

**ROLE OF MOTIVATION IN INCREASING
PRODUCTIVITY: A STUDY FOCUSING ON
MOTIVATION MEASURES TO IMPROVE
PRODUCTIVITY OF SMALL SCALE INDUSTRIES,
AMETHI, U.P.**

Arti Awasthi

Research Scholar, FMS, Banasthali Vidyapith, Rajasthan (India)

ABSTRACT

Motivation is directly related in any industry. It is the essence of modern management thought. The most important test of the modern management is assigned with us to maximize profit with the help of an improved state of productivity. It can only be achieved, when the workers engaged in any concern, will be in a position to convert their capacity to work into willingness to work and their work can only be performed with the dynamic tool of motivation. There are mainly two types of factors of production land, capital, organization and Entrepreneur are in first one and labour or human being is in second. For increasing productivity it is necessary that all the factors of production must utilize their capacity up to the maximum extent. Studies shows that a carefree and well satisfied labour does not only improve the quality and quantity of the production but also improves its own efficiency and skills by minimizing misery and disease, which further improves the range of production. A modest attempt has been made in present paper to identify the broad factors which induce or motivate the Blue Color Workers (B.C.Ws) and also the factors that may go a long way in motivating the Managerial Personnel to increase productivity of Small Scale Industries (SSIs).

Keywords: Blue Color Workers, Labour, Managerial Personnel, Motivation, Productivity and Small Scale Industries.

I INTRODUCTION

Before taking up the main study, it will be in the fitness of things to attempt at a conceptual analysis of terms ‘Small Scale Industry’, ‘Labour’, ‘Motivation’ and ‘Productivity’.

1.1 Defining small-scale industry is a difficult task because the definition of small scale industry varies from country to country and from one time to another in the same country depending upon the pattern and stage of development, government policy and administrative set up of the particular country. Every country has set its own parameters in defining small-scale sector. Generally, small-scale sector is defined in terms of investment ceilings on the original value of the installed plant and machinery.

The Fiscal Commission, Government of India, New Delhi (1950), first time defined a small scale industry as one which is operated mainly with hired labour usually 10 to 50 hands. In case of tiny units, the cost limitation was up to Rs. 5 lakhs. Recently, the Government of India in its budget for 2010-11 has raised the investment limit in plant and machinery of small-scale industries to 5 corers. This Industry occupies an important place in the industrial sector of Indian Economy with its relative low capital, intensity, high employment generation and potential of the development of rural and backward areas. It registered a phenomenal growth in the last decades. The central and state governments have been giving priority treatment of this sector as it is the most suited for a country like India. It is a major supplier of mass consumption items in general and sophisticated items in specific areas.

1.2 Labour is the aggregate of all human physical and mental effort used in creation of goods and services. Not only a means of production, but labour also an end of production. The working class, in other words, is not only a significant segment of the population of a country and beneficiary of the fruits of development, but is also the most important instrument for the achievement of national objectives. This dual role of labour affects not only the relationship between the union and management, but also the size and regularity of labour's income. Labour power is a crucial concept used by Karl Marx in his critique of capitalist political economy. He regarded labour power as the most important of the productive forces of human beings. Labour power can be simply defined as work-capacity, the ability to do work. Labour power exists in any kind of society, but on what terms it is traded or combined with means of production to produce goods and services has historically varied greatly. Under capitalism, according to Marx, the productive powers of labour appear as the creative power of capital. Indeed 'labour power at work' becomes a component of capital, it functions as working capital. Work becomes just work, workers become an abstract labour force, and the control over work becomes mainly a management prerogative.

1.3 According to some scientist, *motivation* is a need and organization is making great use of every facility in human works to achieve motivation. Mr. Scot has very rightly said, "Motivation means a process of stimulating people to action to accomplish desired goals". In other words, Motivation refers to the way in which urges, drives, desires, aspirations, strivings, needs, direct control or explains the behaviors of human beings. The encyclopedia of management has observed motivation, to the degree of readiness of an organism to pursue some designated goal and implies the determination of the nature and focus of the forces including the degree of readiness. From the these opinions of the different thinkers of management regarding motivation, I can be concluded as, A dynamic tool of

management which can be utilized for increasing efficiency of the workers engaged in any industrial concern and then maximizing productivity.

1.4 In general, *productivity* is a measure of performance or output. But in economic terms productivity can be define as, an economic measure of output per unit of input. Inputs include labour and capital, while output is typically measured in revenues and other GDP components such as, business inventories. Productivity measures may be examined collectively (across the whole economy) or viewed industry by industry to examine trends in labor growth, wage levels and technological improvement. Productivity measures the growth of production output and, therefore, it is only a rough indicator of economic welfare. The performance of production measures production’s ability to generate income. Because the income from production is generated in the real process, we call it ‘the real income’. Similarly, as the production function is an expression of the real process, we could also call it ‘income generated by the production function’. The real income generation follows the logic of the production function. Two components can also be distinguished in the income change: the income growth caused by an increase in production input (production volume) and the income growth caused by an increase in productivity. The income growth caused by increased production volume is determined by moving along the production function graph. The income growth corresponding to a shift of the production function is generated by the increase in productivity. The change of real income so signifies a move from the point 1 to the point 2 on the production functions (above). When we want to maximize the production performance we have to maximize the income generated by the production function. The production performance can be measured as an average or an absolute income. Expressing performance both in average (avg.) and absolute (abs.) quantities is helpful for understanding the welfare effects of production.

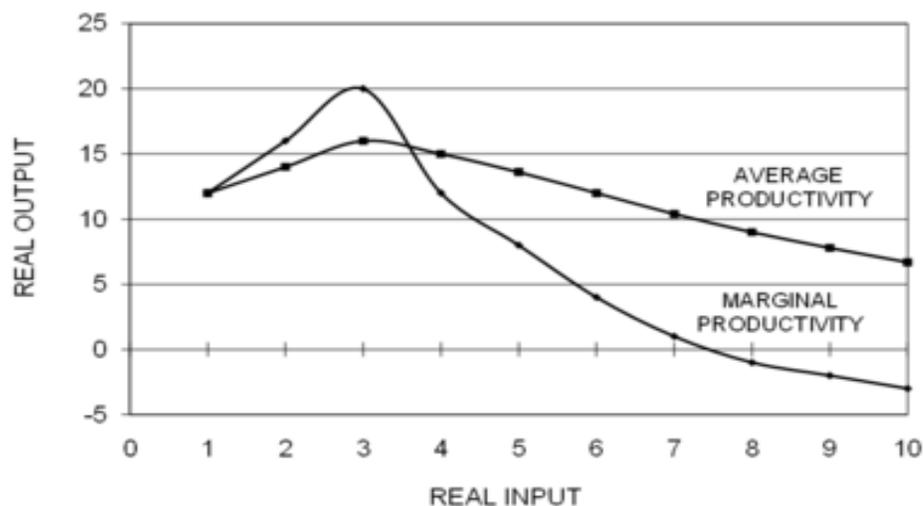


Figure1. Average and marginal productivity (Saari, 2011)

For measurement of the average production performance, I use the known productivity ratio,

Real output / Real input.

The absolute income of performance is obtained by subtracting the real input from the real output as follows:

Real income (abs.) = Real output – Real input

The growth of the real income is the increase of the economic value which can be distributed between the production stakeholders. With the aid of the production model I can perform the average and absolute accounting in one calculation. Maximizing production performance requires using the absolute measure, i.e. the real income and its derivatives as a criterion of production performance.

II REVIEW OF LITERATURE

For understanding the concept in a better way few current studies related to Motivation and Productivity are given below,

Kleinbeck and Hartwig (2000) have examined the effects of a psychologically based management system on work motivation and productivity. It is concluded that PPM (Participative Productivity Management) helps to increase productivity mainly by increasing task and goal clarity, and that increases in productivity can only be reached reliably when no competing system of performance appraisal exists besides PPM.

Patterson, et al. (2004) examined the organizational climate and company productivity: The role of employee affect and employee level. An overall analysis showed that company productivity was more strongly correlated with those aspects of climate that had stronger satisfaction loadings. A second prediction, that managers perceptions of climate would be more closely linked to company productivity than would those of non-managers, was not supported. However, manager's assessments of most aspects of their company's climate were significantly more positive than those of non-managers.

Kuvaas (2006) has studied work performance, affective commitment and work motivation: The roles of pay administration and pay level. The key findings are that base pay level, but not bonus level was positively related to both self-reported work performance and affective unit commitment, and that these relationships were partly mediated by intrinsic motivation. Furthermore, moderation analyses revealed that the relationships between bonus level and the outcome variables were not affected by type of pay plan.

Ellerslie and Oppenheim (2008) examined the effect of motivation on publication productivity of UK. Findings demonstrate significant differences in motivational levels and publication counts by age, gender, caring responsibilities and hours spent on research. The paper concludes that those likely to produce more publications were older males without responsibilities who did 6-15 hours research per week.

Ramdhani (2008) studied motivation and perceived productivity at a merged higher education institution. The results reflect that there is a positive relationship between motivation and perceived productivity at the specific

organization under investigation indicating an increase or decrease in motivation is accompanied by a corresponding increase or decrease in perceived productivity.

Roma (2009) examined the role of motivation in enhancing job commitment in Nigeria industries: A case study of energy Foods Company limited. It can then be adduced that human beings play a very important role within any system and in particular industrial organizations. For this reason, they should be given a high consideration so that they can contribute effectively and efficiently during productive activities.

Kuvaas and Dysvik (2009) studied the perceived investment in employee development, intrinsic motivation and work performance. Intrinsic motivation was found to moderate the relationship between perceived investment in employee development and organizational citizenship behavior. The form of the moderation revealed a positive relationship only for employees with high levels of intrinsic motivation.

Joo Baek, et al. (2010) have investigated the influences of core self evaluations, job autonomy and intrinsic motivation on in-role job performance. The results suggest that employees perceived higher in-role job performance when they had higher core self-evaluations and intrinsic motivation. Intrinsic motivation partially mediated the relationship between core self-evaluations and job performance, and it also fully mediated the relationship from job autonomy to job performance.

Masoud and Camal (2010) studied the effect of motivation on the productivity of the employees of sport departments of Ardabil province. It is concluded that there is a significant and positive relationship between the motivation and the environmental factors and the degree of productivity of employees of sport departments of Ardabil province.

III RESEARCH DESIGN

The study covers an empirical understanding of role of motivation in increasing productivity with the active factor of production which is labour or human being.

IV OBJECTIVES OF STUDY

The main aims of the present study are:

- To analyze the link between employee motivation and productivity.
- To determine the motivational tools those are effective in each particular situation.
- To know about the highest influencing factors of motivation.
- To investigate the order of preference of the workers.
- To highlight preference of Blue color workers and Managerial Personnel for optimum utilization of their efficiency.

V HYPOTHESIS

The study will verify the following statements:

- Where there are different factors of motivation which objects the efficiency of Blue color workers and Managerial Personnel.
- Is there any positive co-relation between motivation and productivity

VI METHODOLOGY

The study is based on the primary data collected with the help of an exhausting questionnaire from both BCWs and the Managerial Personnel engaged in Small Scale Industries (SSIs) of Amethi, India. For the purpose I have conducted a survey in SSIs of Amethi by interviewing 200 Blue Color Workers and 80 Managerial Personnel engaged in these units and have found out some fruitful results.

6.1 Statistical Data

Collection of primary data from workers engaged in SSIs of Amethi, India, regarding their preference of motivational factors affecting their efficiency. The statistical data and information have been processed through the various statistical tools like- ratio, percentage, etc.

6.2 Sample Size

Sample size in 280 workers engaged in the SSIs of Amethi, India in which Blue color Workers and Managerial personnel are 200 and 80 respectively.

VII CHARACTERISTICS OF MOTIVATION

In nut cell I can say motivation provides explanation of the conduct of the persons. Thus, motivation is the force that propels the man into action and gives him an inspiration to start work. It creates willingness to work and at the end to achieve the predetermined objectives.

- Motivation is simply personal an internal thing, which arises in the mind of an individual according to his requirements;
- The process of motivation is dynamic as well as continuous because human wants are unlimited and an individual always feels need which stimulates to work;
- Motivation is directly related with human needs and it influences human behavior in different ways. A person is self contained and inseparable unit. Therefore, he can be totally motivated;

- Motivation causes goal directed behavior. Everyone tries to fulfill his requirements and it inspires him to work;
- It is a managerial function;
- It is a means to achieve co-operation;
- It is a methodology; and
- It provides explanation of the conduct of the person.

VIII MOTIVATIONAL FACTORS FOR BLUE COLOR WORKERS

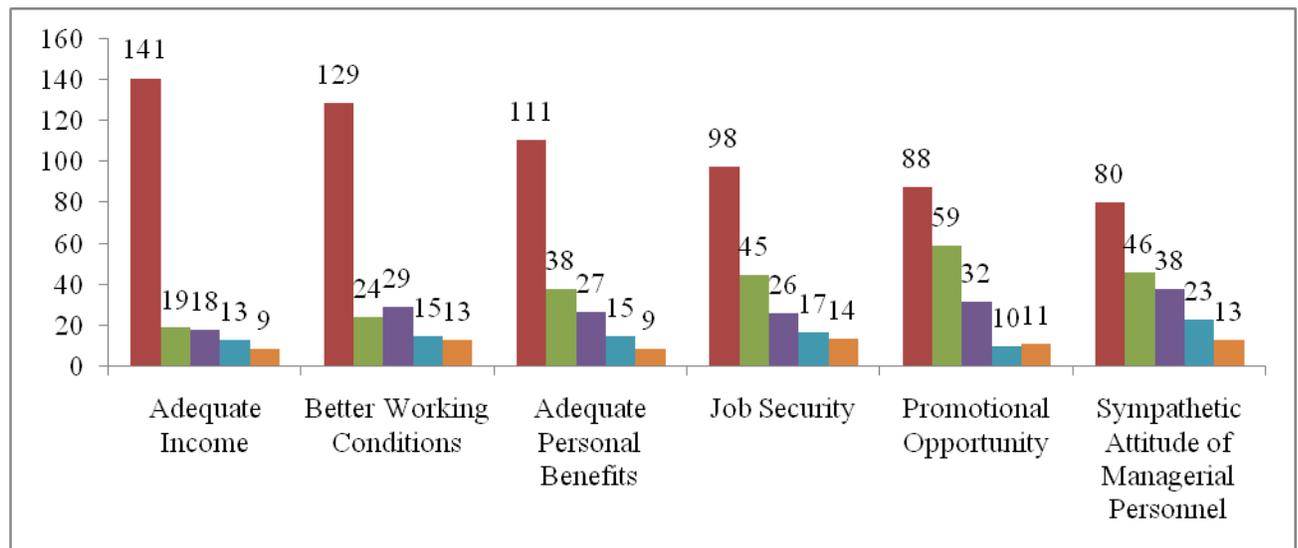
Production is the outcome of the concerted efforts of the various factors of production. Taken in this perspective, every factor of production has its own role to play in the process of production. However, it has been obtaining beyond any shade of doubt that of all the factors of production, it is labour or the workforce, which is all the more important. This is primary because contrary to the other factors of production. Labour or workforce is an active and living factor which acts, reacts, enjoys and goes into sorrow. Hence, it is of paramount importance that this factor of production is taken special care of while devising ways and means conducive to greater dose of motivation. With the factor in mind I interviewed as many as 200 workers engaged in SSIs of Amethi. The result of this response is contained in Table 1 given below:

Table 1

Motivational Factors Influencing the Productivity of Blue Color Workers engaged in SSIs of Amethi, India

S.No.	Different Factors	Order of Preference given by the Respondents					Percentage	Total
		1	2	3	4	5		
		1.	Adequate Income	141	19	18		
2.	Better Working Conditions	129	24	29	15	13	65	200
3.	Adequate Personal Benefits	111	38	27	15	09	56	200
4.	Job Security	98	45	26	17	14	49	200

5.	Promotional Opportunity	88	59	32	10	11	44	200
6.	Sympathetic attitude of Managerial Personnel	80	46	38	23	13	40	200



The above table has been plotted on sub-divided bar diagrams. The table and bar diagram throw light upon the fact that out of 200 workers engaged in SSIs of Amethi. 71% have given first priority to adequate income for maximizing their efficiency. In their opinion mostly they belong to villages which are situated in very backward area of eastern Uttar Pradesh and are living in a joint family. Per capita income of the family is very low. They have to face struggle to meet out day to day requirement of the family. A very noticeable feature of economic life of the industrial workers in India is that they are generally in debt for the greater part of their working lives. Most of them are born in debt, live in debt and will die in debt. Among the causes responsible for their low standard of living indebtedness must be given a very high place.

The condition of the labourers engaged in the SSIs of Amethi is the same as stated by Mr. Singh(2011), now workers want to fulfill their day to day needs and improve their standard of living and status in the society. So they feel that they must get proper return of their labour as wages and extra earnings i.e. as bonus, overtime facilities etc. So the factor of adequate income is paying a very important role in maximizing the efficiency of the workers engaged in SSIs of Amethi and for increasing productivity of the concern. 65% workers engaged in the same concern have given 2nd place to the better working conditions for improving their efficiency out of the total 200. Working conditions are also a very important factor to achieve the result. It can be explained as under:

The conditions under which a person works, exert a deep influence upon his health, efficiency, psychology and the quality of the work, he does. Good working conditions affect the wages, migratory character and state of industrial relation of the workers. The bright and inspiring atmosphere with good working conditions the workers remain happy. This happiness leads to increase the productivity.

Personal benefits have got the 3rd rank in the opinion of the workers; 56% have accepted it. In their opinion other than wages and other allowances they must be provided free or concessional accommodation, transportation and medical facilities etc. There should be proper arrangements for proper water supply, roads, drainage, lighting, means of communication, educational institutions, sports and recreation, shopping complex etc. so that the workers should not bother about the above mentioned facility.

Less than 50% workers have given emphasis upon job security and 44% workers are in opinion that promotional opportunities affect their efficiency. It depends upon capabilities and good performance of the workers. It increases their responsibilities and the prestige in the unit as well as in the society. Out of 200 workers 80 have accepted that if the top managerial personnel are taking sympathetic attitude towards the worker, get special inspiration for improving their efficiency. Its percentage is only 40.

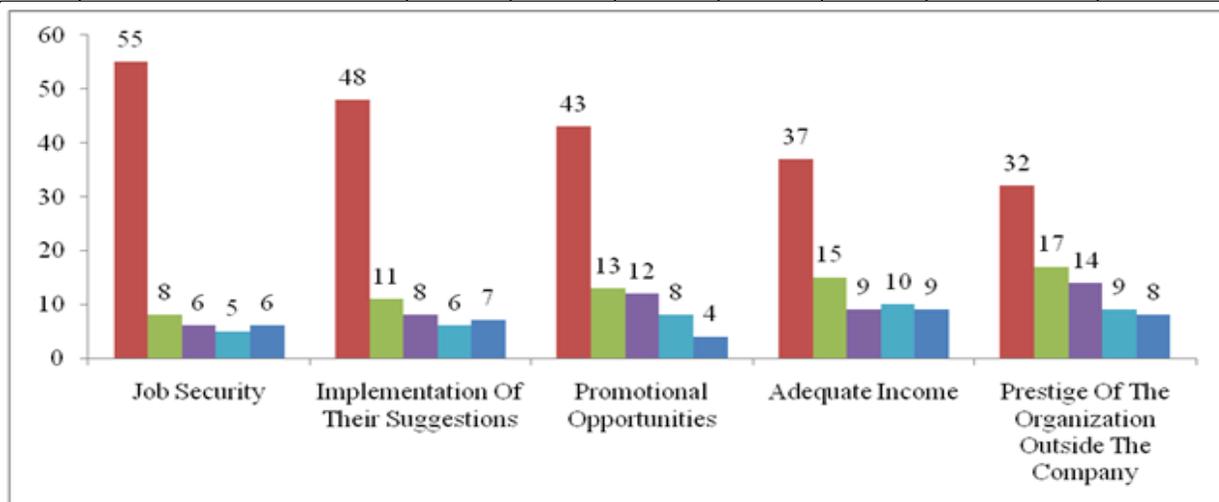
IX MOTIVATIONAL FACTORS FOR MANAGERIAL PERSONNEL

The factors that may act as a catalyst to promote motivation in respect of Managerial Personnel are not likely to be the same as in case of BCWs. It is precisely on account of the fundamentally different socio-economic setting. With this purposes in view I have tried my best to elicit the views of the Managerial Personnel with regard to factors which are likely to motivate them in success of their functions. The result obtained is contained in Table 2.

Table 2

Motivational Factors Influencing the Productivity of Managerial Personnel engaged in SSIs of Amethi, India.

S.No	Different Factors	Order of Preference given by the Respondents					Percentage	Total
		1	2	3	4	5		
		1.	Job security	55	8	6		
2.	Implementation of their suggestions	48	11	8	6	7	60	80
3.	Promotional Opportunities	43	13	12	8	4	55	80
4.	Adequate Income	37	15	9	10	9	46	80
5.	Prestige of the organization outside the Company	32	17	14	9	8	40	80



The above table has also explained with the help of sub-divided bar diagram. The table and the bars in the diagram highlight upon the fact that 69% of Managerial Personnel have given first priority to their job security. They are in the opinion that if their job is secured, they can work without fear of unemployment and it will maximize their efficiency. 60% are in the option that their valuable suggestions must be implemented, 55% are in favor of promotional opportunities, 46% are thinking that adequate income should be there and 40% have given a special priority to prestige of the organization outside the company. During the survey I have taken so many points but considered only those upon which at least 40 percent Blue color Workers and Managerial Personnel are given their opinions.

X FINDINGS AND SUGGESTION

From this study it is obvious that most workers in the industry are not satisfied and motivated in their jobs, especially Blue Color Workers. Significant relationship was found between motivation and job commitment on one hand, and satisfaction with job and job commitment on the other hand. It is found that individuals are motivated to perform well when the work is meaningful and individuals believe they have responsibility for the outcomes of their assigned tasks. It is recommended that, an organizational movement should be away from the current merit pay reward system to an organizational structure that promotes challenges and accomplishments, creates organizational learning opportunities, utilizes group incentives as well as individual incentives, rethinks job design, uses positive reinforcement and promotes healthy work environments.

Hence, I feel that if at all we are interested in promoting the efficiency of the work force in the units under study, we are left with no alternative but to -

- Provide them facilities according to the order of preference. This will not only turn up the efficiency of the concerns but will also go a long way for creating a healthy environment of growth of the entire economy to great extent.
- It is the responsibility of the management to discover the potential in each staff member, and to apply the appropriate motivational strategy.
- Design economic incentives so employees at all levels of an organization can benefit from them.
- Provide support for employees when it's genuinely needed. Valued support can take many forms. Management support in times of need won't be forgotten; it builds employee goodwill and loyalty.
- Motivation is an individual matter and one needs to know and understand the individuals that are to be motivated.
- Respect employees as individuals, in addition to the job they do. Respect can be a simple but powerful motivator, just as its unpleasant twin, lack of respect, has the opposite effect.

- Performance goals should be clearly defined. The goals should be specific, measurable, achievable, and time bounded. Productivity cannot easily be assessed if what constitutes productivity is not clearly defined.
- There should be provision of regular promotion, assurance of adequate job security and bonus for excellent performance that will positively affect towards higher productivity of workers.
- Don't be emotionally stingy as recognition is often a more powerful motivator than money. There's nothing for management to gain by withholding praise and recognition when it's warranted.
- Ensure senior leadership models behavior that makes the rank-and-file proud to be part of the team. Nothing demoralizes employees more quickly than seeing senior leaders act in a way they don't respect.
- Be sure management at all levels of an organization receives adequate training.

To help boost productivity, employee engagement matters. Ultimately, most employees would much rather be part of a team they're committed to, not just a member of an organization. Developing and maintaining a consistent management approach that engenders *esprit de corps* is a key link in the productivity process.

XI CONCLUSION

Analysis of the foregoing pages will make this crystal clear that the views of the Blue Color Workers and the Managerial Personnel are entirely different, so far as the factors responsible to motivate them to work, is concerned. The workers attach particular importance to factors like adequate income, better working conditions, adequate personal benefits, job security, promotional opportunities and sympathetic attitude of Managerial Personnel as ingredient of motivations. The Managerial Personnel are found to be for emphatic factors like job security, implementation of their suggestions, promotional opportunities, adequate income, and prestige of the organization outside the company. Finally I can say that Motivation is an effective tool which can play an important role in each phase of productivity and it is the responsibility of the Managerial Personnel to motivate their employees to increase productivity.

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