 1991 to 9.7 million in 2006 [SIAM, 2007-08] (as cited in Prof. Sarbapriya Ray (2012)). This extra-ordinary growth (spectacular rate of 17% on an average for last few years) of the industry is mainly due to the following reasons:

- Higher disposable incomes of the middle class people and consequential increase of their living standards.

- The rising economic situation mainly in the financial division, which has played a huge role in boosting the demand and nourishing a long-term growth in the industry.
- Reduction of tariffs on imports.
- The Indian government's liberalization method such as relaxation of the foreign exchange and equity regulations.

With the first passenger car made in the early 1940s, India is one of the oldest automotive industries in south and in south-East Asia as cited in Jimmy Corton Gaddam (2013). Passenger cars are the largest segment of the automobile industry globally, but in India it is much smaller. In fact, after early 1940s, the development of the Indian Automobile industry shifted to two wheelers and LCVs. India overtook China in 2004 as the fastest growing automobile market. Passenger cars supply was very low till Maruti started operations in partnership with Suzuki motors in 1984 in India. In the year 1991 the new industrial policy as a part of liberalization movement announced delicensing for the passenger car segment. With the intention to become more prices competitive in order to make India a centre for exporting small cars, the Budget for 2006-07 has reduced the excise duty on small cars from 24 percent to 16 percent.

The cars were considered a luxury product; expansion was restricted and manufacturing was licensed in between 1970 and 1984 and also there were Quantitative Restriction (QR) on imports and tariff structure intended to restrict the market but several landmark policy changes like QR and 100% FDI through automotive route were introduced in starting of 2000(as cited in Amarjit Singh, Dr. Vinod Gupta (2012). The Morris Oxford, known as the *Ambassador*, and a old *Fiat* are the two localized versions of ancient European designs which dominated the Indian car market for forty years since India's independence from the British in 1947.It

is because of the fact that the Indian automobile market was mainly due to the Indian government's complex regulatory system that efficiently barred foreign-owned operations. Any Indian firm that wanted to import products or technology required a license/permit from the government within this informal license raj system. In this system, the complexity of getting these licenses muffled automobile and component imports which again created a low volume high cost car industry that was unbeneficial, unproductive, and technologically obsolete. Based on stale design concept and also fuel inefficient of these models, the two dominant products Ambassador and Fiat were customized to the poor road conditions in India. After 1980's came Maruti Udyog Limited (joint venture with Suzuki of Japan) which launched a small but fuel efficient model (called "Maruti 100"). The product became an immediate hit costing about \$5,500. Maruti's vehicles are estimated to account for as much as 70 per cent of India's car population inspite of making a late entry to this automobile industry. After 1991, the system license raj has been finished. Because, in 1991, the automobile industry has entered in the stage called post liberalization phase where newly elected Indian government opened the Indian economy to foreign investment and trade. In 1993, the government followed up its liberalization measures with major reductions in the import duty on automobile components. These processes have spurred the expansion of the Indian economy in general, and the automotive industry in particular.

As stated by Sunil Kakkar(4), Indian Auto Industry is 2nd in Two Wheelers, 3rd in Small Cars and 5th in Commercial Vehicles among the top 10 in World(cited in Amarjit Singh, Dr. Vinod Gupta (2012) again. The Indian auto industry is the seventh-largest in the world with an annual production of 17.5 million vehicles out of which 2.3 million are exported (as cited in Pradeepta K. Sarangi and et al (2014) by Shankar Ajay, CII Media Release Again India is emerging as an export hub for sports utility vehicles (SUVs) to different countries like Europe, South Africa and Southeast Asia (1) (as cited in M. Krishnaveni and R. Vidya (2015). India is a universal centre of automobile industry having:

- 15 Manufacturers of passenger cars and multi-utility vehicles
- 9 Manufacturers of commercial vehicles
- 16 Manufacturers of 2/3 wheelers
- 14 Manufacturers tractors
- 5 Manufacturers of engines

Maruti Suzuki is the largest passenger vehicle company while Tata Motors is the largest vehicle company. The Indian automobile industry is one of the major industries with deep forward and backward linkages and hence has a strong multiplier effect. In Prof. Sarbapriya Ray(2012) paper it has been stated that the automobile industry is providing employment to 1.31 crore people(direct and indirect), the industry has now attained a turnover of Rs. 1,65,000 crores and an investment of Rs. 50,000 crores plus Over of Rs. 35,000 crores of investment is in pipeline. The automobile industry is also making a contribution of 17% to the fund of indirect taxes. The export in automotive sector has also grown on an average CAGR of 30% per year for the last five years.

Following are some table which depicts the market share of passenger car vehicles, Production, domestic sale and export trend of passenger vehicles of Indian Automobile Industry (In Nos):

Table 2: Estimated Market shares of Passenger Vehicles by the Top 5 Firms in the Indian Automotive Industry (%)

| COMPANY | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------------------|-------|-------|-------|-------|-------|
| Maruti Udyog Limited (MUL) | 50.29 | 51.43 | 51.15 | 52.20 | 50.38 |
| Hyundai Motor India Ltd | 19.08 | 18.65 | 17.36 | 18.18 | 18.13 |
| Tata Motors LTD | 13.83 | 16.10 | 16.75 | 16.98 | 17.00 |
| Fiat India Automobiles(P) LTD | 5.96 | 1.85 | .84 | .19 | .21 |
| Hindustan Motors Ltd | 3.63 | 2.28 | 1.90 | 1.69 | 1.42 |

Source: Association of Indian Automobile Manufacturers (AIAM), 2007-08 (AS CITED IN Prof. Sarbapriya Ray(2012))

Table 3: Category-wise Production trend in Indian Automobile Industry (In Nos)

| CATEGORY/ YEAR | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|----------------------|---------|---------|---------|---------|---------|---------|
| PASSENGER VEHICLE | 669719 | 723330 | 989560 | 1209876 | 1309300 | 1544850 |

Source: Society of Indian Automobile Manufacturing (SIAM), 2007-08. (AS CITED IN Prof. Sarbapriya Ray(2012))

Table 4: Category-wise Production trend in Indian Automobile Industry (In Nos)

| CATEGORY/ YEAR | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 20012-13 | 2013-14 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| PASSENGER VEHICLE | 1,777,583 | 1,838,697 | 2,357,411 | 2,982,772 | 3,123,528 | 3,233,561 | 3,072,651 |

Source: Society of Indian Automotive Manufacturing (SIAM) (as cited in M. Krishnaveni and R. Vidya(2015)

Table 5: Category-wise domestic sales trend in Indian Automobile Industry (In Nos)

| CATEGORY/YEAR | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|----------------------|---------|---------|---------|---------|---------|---------|
| PASSENGER VEHICLE | 675116 | 707198 | 902096 | 1061572 | 1143076 | 1379698 |

Source: SIAM,2007-08. AS CITED IN Prof. Sarbapriya Ray(2012)

Table 6: Category-wise sales trend in Indian Automobile Industry (In Nos)

| CATEGORY/ YEAR | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| PASSENGER VEHICLE | 1,549,882 | 1,551,880 | 1,951,333 | 2,501,542 | 2,618,072 | 2,686,429 | 2,503,685 |

Source: Society of Indian Automotive Manufacturing (SIAM) (as cited in M. Krishnaveni and R. Vidya (2015)

Table 7:Category-wise export trend in Indian Automobile Industry (In Nos)

| CATEGORY/YEAR | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|----------------------|---------|---------|---------|---------|---------|---------|
| PASSENGER VEHICLE | 50088 | 70828 | 126249 | 160677 | 170193 | 189347 |

Source: SIAM, 2007-08 (AS CITED IN Prof. Sarbapriya Ray(2012)

Table 8:Category-wise export trend in Indian Automobile Industry (In Nos)

| CATEGORY/ YEAR | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 20012-13 | 2013-14 |
|----------------------|---------|---------|---------|---------|---------|----------|---------|
| PASSENGER VEHICLE | 218401 | 335739 | 446145 | 444326 | 507318 | 554686 | 593507 |

Source: Society of Indian Automotive Manufacturing (SIAM) (as cited in M. Krishnaveni and R. Vidya (2015)

All the tables show that the numbers are increasing from 2001-02 to 2012-13 in case of production, export or sales of passenger car vehicles. Due to increase in demand, India had a raise market potential for automobiles in recent years. As a result there is an increased production to tap the growing demand both at home and in the foreign markets. Pradeepta K. Sarangi and et al (2014) has stated in their research paper that for the year 2012-2013, automobile sector has shown a lethargic growth citing high ownership costs like cost of registration, excise duty, road tax, fuel costs and slow rural income growth(this can also be seen from the above tables). But according to them due to untapped markets, improved affordability and rising incomes, there will be a firm but watchful growth is expected for automobile manufactures in India. Pradeepta K. Sarangi and et al (2014), in their research paper, it

can be seen that the forecasted value of production of passenger car vehicles is 4056000 for the year 2015-16 and domestic sales trend passenger car vehicle is 3200000, again for the year 2015-16. They have forecasted value of the export trend of passenger car vehicles is 690000, for the year 2015-16. Passenger vehicles sales is expected to double in the next four years and growth is anticipated to be higher than 16 percent from the past 10 years According to Macquaire equities research. (As cited in Anjum Farhat 2013).

Table 9: Some earlier studies (cited in Jimmy Corton Gaddam(2013)

| Author's | Name of the research paper | Year | Gist of the study |
|-------------------------------------------------|----------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NPC | Productivity Trends in Indian Automobile Industry | 1988 | In the earlier years or for the past three decades, India was a marginal exporter. It was expected to change near future and in reality the situation has changed. The situation in the auto industry as a whole remains somewhat unsatisfactory at that time inspite of entry of Maruti Udyog with a small fuel efficient car has provided some relief to the car sector of India. |
| Singh Surjeet and Khan Ahmed Irshad | Automobile Industry in India: Growth Performance and Productive Efficiency | 1991 | The tasting development of Automobile industry has started after the post independence era. Before that, there are lots of earlier characteristics present in this sector. Those are dependence on import of vehicles and components, limited production and sales, , cost in efficiency, fuel inefficiency , existence of seller's market low quality and reliability, backward technology, lack of modernization, and |

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|---------------------------|--------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | almost indifferent attitude of the govt. In this paper, the authors have attempted to describe that the growth of automobile industry has been dominant nourishment to the industrial growth in the economically developed as well as developing countries. |
| Goldar Bishwanath | Import of Technology and Productivity Growth in Indian Industry | 1993 | The author has described in his research work that the major source of productivity improvement is the technological advancement. But there has been no considerable increase in productivity in spite of significant inflow of advanced technology to Indian Automobile industry. The performance of Indian industry has been rather poor though there has been a major inflow of advanced foreign technology in Indian automobile industries during the last four decades. The author analyses the trouble encountered in indigenization of foreign technology and so he conclude that for ensuring productivity growth, local R&D efforts and development of indigenous technology should go a long way. |
| Erumban Azeez Abdul | Productivity and Unit Labour Cost in Indian Manufacturing: A Comparative Perspective | 2000 | The researcher has stated in his paper that though the labour productivity in Indian manufacturing has improved over the past quarter of a century, it is still much lower than that of the advanced countries and most developing countries. He again presented new and up to date results on labour productivity, unit value ratios and unit |

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|---------------------------------|--------------------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | labour cost for Indian manufacturing in comparison with some developed and developing countries. |
| Sharma, J.P. & Bhatnagar Anjali | Automobile Industry and Productivity | 2006 | The previous researcher Sharma, J.P., & Bhatnagar Anjali has stated in their paper that the automobile industry in India is rising especially after limitations on foreign collaborations were lifted. The automobile industry is also the largest consumer of raw materials like aluminium, steel, and zinc alloys, and also of high value plastics and rubber. Their research paper examined these multiplier effects on the service industries and manufacturing and also analyses why the automobile industry is viewed as engine of development in India. They again stated that with a turnover of around Rs 120 billion, the auto component industry has also turn out to be a prime sector in the economy. |

The north eastern states in India comprise of Assam, Arunachal Pradesh, Nagaland, Meghalaya, Manipur, Tripura, Sikkim and Mizoram. The Indian automobile market in the north eastern states has improved over the last few years. The Indian automobile market in the north eastern states has registered an expansion giving an increase to the Indian economy.

The main reasons for the growth of the Indian automobile market in the north eastern states are:

- As some part of the north eastern states are hilly regions, so the best way to communicate is to use roadways. This have further boosted the sale of automobiles in the north eastern states in India.
- The people of north eastern states have lots of disposable income as the economy in the north eastern states is rising. People spend this money in buying different varieties of automobiles.
- Reducing import tariffs and also relaxing equity regulations, the government have made various polices in relation to the automobile industry. All this has resulted in the reduction of the prices of automobiles, further boosting the Indian automobile market in the north eastern states.
- Different loan schemes have been started by the financial institutions and automobile manufacturers which have made it very easy for the people of north eastern states in India to acquire automobiles.

In Assam also, the automobile market is rising at a rapid speed. The dealer networking is expanding also to cater the larger market share. The list of ten (10) Automobile companies along with their authorised dealers present in Assam are given below.

Table 10: Tata Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|---------------|----------------------------|------------------------------------|-----------------|--------------|
| 1 | Tata Motors Ltd | Royal Motors | Moranhat | Assam |
| 2 | Tata Motors Ltd | Bhagyashree Motors Private Limited | Nalbari | Assam |
| 3 | Tata Motors Ltd | M.B. Automobiles | North Lakhimpur | Assam |
| 4 | Tata Motors Ltd | Pragati Motors | Sibsagar | Assam |
| 5 | Tata Motors Ltd | Hazarika Auto Agency | Sibsagar | Assam |
| 6 | Tata Motors Ltd | Johnson Automobile | Silchar | Assam |
| 7 | Tata Motors Ltd | Gargo Motors Ltd | Tinsukia | Assam |
| 8 | Tata Motors Ltd | Abhishek Motors Pvt. Ltd | Bongaigaon | Assam |
| 9 | Tata Motors Ltd | Royal Motors | Dibrugarh | Assam |
| 10 | Tata Motors Ltd | Gargo Motors Ltd | Duliajan | Assam |
| 11 | Tata Motors Ltd | Golaghat Motors | Golaghat | Assam |
| 12 | Tata Motors Ltd | S.B.M Motors Pvt. Ltd | Guwahati | Assam |
| 13 | Tata Motors Ltd | Abhishek Motors Pvt. Ltd | Guwahati | Assam |
| 14 | Tata Motors Ltd | Pragati Motors | Jorhat | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 11: Ford Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|---------------|----------------------------|---------------------------|-------------|--------------|
| 1 | Ford India Private Limited | Chakrapani Ford | Jorhat | Assam |
| 2 | Ford India Private Limited | TI Ford | Tinsukia | Assam |
| 3 | Ford India Private Limited | Himatsingka Ford | Guwahati | Assam |
| 4 | Ford India Private Limited | TI Ford | Guwahati | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 12: Mahindra & Mahindra dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|-------------------------|-----------------------------|-----------|-------|
| 1 | Mahindra & Mahindra Ltd | Smart Motors Pvt. Ltd. | Silchar | Assam |
| 2 | Mahindra & Mahindra Ltd | G. D. Motors | Nagaon | Assam |
| 3 | Mahindra & Mahindra Ltd | Ramnarayan Shiv Prasad | Jorhat | Assam |
| 4 | Mahindra & Mahindra Ltd | R.D.Automobiles | Dibrugarh | Assam |
| 5 | Mahindra & Mahindra Ltd | Assam Motors | Tinsukia | Assam |
| 6 | Mahindra & Mahindra Ltd | Ashok Motors | Tezpur | Assam |
| 7 | Mahindra & Mahindra Ltd | Industrial & Farm Equipment | Guwahati | Assam |
| 8 | Mahindra & Mahindra Ltd | | Guwahati | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 13: Honda Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|---------------------|--------------------|-----------|-------|
| 1 | Honda Cars India | Spectrum Honda | Guwahati | Assam |
| 2 | Honda Cars India | Spectrum Honda | Dibrugarh | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

As the demands of Honda cars are increasing, so the management is also planning to increase their service workshop networks in some other districts of Assam like in Jorhat etc.

Table 14: Nissan Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|------------------------------------|--------------------|--------------------|-------|
| 1 | Nissan Motor India Private Limited | Far East Nissan | Tinsukia | Assam |
| 2 | Nissan Motor India Private Limited | Binod Nissan | Guwahati, Betkuchi | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Nissan Motors is also planning to increase their service workshop networks in other places like Jorhat, Silchar, Nagaon in near future.

Table 15: Toyota Kirloskar Motor dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|----------------------------------------|--------------------|-----------|-------|
| 1 | Toyota Kirloskar Motor Private Limited | Borah Toyota | Dibrugarh | Assam |
| 2 | Toyota Kirloskar Motor Private Limited | Gargya Toyota | Nagaon | Assam |
| 3 | Toyota Kirloskar Motor Private Limited | Gargya Toyota | Baksa | Assam |
| 4 | Toyota Kirloskar Motor Private Limited | Gargya Toyota | Guwahati | Assam |
| 5 | Toyota Kirloskar Motor Private Limited | Podder Toyota | Silchar | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 16: Volkswagen dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|----------------------------------|---------------------|----------|-------|
| 1 | Volkswagen India Private Limited | Volkswagen Guwahati | Guwahati | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 17: Renault Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|-------------------------------|---------------------------|----------|-------|
| 1 | Renault India Private Limited | Renault Jorhat | Jorhat | Assam |
| 2 | Renault India Private Limited | Renault Guwahati, Sixmile | Guwahati | Assam |
| 3 | Renault India Private Limited | Renault Guwahati, Dispur | Guwahati | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 18: Hyundai Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|-----------------------------|--------------------|------------|-------|
| 1 | Hyundai Motor India Limited | Mukesh Hyundai | Dispur | Assam |
| 2 | Hyundai Motor India Limited | Mukesh Hyundai | Guwahati | Assam |
| 3 | Hyundai Motor India Limited | Borah Hyundai | Dibrugarh | Assam |
| 4 | Hyundai Motor India Limited | Borah Hyundai | Duliahan | Assam |
| 5 | Hyundai Motor India Limited | Krishna Hyundai | Jorhat | Assam |
| 6 | Hyundai Motor India Limited | S B Hyundai | Silcher | Assam |
| 7 | Hyundai Motor India Limited | OJA Hyundai | Guwahati | Assam |
| 8 | Hyundai Motor India Limited | OJA Hyundai | Guwahati | Assam |
| 9 | Hyundai Motor India Limited | OJA Hyundai | Mangaldoi | Assam |
| 10 | Hyundai Motor India Limited | Akash Hyundai | Nagaon | Assam |
| 11 | Hyundai Motor India Limited | Akash Hyundai | Jagiroad | Assam |
| 12 | Hyundai Motor India Limited | Borah Hyundai | Tinsukia | Assam |
| 13 | Hyundai Motor India Limited | Meghna Hyundai | Bongaigaon | Assam |
| 14 | Hyundai Motor India Limited | Meghna Hyundai | Barpeta | Assam |

| | | | | |
|----|-----------------------------|-----------------------|------------------|-------|
| 15 | Hyundai Motor India Limited | Meghna Hyundai | Dhubri | Assam |
| 16 | Hyundai Motor India Limited | Krishna Hyundai | Chirang | Assam |
| 17 | Hyundai Motor India Limited | Borah Hyundai | Siva Sagar | Assam |
| 18 | Hyundai Motor India Limited | Krishna Hyundai | Tezpur | Assam |
| 19 | Hyundai Motor India Limited | Saraighat Hyundai | Guwahati | Assam |
| 20 | Hyundai Motor India Limited | Mandona Hyundai | North Lakhimpur | Assam |
| 21 | Hyundai Motor India Limited | Meghna Hyundai | Chirrang | Assam |
| 22 | Hyundai Motor India Limited | Saraighat Hyundai | Nalbari | Assam |
| 23 | Hyundai Motor India Limited | Borah Hyundai | Margherita | Assam |
| 24 | Hyundai Motor India Limited | Oja Hyundai | Guwahati | Assam |
| 25 | Hyundai Motor India Limited | Akash Hyundai | Guwahai | Assam |
| 26 | Hyundai Motor India Limited | Sai Motors | Tinsukia | Assam |
| 27 | Hyundai Motor India Limited | Mayur Service Station | Dist. Tinsukia | Assam |
| 28 | Hyundai Motor India Limited | Arveng Motors | Diphu | Assam |
| 29 | Hyundai Motor India Limited | Jaysree Motors | Rangia | Assam |
| 30 | Hyundai Motor India Limited | XU Marine | Dist. Tinsukia | Assam |
| 31 | Hyundai Motor India Limited | Ashuk Auto moiles | Karimganj | Assam |
| 32 | Hyundai Motor India Limited | Namboor Motors | Golaghat | Assam |
| 33 | Hyundai Motor India Limited | Seema Motors | Dhemji | Assam |
| 34 | Hyundai Motor India Limited | Gurudeva Motors | Distt. Sunit Pur | Assam |
| 35 | Hyundai Motor India Limited | B P Autos | Dhemaji | Assam |
| 36 | Hyundai Motor India Limited | Mayam Motors | Hajo | Assam |
| 37 | Hyundai Motor India Limited | Prerona workshop | Dudhnoi | Assam |
| 38 | Hyundai Motor India Limited | Shreemoy Auto agency | Pathsala | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 19: General Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|--------------------------------------|----------------------|------------|-------|
| 1 | General Motors India Private Limited | Malhatra Chevrolet | Guwahati | Assam |
| 2 | General Motors India Private Limited | Raj n Dibyani Motors | Bongaigaon | Assam |
| 3 | General Motors India Private Limited | IB Motors | Nagaon | Assam |
| 4 | General Motors India Private Limited | Smart Motors | Silchar | Assam |
| 5 | General Motors India Private Limited | Nova Automobiles | Jorhat | Assam |
| 6 | General Motors India Private Limited | GNB Motor | Tezpur | Assam |
| 7 | General Motors India Private Limited | Pashupati Motors | Dibrugarh | Assam |
| 8 | General Motors India Private Limited | Pashupati Motors | Sibsagar | Assam |
| 9 | General Motors India Private Limited | Dhansri Motors | Tinsukia | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

Table 20: Maruti Suzuki Motors dealers name having authorised service workshops

| Sl. No | Name of the company | Name of the dealer | City | State |
|--------|-----------------------------|----------------------|------------------|-------|
| 1 | Maruti Suzuki India Limited | Jaybee Auto Agencies | Dibrugarh | Assam |
| 2 | Maruti Suzuki India Limited | Jaybee Auto Agencies | Duliajan | Assam |
| 3 | Maruti Suzuki India Limited | Anamika Motors | Golaghat | Assam |
| 4 | Maruti Suzuki India Limited | Anamika Motors | Bokakhat | Assam |
| 5 | Maruti Suzuki India Limited | Saikia Auto | North Lakhimpur | Assam |
| 6 | Maruti Suzuki India Limited | Saikia Auto | Dhemaji | Assam |
| 7 | Maruti Suzuki India Limited | R.D. Motors | Nagaon | Assam |
| 8 | Maruti Suzuki India Limited | R.D. Motors | Hojai | Assam |
| 9 | Maruti Suzuki India Limited | R.D. Motors | Jagiroad | Assam |
| 10 | Maruti Suzuki India Limited | R.D. Motors | Baihata Chariali | Assam |
| 11 | Maruti Suzuki India Limited | R.D. Motors | Dhekiajuli | Assam |
| 12 | Maruti Suzuki India Limited | Bharati Motors | Bongaigaon | Assam |
| 13 | Maruti Suzuki India Limited | Anamika Motors | Jorhat | Assam |

| | | | | | | |
|----|-----------------------------|--|--|-------------------|---------------------|-------|
| | Limited | | | | | |
| 14 | Maruti Suzuki India Limited | | | Jain Udyog | Silchar | Assam |
| 15 | Maruti Suzuki India Limited | | | Jain Udyog | Karimganj | Assam |
| 16 | Maruti Suzuki India Limited | | | Anamika Motors | Sibsagar | Assam |
| 17 | Maruti Suzuki India Limited | | | R D Motors | Tezpur | Assam |
| 18 | Maruti Suzuki India Limited | | | Vishal car world | Tinsukia | Assam |
| 19 | Maruti Suzuki India Limited | | | Bimal Auto Agency | Guwahati, Chandmari | Assam |
| 20 | Maruti Suzuki India Limited | | | Bimal Auto Agency | Guwahati, Adabari | Assam |
| 21 | Maruti Suzuki India Limited | | | Bimal Auto Agency | Sonapur | Assam |
| 22 | Maruti Suzuki India Limited | | | Bimal Auto Agency | Nalbari | Assam |
| 23 | Maruti Suzuki India Limited | | | Bharati Motors | Barpeta | Assam |
| 24 | Maruti Suzuki India Limited | | | Bharati Motors | Goalpara | Assam |
| 25 | Maruti Suzuki India Limited | | | Poddar Car World | Guwahati, Khanapara | Assam |
| 26 | Maruti Suzuki India Limited | | | Poddar Car World | Rangia | Assam |
| 27 | Maruti Suzuki India Limited | | | Poddar Car World | Bijoy nagar | Assam |

| | | | | |
|----|-----------------------------|------------------|----------------------------|-------|
| 28 | Maruti Suzuki India Limited | Poddar Car World | Guwahati, Gorchuk Chairali | Assam |
| 29 | Maruti Suzuki India Limited | Poddar Car World | Mangaldoi | Assam |
| 30 | Maruti Suzuki India Limited | Pallabi Motors | Guwahati | Assam |
| 31 | Maruti Suzuki India Limited | Pallabi Motors | Baihata Chariali | Assam |

(Source: Primary data collection by the researcher by taking interview of the authorized personnel of Automobile dealers of Assam.)

It is seen from the above tables that the service workshop network of Renault India Private Limited, Volkswagen India Private Limited, Ford India Private Limited, Honda Cars India are relatively less compared to Tata Motors or Maruti Suzuki India Limited. But it is known from the management of these workshop that they are also planning in near future to increase their service network for giving better service to their customers.

2.1. CHAPTERISATION:

CHAPTER 1

In this chapter, the introduction, objectives, hypotheses, significance of the research, rationale of the research, limitations and the research methodology are considered along with the problem to be studied during the research work. Here, it discusses the history of Automobile industry in India. Moreover, the details of automobile service workshops present in Assam are also given. In short, this chapter represents an overview of the part of the thesis.

CHAPTER 2

This chapter covers various review of literature. It, also, deals with conceptual framework of employee retention and job satisfaction and various models of employee turnover, retention and motivation.

Discussions are carried out on various factors of employee retention. These discussions have established that the views forwarded by many previous researchers upon these factors are contradictory in nature.

CHAPTER 3

This chapter describes research methodology employed for the research work. Further, detailed discussions on the research design elements including sampling plan, primary and secondary data collection tools, and statistical inference used for data analysis and testing of hypotheses is given in this chapter.

CHAPTER 4

The chapter “Data Generation” is one of the most important parts of any research. In this chapter the routes of data collection is thoroughly discussed. It is done by the researcher in such a manner that all aspects of information needed to fulfil the objectives and the hypotheses of the study can be obtained.

CHAPTER 5

This has covered the data analysis and results of the study.

CHAPTER 6

This chapter deals with the discussions on the findings of the research.

CHAPTER 7

Finally the last chapter mainly focuses on summary, conclusions, suggestions and directions for future research.