

RELATION BETWEEN DISSATISFACTION AMONG EMPLOYEES AND GROWTH OF SMALL SCALE INDUSTRIES

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ABSTRACT

Generally industries have been classified as large, medium and small. The concept of 'large' 'medium' and 'small' have clearly developed due to an administrative need for determining the applicability of labour legislation, for financial consideration and finally for the purpose of state assistance. Small scale industry is an industrial undertaking in which there is a definite capital investment in its plant and machinery. Small scale industries are backbone of developing countries like India. They are a very important sector of economy from financial and social point of view. But this important sector which can stimulate economy is not in a position to play its role effectively due to various constraints. These constraints make a negative impact upon workers who play a pivotal role in these industries. Workers of these industries, as observed, face tremendous economical, social, physical and psychological problems and they feel deprived and dissatisfied in their workplace. An industry cannot move forward without the satisfaction of its workers. Present paper attempts to provide an overview of the growth of small scale industries in India and also tries to explain a hand in glove relationship between small scale industries and dissatisfaction among its workers.

Key Words: Small scale industries, dissatisfaction Workers, Employees.

The need for the rapid economic advancement of the developing countries, emphasis on more employment generation and the ideology that small is beautiful and suitable for Indian conditions, have given rise to small scale industries in large numbers. Not only in India but in other Asian, African and Latin American countries the development of small scale industry is being encouraged by the state.

Many of the developing countries are facing certain economic problems as they are passing through a critical phase of industrial growth. In such

times, small scale industries are playing an important role in overcoming many of the transitional obstacles, such as scarcity of capital, a high rate of unemployment and lack of supervisory skill etc. (Nanjundan, Robinson & Staley, 1962).

Small scale industries are said, and found to have various useful and beneficial aspects. This has often been repeated in policy documents "Small industry (a) produces varieties of consumer goods for which there will be a growing demand as the level of the economy rises but the import of which

has to be restricted for shortage of foreign exchange; (b) opens avenues for new vocations to enterprising persons as entrepreneurs; (c) provides employment opportunities to the labour force of an expanding population which cannot be fully absorbed in large industry and agriculture and serves as a useful ancillary of large scale industries" (Report on Hyderabad Conference, 1962, pp. 7–8).

Different names are used for small scale industries. Japan calls them "Small Enterprises" India "Small Industries" others "Small Business" and some others "Rural or cottage industries" (Vepa, 1971, p.61)

Many definitions of small scale industries are given. Eugene Staley and Morse (1965, P. 2) maintain "Small Industry by our definition includes all forms of small scale manufacturing. The term thus covers both small factories and non-factory producers of manufactured goods (homework, artisan shops). It includes traditional and modern enterprises hand and machine types of production, urban and rural establishments making any of the hundreds of manufactured products listed in the standard industrial classifications."

But the Development Commissioner for small scale industries, Ministry of Commerce and Industry, Govt. of India has provided an entirely different concept of small industry. He stated that small scale industry is an industry "Which has capital assets not exceeding Rs. 5,00,000 and employees less than 50 persons if power is used or less than 100 persons if no power is used" (Shetty, 1963, p.7).

The definition of small-scale industries was get modified again in 1966. The ministry of industry defined a small scale industry as follows. "An undertaking having capital investment in plant and machinery not more than 10 lakhs and Rs. 15 lakhs in case of Ancillary units". The Government of India, in its new Policy Initiative for small scale industry announced in 1990-2000 has changed the investment limits for small scale Industries from 1 crore. The Micro, Small and Medium Enterprise Development Act 2006 has changed in the concepts of small scale industries. As for small Enterprise the

investment should be above Rs. 25 lakhs and upto Rs. 5 Crores.

But in a study of social implication of small industries the definition of 'small' in terms of capital assets or the number of workers, or the use or non-use of power is not entirely helpful because it does not take into account the characteristic features of such industries. Therefore in terms of functional definition "Small industry refers to that segment of manufacturing production which is carried on in relatively small establishment" (Report on Hyderabad Conference, 1962, p. 11)

It is true that small industries should be treated as small units of manufacturing. The development of small units is taking place in India, perhaps on the largest scale.

In our country, initiative for small industry development programme is the outcome of the recommendations made by an international planning team provided by the Ford Foundation at the request of India (Nanjundan, Robinson and Staley, 1962, p. 26)

It is true that although the importance of the enhancement of the small industry was recognized during the formulation of first five year plan, but it was not fully implemented as the allocation provided, was not adequate for successful enactment of the small industry. But, in the next (second) five year plan, the allocation for the development for small industries increased, and since then in a almost every five year plan small industries are being prime importance.

Industrial Policy Resolution of 1948 states that these (cottage and small) industries are particularly suited for better utilization of local resources and for the achievement of local self sufficiency in respect of certain types of essential consumer goods. It was also recognized that "the healthy expansion of cottage and small scale industries depends upon a number of factors like the provision of raw materials, cheap power, technical advice organized marketing of their products and where necessary, safeguards against intensive competition by large scale manufacturer as well as

on the education of the workers in the use of best available techniques.”

The second Industrial Policy Resolution of 1956 emphasizes the importance of small scale industries. It states “They provide immediate large scale employment, they offer a method of ensuring a more equitable distribution of the national income and they facilitate an effective mobilization of resources of capital and skill which might otherwise remain unutilized.”

Evaluation of small scale industries reveals that small scale industries are highly useful and add to the prosperity of the respective developing countries. Small scale industries have always played an important role in the economic growth and development of our country. But there are many problems faced by small scale industries in their own growth and development. With the result workers of these industries face many problems. They work in extreme circumstances and therefore are deprived of proper benefits. This deprivation leads to job dissatisfaction. Success of an organization depends on the effective and efficient performance of employees (Green and Shmailan, 2016) and a better performance depends on the employee’s job satisfaction (Hira, Waqas 2012 and Shahu, Gole 2008). According to Locke (1976) job satisfaction is the positive and enjoyable feelings that results from the evaluation of one’s job and job experience, But many researchers have presented a very dark and gloomy picture of the workers of these small scale industries.

Workers of small scale industries face tremendous job dissatisfaction. Employees’ dissatisfaction has manifested itself in absenteeism, poor performance and turnover. The dictionary defines dissatisfaction as: The condition or feeling of being displeased or unsatisfied; discontent (Oxford Learner’s Dictionary, 2005). They are found totally dissatisfied. The majority of workers’ dwelling places lie close to their working area. They have to work for an extended period of time. Exploitation is nothing new to them. They have no concept of trade unions. A worker feels secure when he becomes the member of a union. The workers of large scale

industries are in a better position compared to those of the small scale industries. The latter have no organization of their own which could provide moral security to them “Labour in such industries has generally remained outside the fold of trade unions The capacity of the employer to pay is limited. Any struggle or agitation against them will involve people who may often be inclined to close down their establishments rather than put up with demands for higher wages and better service conditions (Mathur, 1968, p. 45)

Small scale industries do not follow the rules and regulations of Industrial Act in practice. Although the salary of the employees are fixed by the Government but generally no government orders are followed. There is no objective criterion for the employment of labourers. Workers are generally either appointed on daily wage schedule or on contractual basis. They can be dismissed at any time. Absence of job security leads to job dissatisfaction. A worker in small scale industry is free to leave the job but cannot oppose his employer, he cannot retaliate. Being a small scale industry, labourers as collectively are not as powerful as those in the large scale industries. They lack unionization or collectivization. They remain continuously under the threat of dismissal. They cannot raise their voice against the atrocities of their employer. It is for this reason strike activity is unknown for the small scale industries.

However, it can not be said that protest and stoppage of work is totally absent in the small scale industries. How is it possible that under the inadequate wage structure, job insecurity, poor living and vulnerable working conditions the worker will remain tongue tied? The hidden frustration of the almost starved workers cannot express anger openly for fear of losing the job. So they generally choose another way of expressing their resentment against their employers.

Although these industries lack the legal and open strike activity, but unofficial and indirect stoppage of work is common in these small scale industries Generally absenteeism is an important sign of expressing their discontent sign of expressing

their discontent for their present dissatisfaction with the living and working conditions. It can be said that absence of strikes does not necessarily mean lack of discontent and industrial strife. Chokrobarty (1969, p.1) has also emphasized this point. "It (discontent) may be inarticulate and manifest itself in loitering, pilfering, gossiping, disregard for company's property (for example raw materials and machineries), indifferent attitude to work, high rate of absenteeism, tardiness and so on". There is no possibility of strike Even the theoretical absence of the right to strike in an industrial unit may raise a question for the legal concept of strike.

Small scale industries sometimes fail to perform upto the expected level because of lack of finance, lack of technological adaptation, lack of scientific selection procedure and unavailability of skilled labour etc. All these conditions create a very hazardous and pathetic working scenario for the workers and enhance their level of dissatisfaction.

A study by Pratima Bai's (2019) concluded that the rules related to labour welfare in the plant were not done satisfactorily. In this case the rules of governance were not followed. Informal relations between the managers and workers were not developed. Most workers were not satisfied with their salary and work. Though for social security measures have been taken by the plant, these efforts have not been complete successful.

A community based cross sectional study carried out in a slum area of Kalkota by Saha et.al (2010) explains workers dissatisfaction with the health care services. All these workers were from small scale garment industry. They complained of low wages, long working hours, no relaxation time and lack of cooperation of the employer because they were never allowed to go on leave even when they were sick and no financial help was given even if there was an emergency in the family.

Review of the literature on small scale industries highlights the increased level of dissatisfaction among workers. This dissatisfaction also indicates the violation of human rights (the right of workers) by the employer. Workers rights

encompasses a large array of human rights. It is expected from small scale entrepreneurs to have a detailed knowledge of various laws and contract acts. The laws made by the government protecting the workers should be implemented in totality. A study by Kannika and Chockalingam (2019) reveals that whatever size of the industry-large or small, the work life quality techniques play a very important role. This study also concludes that work life quality can be improved by proper wages, salary administration providing them fair and equitable compensation, flexible work schedule, health and safety measure etc. This study also advocates that by using all these measures in an industry then only 'a job is more than a job and a happy employee is a productive employee.'

Really a satisfied employee will be a productive employee. The workers of small scale industries are essential for socio-economic progress. Those who exploit workers must be penalised strictly and hard labour of the employees must be justified in order to bring about real satisfaction among workers.

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