

## **Workforce Productivity In Small And Medium Enterprises: Reference To Division Commercial Enterprise At Ambattur- Chennai, Tamilnadu.**

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### **Abstract**

The primary contribution of the study relates to the determination labour productivity in terms of performance valuation and feedback technique, whereas review of related literature revealed that earlier studies were focused only on one of these aspects. The choice of enterprises for collecting sample data was based on the yard stick of at least 500 workers and sincere efforts were made to maintain homogeneity of the sample population

Researcher wanted to measure the performance of workforce involved in manufacturing activities in Small and Medium Enterprise sector .The process generally followed to tried and tested methods of evaluating performance: namely the regular performance mechanism and the feedback activity. This is a descriptive research based on data collected from primary survey through a well-designed questionnaire that was tested for both validity and reliability. The target respondents for the purpose of this research are drawn from a reasonable mix of workers from the middle and lower level workforce. Purposive sampling technique was used to collect data from respondents employed with component manufacturing small and medium enterprises located at Industrial Estate located at Ambattur-Chennai, Tamilnadu. The questionnaire was circulated Online through google forms and there was a productive response from 68 workers from middle and lower level categories complete in all aspects. The study revealed a positive correlation between workforce productivity on the one hand and performance appraisal and feedback mechanism on the other. Hence the study suggested a more widespread use of performance appraisal and feedback techniques to enhance productivity of middle and lower level workers in the SME sector.

**Keywords:** Workforce productivity, Component Manufactures, Small and Medium Enterprises, Techniques of performance valuation

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## **(1) Introduction**

It is a normal practice among small businesses to motivate employees by linking performance to emoluments, either in the form of incentive or periodical hikes in salaries and other benefits. This is expected to mitigate the effects of attrition or absenteeism and considerably enhanced the output from workers. Since organized labour resists the tendency to make a distinction between an efficient and inefficient workers, the traditional approach to individual incentivization has given way to group incentives over the last several decades [3]. Although motivator workers based on individual performance may appear to be beneficial in the short run, it may also lead to a larger group of disgruntled workers which may act as a drag on overall productivity in the long run. The strong case for legislative regulation by the government and provision of financial sops for compliance has already resulted in adherence to legal requirements in terms of minimum wages and 8.33% bonus, among a larger SME population. However the political will to press for a more realistic approach in terms of performance based monetary benefits continue to be elusive. [4]. The effect of high labour turnover directly reflects in escalated training costs and also hampers continuity in sustainable productivity and labour efficiency. Hence the role of line managers and supervisor cannot be over emphasized in bringing down prolonged absenteeism, attrition and a more challenging problem of disengaged workers on the one side and maintaining uninterrupted high levels of workforce productivity.

## **(2) Review of Literature**

Over Bommer et al.,1995 points out that the problem with labour productivity and its linkages to monetary emoluments formed the crux of earlier research in the domain of human resource and labour management. According to his research the core of the issue mostly centered around sustainable productivity through suitable measures of motivational incentives. Lawler, & Worley, 2006 endorsed Bommer's view and added that the critical aspect of labour productivity needs a closer look to identify the factors influencing the same with the particular focus on productivity- linked remuneration. Schiemann, 2009)[5] So and so emphasized the significance of performance based productivity evaluation and urged the need for focused research on the motivational aspects of enhancing labour productivity. Bateman, & Snell, 2007(etol) highlighted the evolving dynamics of the human resource function with performance at its core and called for the need to constantly monitor labour performance as a tool to improve productivity. Fay, & Luhrmann, 2004 explained the meaning of productivity as a relationship between personal achievement concerted efforts that may be directly proportional. He brought out the critical role of colleagues and supervisors who could considerably influenced the will to put in extra hours through compassionate moral suation. Hellriegel et al., 2004)[6] Jackson, & Slocum,

1999; Karakas, 2010)[7] categorically stated that the nuances of job performance as a measure of achieving higher levels of productivity is a critical aspect of the modern HR function. He underlined the need for linking individual performance to pecuniary benefits as a measure of workforce motivation. Jena, & Pradhan, 2014; London, 2003; Mone, & London, 2009)[8](etol) maintained that the alignment of individual goals with those of the organization is an essential pre-requisite for a long term and sustainable labour productivity. He argued that the need for a labour centric approach to meet the needs of organizational goal setting has to be grown in mind while framing HR policies.

Borman, & Motowidlo, 1993; Campbell et al., 1993; Roe, 1999).[9] Are of the opinion that performance is a multi-faceted aspect that needs to be appreciated in its entirety. The authors go on to elaborate that the effect of performance monitoring is an evolving side of workforce management with greater emphasis on productivity. Campbell, 1990)[10] approached the issue of performance through an input output analysis to measure performance based on outcomes. In that direction he enunciated human behavior as an essential aspect of performance and productivity as skill cannot be separated from the human element and mostly determines productivity caused by a group of satisfied workers. (Borman, & Motowidlo, 1993) contented that although there is a possible overlap between human behavior and performance as two different constructs, it is not too difficult to isolate the effect of each one of them on the critical aspects of overall productivity.

(Aguinis, 2013; Cascio, 2014) emphasized the growing importance of performance management in organization to achieve goal oriented productivity by ensuring that the leadership thought process trickles down through the middle level to the lower levels of employees and workers.

#### **(4) Analysis on Objectives**

##### **Hypothesis 1 (H1).**

**Workers who feel that they are supported and appreciated by their supervisors are more likely to feel that they contribute to the organization's productivity.**

The effect of the workplace on satisfaction with the job, satisfaction in non-work life domains, and satisfaction with overall life, personal happiness and subjective well-being.

##### **Hypothesis 2 (H2).**

**Workers who feel that they are integrated in a good working environment are more likely than others to feel that they contribute to the organization's productivity.**

Employees that feel they are treated with respect by people they work with, and employees who feel proud of their job, increase their feeling of belonging to the company, thus feeling that they are an asset to the organization

**Hypothesis 3 (H3).**

**Workers who are respected as professionals are more likely than others to feel that they contribute to the organization's productivity.**

It should be noted also that in a previous empirical study no significant association, neither positive nor negative, between work-life balance and productivity was detected.

**Hypothesis 4 (H4).**

**Workers who have the possibility to enjoy the adoption of work-life balance practices in their organizations, are more likely than others to feel that they contribute to the organization's productivity.**

Employees expect to develop their skills and get promoted, ensuring a better performance for the organization. In turn, training is an activity aimed at enhancing performance, by ensuring the opportunities for development of skills and encouragement given by the management team.

## **(5) Methodology**

The research methodology was designed after focused review of related literature to identify the different parameters that are relevant for the purpose of this research and form the basis for the study and this parent paper had a primary questionnaire that was adopted and appropriately altered in conformity with the requirements of conditions.

The survey was conducted by administering the questionnaire online through workers in small and medium enterprises that are located in the Ambattur Industry Estate, Chennai-Tamilnadu. The sample covered 15 entities in small and medium manufacturing segments and 68 fully completed responses were received during the period April to July 2021. Contract employees were left out of the sample population to ensure that bias did not creep into the study.

A purposive sampling technique was adopted and entities were chosen based on a minimum number of 500 workers as a required parameter. Clarifications to some questions were suitably answered through emails and mobile messages to facilitate elimination of ambiguity and appropriate responses to the survey questions..

**Sample Characterization**

**Analysis: 1**

**H3:**Professional employees tend to feel more committed as for as the contribution is concerned and are highly productive as compared to others.

**H4:**Employees tend to enjoy work-life balance practices in their organizations, are more likely than others workers in order to feel that they contribute productivity of an organization.

**Descriptive and Correlation Analysis**

Variables	Std. Dev.	Mean.	Skew-ness	kurtosis	1	2	3	4	5	6	7
Feeling towards	0.399217	0.813	-1.517	0.301	1						
Productive Labour											
Management Support	0.486185	0.612	-0.49	-1.767	0.2722 ***	1					
Skill Development	0.568093	0.653	0.4958241	-0.276	-1.931	0.2161 ***	0.2777 ***	0.3064 ***	0.3299 ***	0.3079 ***	1
Profesional Respect	0.696498	0.695	0.460218	-0.857	-1.27	0.2869 ***	0.3878 ***	0.3911 ***	1		
work life balance	0.484215	0.3735409	0.524	-1.732	0.1724 ***	0.2999 ***	0.2662 ***	0.3085 ***	1		

Note: Significant levels: \*\*\* p < 0.0. \*\* p < 0.05 \* p < 0.10.

Two models used for resarch are as follows:

Descriptive analysis has given the values of mean and standard deviation along with skewness and kurtosis.

In which one could infer that, Feeling towards productive is having high mean value whereas, work life balance is having low mean value. Similarly in correlation analysis, if employees will have strong feel that they are contributing towards productivity of an organization, then it has to be considered as 1 if not, it is 0.

**Descriptive Statistics and ANOVA Matrix.**

**Hypothesis**

**H1** Workers who feel acknowledgement and recognition by their supervisors are more likely to feel that they contribute productivity of an organization

**H2** Workers who feel are interconnected in a good working environment are more likely to feel that they contribute productivity of an organization

**One Way ANOVA Analysis**

$X_1$	$X_1^2$	$X_2$	$X_2^2$	$X_3$	$X_3^2$	$X_4$	$X_4^2$	$X_5$	$X_5^2$
76	5776	68	4624	46	2116	62	3844	63	3969
110	12100	78	6084	96	9216	86	7396	64	4096
10	100	42	1764	41	1681	48	2304	52	2704
2	4	9	81	11	121	2	4	15	225
2	4	3	9	6	36	2	4	6	36

$\Sigma X_1 =$ 200	$\Sigma X_1^2 =$ 17884	$\Sigma X_2 =$ 200	$\Sigma X_2^2 =$ 12562	$\Sigma X_3 =$ 200	$\Sigma X_3^2 =$ 13170	$\Sigma X_4 =$ 200	$\Sigma X_4^2 =$ 13552	$\Sigma X_5 =$ 200	$\Sigma X_5^2 =$ 11030
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$$\text{Total} = \Sigma X_1 + \Sigma X_2 + \Sigma X_3 + \Sigma X_4 + \Sigma X_5 = 200 + 200 + 200 + 200 + 200 = 1000$$

$$\text{Correction Factor} = \frac{t^2}{rc} = \frac{1000^2}{25} = \frac{10,00,000}{25} = 40,000$$

Total Sum of Square (within) = Total Sum of Squares – Sum of Squares (between)

$$= 28198 - 11802 = 16396$$

Degree of Freedom ( $v_2$ ) =  $c(r-1)$

$$= 25-5 \quad v_2 = 20$$

#### ANOVA TABLE

Variation Sources	Sum of Squares	DF	Mean Squares
Within Samples	16396	20	820
Between Samples	11802	4	2951
<b>Total</b>	<b>28198</b>	<b>24</b>	

$$F = 2951/820$$

= 3.59, Calculated value of F is = 3.59, Level of Significance = 5%

Table values:

$$v_1 = 4$$

$$v_2 = 20$$

At 5% Significance level table value of F = 2.87

**RESULT:**

Since the calculated value of F=3.59 is more than the table value of F=2.87, hence Null Hypothesis is rejected.

**Stastical Finding**

Variables	Description
Feeling to Productive	It is 1 if employee feels that they contribute towards the productivity of an organization, if not it is 0.
Labour Management Support	It is 1 for the employees those who feeling they couldn't contribute towards productivity of an organization; 2 for the employees those who feeling contribute towards productivity of an organization at some extent, and 3 for the workforce those who feel they fully float in towards fruitlessness of an organization.
Skill Development	It is 1 if the employees feel that they satisfied with support/treatment from the supervisors', if not it is 0.
Profesional Respect	It is 1 if the employees feel that they mitigated with their work condition, if not 0.
work life balance	It is 1 if the employees feel respected as a professional as well as individual by the organization, if not 0.

**SUGGESTIONS**

- To measure the performance of the workforce (respondents) are given possibility for decision making. They are happy with the freedom given to them to decide their respective work. This is a healthy sign.
- From the examination it is comprehended that most of the workers were slaked with the welfare benefits. It is suggested to the management that company may take some more steps to encourage employees by offering them added fringe benefits and welfare benefits so that they are fully satisfied.

## Conclusion

The relevance this study lies in the factor it appropriately brings out the work environment in which the need for a cohesive approach between the workers and supervisors is gradually emerging. The much talked about Labour participation in management may not have fully achieved the degree of involvement, but there is indeed an element of understanding between the Labour and the immediate supervisors in the process of decision making in day-to-day work condition. However, the motivational aspect through monetary sharing of benefits between management and workers continues to be an issue that eludes an amicable solution. While the workers in the organized sector enjoy better bargaining power through established trade unions, their counterparts in the small and medium enterprises still find it difficult to arrive at mutually satisfactory means of benefit sharing through appraisals, pay revisions, incentives and bonus. The issue got further complicated due to the prolonged Lock-down and the consequent slump in demand and output. The research could bring out the perceptions and expectations of workers in small component manufacturing units in terms of their intent to contribute positively to overall productivity with the hope that benefits are an inevitable by-product of the contribution.

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