



## **A Study On Effectiveness Of Motivation In Small Scale Industries**

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***Abstract:***

*Efficient management of human resources is a crucial factor in determining the growth and prosperity of business enterprises. This is particularly true in the case of small industry where the owners are forced to have a close and more personal association with their employees. In order to build up loyal, efficient and committed work force, small scale organizations should pay adequate attention to hiring, training and employee development activities and undertake systematic human resource practices on a long term basis. This paper explains how the factors influenced on motivation of employees in small scale industries. This paper highlights the role of motivational factors like Job Security, Work Environment, Compensation, Promotions, Supervisor's Treatment, Co-Workers and supportive management in the small scale industries. The main source of information, however, is primary data collected through the questionnaires meant for employees and employers. In view of the large number of small scale units in Visakhapatnam, it has been decided to go for a sampling method.*

***Keywords:*** *Job Security, Work Environment, Compensation, Promotions, Supervisor's Treatment, Co-Workers and supportive management.*

### Introduction

Motivation implies an inner state that causes a person to act towards the attainment of goals. It is an inspirational process of steering an individual's inner drives and actions towards goals. It causes a chain reaction. Motivation is an internal psychological feeling which produces goal directed behavior. It is an ongoing process because human needs are never completely satisfied. Motivation can be both positive and negative. Positive motivation occurs when a person is inspired to act for earning some rewards and benefits. For example, an entrepreneur who sets up an enterprise to gain prestige and power is positively motivated. On the other hand, negative motivation arises from fear of failure or frustration. It causes a person who loses his job tries his hard and succeeds in setting up his own enterprise as a source of livelihood.

### Methodology And Sampling

In view of the large number of small scale units in Visakhapatnam, it has been decided to go for a sampling method.

### Selection Of Sample Employers

For the purpose of administering the questionnaire among the Employers, we have taken as many employers as there are sample units. Since 54 units are taken as sample units from the five dominant industrial groups, 54 employers are taken to represent their respective units and the questionnaire has been administered among them. All the employers responded to the questionnaires.

The number of employees working in each category of the industrial groups is shown in the Table1

Industry Groups	Sample Units	No. of Employees	50% Sample Size of Employees	Actual No. of Employees Responded
Agro based	7	78	39	32*
Food	7	114	57	57
Chemical & Engineering	20	230	115	115
Electrical	14	142	71	51*
Electronics	6	60	30	30
<b>Total</b>	<b>54</b>	<b>624</b>	<b>312</b>	<b>285*</b>

*Table1: Sample Size Of Respondent Employees*

*\*A few employees not responded to the questionnaire*

*Source: Records of DIC, Visakhapatnam.*

Since only a few employees work in each unit, a sample size of 50 percent was considered reasonable and accordingly sample size of respondents has been arrived at and shown in the table. However, the actual number of respondents was slightly short of the required sample size because of the failure of seven employees in Agro-based industry and 20 employees in Electrical industry to respond to the questionnaires due to their personal reasons and due to their non availability in spite of repeated visits of the researcher. As a result the final sample size of employees remained at 285 in all the categories of units covered viz., Agro-based, Food, Chemical & Engineering, Electrical and Electronics. In selecting the respondents from each unit, stratified sampling method has been followed.

### **Motivation**

Motivation is a dynamic force setting a person into motion or action. The word motivation is derived from motive which is defined as an active form of a desire, craving or need which must be satisfied. All motives are directed towards goals and the needs and desires affect or change the behavior which becomes goal oriented.

In the present study, the factors influencing employee motivation are examined.

#### *Job Security*

Job security is one of the most fundamental needs human beings have. In one way or another, everyone has to satisfy this motive. Since every industrial employee is in a dependent relationship, and more so, in the case of small industry, the security needs may assume greater significance, whenever management acts arbitrarily or arouses uncertainty with respect to continued employment. Job security in the context of small industry may be understood as the desire of an employee to have continued employment and the desire for an orderly and predictable environment. Many of the large scale organizations these days, recognize the security needs of employees and cushion the offers of employment giving currency to the security aspects in the job widely. Employees were asked to state their opinions regarding the existence of job security in their units and responses are analyzed through table 2.



Existence of Job security	Agro based	Food	Chemical & Engg	Electrical	Electronics	Total
To a large extent	10 (31.25)	15 (26.32)	20 (17.39)	12 (23.53)	16 (53.33)	73 (25.61)
To some extent	13 (40.63)	17 (29.83)	53 (46.09)	18 (35.29)	4 (13.33)	105 (36.84)
Not at all	9 (28.12)	25 (43.85)	42 (36.52)	21 (41.18)	10 (33.34)	107 (37.55)
<b>Total</b>	32 (100.00)	57 (100.00)	115 (100.00)	51 (100.00)	30 (100.00)	285 (100.00)

*Table 2: Employee Response On Existence Of Job Security  
Note: Figures in parentheses indicate percentages to totals.*

According to the above table, majority of the employees felt that they did not enjoy job security in their organizations. They were not sure whether their services would be continued or not. They were quick to add that insecurity made them tense and agitated. It may be noted that 37.55 per cent of employees expressed that there is no job security at all. Besides, it is only one-fourth of employees who enjoyed job security to a large extent. 36.84 percent of employees enjoyed job security only to some extent. It may be noted that majority of employees did not enjoy job security in Food (43.85 per cent) and Electrical (41.18 per cent) industries. Majority of the employees in Agro (40.63 per cent) and Chemical & Engineering (46.09 per cent) industries enjoyed job security to some extent. Majority of the employees in Electronics (53.33 per cent) industries are enjoyed job security to a large extent.

### **Work Environment**

Table 3 reveals that more than one-third of the employees (36.14 per cent) in all the small scale industries under study stated that the work environment in their units is moderate. Almost the same number of employees (34.74 per cent) viewed their work environment to be unfavorable. Those who admitted the existence of congenial work environment constitute a small percentage (29.12 per cent) only.

Work Environment	Agro based	Food	Chemical & Engg	Electrical	Electronics	Total
<b>Congenial</b>	8 (25.00)	13 (22.81)	22 (19.13)	21 (41.18)	19 (63.33)	83 (29.12)
<b>Moderate</b>	11 (34.38)	15 (26.32)	53 (46.09)	16 (31.37)	8 (26.67)	103 (36.14)
<b>Unfavorable</b>	13 (40.62)	29 (50.87)	40 (34.78)	14 (27.45)	3 (10.00)	99 (34.74)
<b>Total</b>	32 (100.00)	57 (100.00)	115 (100.00)	51 (100.00)	30 (100.00)	285 (100.00)

*Table 3: Employee Opinion Regarding Work Environment  
Note: Figures in parentheses indicate percentages to totals.*

If we analyze industry-wise, we can observe that a large per cent of the employees in Agro-based and Food industries expressed that they are provided with unfavorable work environment. A sizeable segment of the employees (46.09 per cent) in Chemical & Engineering industries expressed that their work environment is moderate. On the other hand, a significant number of employees in Electrical (41.18 per cent) and Electronics (63.33 per cent) industries stated that congenial work environment prevailed in their units. Those with a similar opinion constitute relatively a small percentage in Agro-based (25.00), Food (22.81 per cent) and Chemical & Engineering (19.13 per cent) industries. From the above, we can understand that work environment is not congenial in the small scale units as felt by the employees. However, Electronics industry is an exception in this regard.

### **Compensation**

The importance of compensation in the context of human motivation and satisfaction cannot be over emphasized. This is particularly so in a poor country like India where poverty is still ruling the roost. More than 75 percent of the people depend on their wages which is a single source of income for most of them. In view of this, an attempt is made to find out how the respondents view their compensation in their respective units. According to table 4 one-fourth of the total respondents considered their compensation to be 'good'. A little more than one-third of the employees felt their compensation to be 'fair' and the rest considered it to be 'not good'.

Opinion	Agro based	Food	Chemical & Engg	Electrical	Electronics	Total
Good	8 (25.00)	13 (22.81)	28 (24.35)	9 (17.65)	14 (46.67)	72 (25.26)
Fair	13 (40.63)	17 (29.83)	53 (46.09)	18 (35.29)	4 (13.33)	105 (36.84)
Not good	11 (34.38)	27 (47.36)	44 (38.26)	24 (47.06)	12 (40.00)	118 (41.40)
Total	32 (100.00)	57 (100.00)	115 (100.00)	51 (100.00)	30 (100.00)	285 (100.00)

Table 4: Employee Opinion Regarding Compensation  
 Note: Figures in parentheses indicate percentages to totals.

With regard to different industries, Electronics industry is slightly better than other industries where more number of employees considered their compensation to be 'good'. Then we can also say that Food industry and Electrical industry lag behind others in the sense that relatively more number of employees appeared dissatisfied by perceiving their wages to be 'not good'. Finally it may be concluded that respondents are not very happy with the compensation available for them in small industries. Because it is only a few (about one-fourth) who regarded their compensation to be good. As much as two-fifths of employees are not happy. While the employers in small scale industries cannot pay on par with large organizations, at least they should make employees gain the feeling of equity. If not good, a sizeable section of employees should consider their compensation to be fair. It is particularly important in view of the spiraling prices that impact the purchasing capacity of employees.

#### Promotions

Promotions also play an important role in motivating employees and hence focus is placed on this aspect. As per table 5, majority of the employees (53.68 percent) stated that promotions are available to them only to some extent. Around one-third (35.79 per cent) of employees expressed that there are no promotions at all. It is quite disheartening to note that only one-tenth (10.53 per cent) of employees said that promotions are available to a large extent. If we analyze industry wise, we can understand that majority of the employees in Chemical & Engineering industry (60.87 percent) stated that promotions are available to them only to some extent. This is also the case in Electrical industry (60.78 per cent) and Food industry (59.65 per cent). However, majority (60.00 per cent) of employees in Electronics



industry expressed that there are no promotions at all. Similar view is expressed by employees in Agro-based industry (56.25 per cent), Food industry (35.09 per cent), Chemical & Engineering industry (28.70 per cent) and Electrical industry (25.49 per cent). It may be concluded from the study that the situation is quite worse in Agro-based and Electronics industries as majority of employees expressed that they do not enjoy promotions in their organizations. The other industries do slightly better. Therefore, in respect of promotions also, there is much to be desired. The employers should be able to create more opportunities of promotions for their employees even without monetary gain in order to make employees feel a sense of status, growth and development.

Existence of Promotions	Agro based	Food	Chemical & Engg	Electrical	Electronics	Total 285
To a large extent	4 (12.5)	3 (5.26)	12 (10.43)	7 (13.73)	4 (13.33)	30 (10.53)
To some extent	10 (31.25)	34 (59.65)	70 (60.87)	31 (60.78)	8 (26.67)	153 (53.68)
Not at all	18 (56.25)	20 (35.09)	33 (28.70)	13 (25.49)	18 (60.00)	102 (35.79)
Total	32 (100.00)	57 (100.00)	115 (100.00)	51 (100.00)	30 (100.00)	285 (100.00)

Table 5: Employee Opinion On Availability Of Promotions

Note: Figures in parentheses indicate percentages to totals.

#### Supervisor's Treatment

Supervisor's role is crucial in motivating employees. As shown in several research studies, supervisor's style of functioning goes a long way in improving employee's productivity. **He should pay adequate attention to employee needs and appreciate the importance of fulfilling these needs while realizing organizational goals. To extract effective performance from employees, it is necessary for him to listen to their grievances and provide a satisfactory redressal. In the case of small scale units, the importance of supervisors hardly needs any elaboration. The respondents views and opinions have been elicited on the kind of supervisor's treatment in their respective organizations and shown in Table 6**

Opinion	Agro based	Food	Chemical & Engg	Electrical	Electronics	Total N=285
<b>Friendly &amp; co-operative</b>	17 (53.13)	40 (70.18)	75 (65.22)	15 (29.41)	18 (60.00)	165 (57.89)
<b>Appreciative &amp; encouraging</b>	6 (18.75)	5 (8.77)	7 (6.09)	34 (66.67)	2 (6.67)	54 (18.95)
<b>Dictatorial and demanding</b>	9 (28.12)	12 (21.05)	33 (28.69)	2 (3.92)	10 (33.33)	66 (23.16)
<b>Total</b>	32 (100.00)	57 (100.00)	115 (100.00)	51 (100.00)	30 (100.00)	285 (100.00)

Table 6: Opinions Of Employees On Supervisor's Treatment

Note: Figures in parentheses indicate percentages to totals.

We find from table 6 that out of 285 respondents, (57.89) a large per cent of the employees in all the five categories of sample industries expressed that their supervisors are friendly and co-operative. Further, 18.95 per cent stated that their supervisors appreciated and encouraged them in work related problems. It augurs well for these small units to have such employees with a positive perception about their supervisor's treatment. Industry-wise also, most of the employees in all the industries held positive disposition towards their supervisors.

#### Co-Workers

Opinion	Agro based	Food	Chemical & Engg	Electrical	Electronics	Total N=285
<b>Friendly and helpful</b>	18 (56.25)	31 (54.39)	83 (72.17)	15 (29.41)	19 (63.33)	166 (58.24)
<b>Selfish and not trustworthy</b>	12 (37.50)	23 (40.35)	7 (6.09)	27 (52.94)	5 (16.67)	74 (25.97)
<b>Unfriendly and unhelpful</b>	2 (6.25)	3 (5.26)	25 (21.74)	9 (17.65)	6 (20.00)	45 (15.79)
<b>Total</b>	32 (100.00)	57 (100.00)	115 (100.00)	51 (100.00)	30 (100.00)	285 (100.00)

Table 7: Opinions Of Employees Regarding Their Co-Workers

Note: Figures in parentheses indicate percentages to totals.

Man is a gregarious being and he longs for good inter-personal relations with co-workers and for friendship and affection. Belongingness needs provide meaning to work life. Employees should not be



treated as inert instruments in the production process as suggested by classical organization theorists. It is realized now that social needs are highly important in work environment. Co-worker relations provide an insight into the pleasantness or unpleasantness perceived by the employees in the work environment. In the cases of small scale industries, the small size of the organization would pave the way for better social relations and better understandings among employees. Constant interaction is said to make their work lives inspiring and interesting too. To what extent are the respondents able to nurture friendly relations with their co-workers, therefore, has been examined in this context. The opinions of respondents are shown in the above table 7. It may be noticed that majority of the employees (58.24 per cent) in all sample industries stated that their relations with co-workers are friendly and helpful. Among the remaining, 15.79 per cent of the employees stated that their relations with co-workers are unfriendly and unhelpful and what is more, about one-fourth of the employees even described their co-workers to be selfish and not trustworthy.

#### *Supportive Management*

More than anything else, management's support makes a lot of difference in motivating employees and in improving their satisfaction. How do employees perceive the support of their respective managements is a matter of concern and hence the employees' opinions are studied here. Table 8 shows that 48.42 per cent of the employees in all the units covered in the study agreed that their managements are supportive only to some extent and as many opined that they are not at all supportive. Those who agreed that they are enjoying the management support to a large extent constituted a very small percentage (6.32).

<b>Opinion</b>	<b>Agro based</b>	<b>Food</b>	<b>Chemical &amp; Engg</b>	<b>Electrical</b>	<b>Electronic s</b>	<b>Total</b>
<b>To a large extent</b>	2 (6.25)	4 (7.02)	6 (5.22)	4 (7.84)	2 (6.67)	18 (6.32)
<b>To some extent</b>	8 (25.00)	13 (22.81)	77 (66.96)	35 (68.63)	5 (16.67)	138 (48.42)
<b>Not at all</b>	22 (68.75)	40 (70.17)	32 (27.82)	12 (23.53)	23 (76.66)	129 (45.26)
<b>Total</b>	32 (100.00)	57 (100.00)	115 (100.00)	51 (100.00)	30 (100.00)	285 (100.00)

*Table 8: Employee Opinion On Whether Management Is Supportive*

*Note: Figures in parentheses indicate percentages to totals.*

Majority of employees felt that their managements are not supportive. Therefore, the employers in these industries should learn a lesson out of it and come forward with several measures by which they are interpreted by employees as supportive. This will go a long way in not only motivating employees but also in promoting cordial relations with them.

### **Major Observations**

It may be observed that respondents are not very happy with the compensation available for them in small industries. Because it is only a few (about one-fourth) who regarded their compensation to be good. As much as two-fifths of employees are not happy. While the employers in small scale industries cannot pay on par with large organizations, at least they should make employees gain the feeling of equity. If not good, a sizeable section of employees should consider their compensation to be fair. It is particularly important in view of the spiraling prices that impact the purchasing capacity of employees.

It may be noted that it augurs well for these small units to have such employees with a positive perception about their supervisor's treatment. A few (23.16 per cent) however, expressed that their supervisors are dictatorial and demanding. Industry-wise also, most of the employees in all the industries held positive disposition towards their supervisors. This is what the employers should always try to foster in their respective units. The employers particularly in Electronics industry should make further endeavors towards improving the supervisory styles in order to make employees turn in the positive direction.

It may be stated that majority of the employees (58.24 per cent) in all sample industries stated that their relations with co-workers are friendly and helpful. Among the remaining, 15.79 per cent of the employees stated that their relations with co-workers are unfriendly and unhelpful and what is more, about one-fourth of the employees even described their co-workers to be selfish and not trustworthy.

It may be observed that Management is not supportive in three industries viz., Electronics industry (76.66 per cent) Food industry (70.17 per cent), and Agro-based industry (68.75 per cent), majority of employees felt that their managements are not supportive. Therefore, the employers in these three industries should learn a lesson out of it and come forward with several measures by which they are interpreted by employees as supportive. This will go a long way in not only motivating employees but also in promoting cordial relations with them.

It may be viewed that majority of the employers did not repose their faith in HRP. However, recent developments in small scale industry such as modernization, increased competition from large scale units and the resultant need to maintain quality and precision in their products, the availability of jobs demanding specialized skills (for instance, electronics and engineering sectors) demand a serious rethinking on the part of the employers with regard to HRP. It is strongly advocated even in small



industry because it helps the employers to obtain and retain the quality and quantity of manpower they require from time to time.

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Regarding the promotional opportunities, two-thirds of employees covered in the study saw no such chances available in their units. While one-fifth said that they were already promoted, the remaining (one-tenth) said they were still expecting promotions. Therefore, in respect of promotions, there is much to be desired. The employers should be able to create more opportunities of promotions for their employees in order to make employees feel committed. A small per cent of the employees in Food, Chemical & Engineering and Electrical industries expressed that they are enjoyed good promotional opportunities in their industries.

There is ample evidence available to make an inference that employees in the small scale industries are not very much committed. In the face of competition from large industry for skilled and talented employees, the task of employers in small industry is more challenging. They should be able to carve out a niche market of their own within which they should be able to lure and retain employees.

Regarding the congeniality of work environment, more than one-third of the employees in all the small scale industries stated that the work environment in their units was moderate and as many number of employees viewed it to be unfavorable. Those who admitted the existence of congenial work environment constituted a small percentage only. Unfortunately, not many have realized the importance of rewarding employee performance in a systematic manner. It is small wonder, majority of the employees were dissatisfied with what they had received in return for their services. The reward systems were neither tied to employee performance nor were tailored to the needs of individuals. Large per cent of the employees in Electrical and Electronics industries stated that they are congenial with work environment.

It may be stated that majority of employees did not enjoy job security in Food (43.85 per cent) and Electrical (41.18 per cent) industries. Majority of the employees in Agro (40.63 per cent) and Chemical & Engineering (46.09 per cent) industries enjoyed job security to some extent. Majority of the employees in Electronics (53.33 per cent) industries are enjoyed job security to a large extent



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