

A Study on Workers Contribution Towards the Functioning of MSME in Madurai City

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Abstract: *The Micro, Small and Medium Enterprises (MSMEs) sector is a major contributor to Indian economic development. It contributes to industrial production, GDP growth, export earnings, employment generation, regional development, economic diversification and social stability. This exploratory research paper aims to present the role of MSME sector in the Indian economy. The vibrant sector also faces a number of challenges despite various initiatives taken by the concerned ministries. The present study aims to explore various problems and challenges experienced by the MSME sector. It reveals various aspects related to problems of finance, marketing, technology, human resource, operations and export potential based on secondary data. Difficulty to acquire timely funds for working capital needs, lack of consultancy support, complicated documentation, lack of the latest technological skills, needbased research programs, low ICT literacy, lack of motivation and presence of high employee turnover, inefficient logistics, low-quality products, poor bargaining power, informational gap, infrastructural gaps, complicated laws, lack of foreign quality certifications, regularity policy uncertainty, etc. are few of such problems. It also presents some policy based suggestions to resolve such issues which hinders the growth potential of MSME units*

Keywords: MSME, Finance, Marketing, Economy, Growth, Employment, Marketing, Export

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the economic growth and development of any country. As per the definition set by the Government of India, MSMEs are enterprises engaged in the manufacture or production, processing, or preservation of goods or are involved in the services sector. These enterprises contribute significantly to employment generation, especially in the non-organized sector, and have a significant impact on foreign exchange earnings. MSMEs help in uplifting the standard of living of people by providing employment and income generating opportunities in both urban and rural areas. In MSMEs, workers play a crucial role in the functioning of the business and contribute to the overall growth and development of the enterprise. This paper explores the various dimensions of workers' contributions towards the functioning of MSMEs and their impact on the performance of the enterprise.

1.1 Statement of the Problem

The specific role of MSME in Madurai City is unclear despite the potential of msme, there is a lack of empirical evidence on its effectiveness in promoting the growth of MSMEs in Madurai City. Therefore, this study aims to investigate the specific role that Worker Contribution towards the Functioning of MSME'S plays in the local MSME ecosystem, as well as the factors that influence the success or failure of Worker Contribution in MSMEs Industry in Madurai City. By shedding light on these issues, the study can provide valuable insights for policymakers, Indian Economy, and MSMEs themselves on how to increase the Worker Contribution of MSME'S to achieve their respective goals.

1.2 Objectives of the Study

- To Study about the Awareness level of Employees Towards Contribution Made by them for their Growth of MSME Industry in Madurai City.
- To Study the Socio-Economic Status of Employees Working in MSME Industry in Madurai City.

1.3 Scope of the Study

Madurai has a diverse and vibrant micro, small and medium enterprises (MSME) sector that plays a significant role in the economic development of the city. The city's strategic location and easy access to infrastructure facilities have contributed to the growth of the MSME. There is a lot of scope for the functioning of MSMEs in Madurai city. Here are some of the reasons why:

- Support from the government: Tamil Nadu government has introduced a lot of initiatives and projects to boost MSMEs in Madurai, including financial incentives and infrastructure development.
- Increasing business opportunities: Madurai is home to many industries, which means there is a huge potential to start businesses here. With proper market research, SMEs can benefit from the opportunities in this city.
- Skilled workforce: Madurai has a large pool of talented people who can be hired for quality work at reasonable salaries. This makes it easier for MSMEs to find and retain employees.
- Easy access to resources: Madurai has a number of resources that can be accessed relatively easily. This means that businesses can access raw materials, transportation, and other essential services without significant delays.

II. RESEARCH METHODOLOGY

2.1 Research Design

This Research have be done by Descriptive method. Research design is the structure within which research should be conducted. Thus the Preparation of such a design facilities research to be as efficient as possible and will yield maximum information. In this research I have use the Descriptive method by collecting the data by taking survey from the employees in MSME industry.

2.2 Research Plan

- Data source: primary
- Research Approach: Survey method
- Research Instrument: Questionnaire

Descriptive Research

Descriptive research design includes surveys and fact findings, enquire of different kinds. The major purpose of Descriptive research is description od state of affairs, as it exists at present. In social business research we quiet often use the term Ex post facto research for descriptive studies.

The main characteristics of this method is that the researcher has no control over the variable. This can only report what has happened or what is happening. Most Ex post facto research projects are used for descriptive studies in which the research seeks to measure such items,

For Examples, Frequency of Shopping and Consumer Preferences on products or services. Descriptive Research method will be applicable to the existing problem

- Sampling Method
- Sampling Size

Sampling method

Sample design is how the employees are selected for the study as a samples or what Method is used to take samples. Sample design adopted for the study is Simple Random Sample. Simple Random Sample is a sampling technique where in every item of the Population has an equal and likely chance of being selected in the sample.

Sampling size

Sample Size is the number (n) of observations taken from a population through which Statistical inferences for the whole population are made. Samples are collected 120 Employees from the population of 2000.

Limitation of the Study

- Limited Sample Size
- Lack of user feedback
- Lack of Standardization
- Time- bound nature of study
- Inaccessibility of proprietary information

III. METHODS OF COLLECTION

Sources of data collection

Primary Data

Primary data are general information gathered by the researcher with the help of Questionnaire Method. When the data are collected for the first time, the responsibility for their processing also rests with the original investigator.

Secondary Data

Secondary data required for the project to collect the data by Existing data from Journals and Internet.

- Academic journals and publications related to the worker contributions towards the functioning of MSME.
- Industrial publications, blogs and online forums related to MSME.
- Role of MSME for growth of economic and development in industry websites.
- Case Studies and Success Stories of the functioning of MSME.

IV. LITERATURE REVIEW

Frost (2000) conducted a study to relate the existence of trade unions at workplace and Labor participation at work. He argued that the presence of trade unions influenced Managers' willingness to introduce participative management structures and employee Involvement programmes. Some unions have historically being suspicious of employer Motive and intent behind the introduction of employee involvement programmes as an Expression of management's neo-unitarist ideology. It was believed that such practices Were inter alia, intended to promote a union-free environment or otherwise weaken the Influence of unions where they existed. The study acknowledged that the use of these Practices may actually reflect a deliberate attempt on management's part, to further limit The influence and control of the union over their workforce.

Han and Chiu (2000) has made a comparative study of industrial democracy and Institutional environments in Germany and Taiwan. Facing economic liberalization and Industrial restructuring since the mid-1980s, Taiwan's labor has been advocating the idea Of industrial democracy. The German co-determination system has been admired as a Model to emulate by some of Taiwan's labor activists. Although the demand for Workplace democracy in Taiwan seems to be promising: recent economic pressures and Political democratization, the future realisation of this notion remains in doubt due to the lack of complementary institutional environments in which the German co-determination System is embedded. The study identified seven key institutional factors affecting the Making of industrial democracy, which consists of cultural values and ideologies, labor Power, strategies of capital, the role of the State, the legal system, participatory structures, And labor education. Using a historical comparative approach, the study focused on comparing the differences in these institutional factors and explaining the relative effectiveness of the realisation of industrial democracy between Taiwan and Germany

Wimalasiri and Kouzmin (2000) asserted that employers' perception of the outcomes of various types of participation was an important factor to influence their willingness to introduce workers participation. The study ascribed the increasing popularity of the most employee involvement programmes to the wide variety of benefits that they offer employers such as improved performance and productivity, lower costs, motivation, increased morale and job satisfaction, reduction in conflicts, industrial peace and stability, etc. Direct participation in work-related decisions was found to increase organizational performance and productivity, whereas indirect participative practices had positive effects on job satisfaction and reduction in industrial conflict Goodijk (2000) analyzed the possible role and responsibility of workers in the process of strategic decision-making at the corporate level especially in the Netherlands

where the "works council" has achieved a certain degree of maturity in the last decade. He argued for considering workers also as equal stakeholders and partners in decision making. The study concluded with practical suggestions for the improvement of the position of workers' participation in corporate governance. (morgan, 2001)

Karan and Sarkar (2000) studied the labor flexibility and industrial relations in the manufacturing sector in India. It observed that growing flexibility in Indian industries has put the Industrial Relations System (IRS) in India in complete disarray. De-unionisation of firm, retreating of State from IR Sarena, weakening of collective bargaining, fall of industrial democracy, etc. have been the features of new industrial environment. This is reflected by low intensity of unionised firms and form of protests other than strikes etc. Although, States ruled by left political parties ideologically committed to the workers interest, have been able to put some restrain over the growing pace of flexibility, yet, there has been all around increase in flexibility. Any study on industrial relations, hence, should accept this as reality and then seek ways that would induce conducive industrial climate in the era of growing labor flexibility.

Lee (2001) mentioned the importance of team work and urged the need of strengthening team function in an Organization. He observed that the co-operative behaviour among the employees is an outcome of their professional and organizational commitment and will go a long way in promoting the participative nature of the Organization.

Marin Garcia (2001) has studied the participative management in Spanish large industrial companies. He observed that a considerable amount of companies has opted for introducing procedures that are aimed towards workers participation. The study identified those programmes and procedures that are associated to participative management. industrial democracy, and co-operativism. It identified the relationships existing among participation programmes and also the situations in which participative companies will most probably be found. A comparison was also made of the Spanish situation with that of the large companies in the United States.

V. FINDINGS OF STUDY

5.1 Percentage Analysis

1. In the age of both employer and employees have Majority (51.1%) of the respondents are aged between 20-30.
2. Majority (42%) of the respondents are have their gender as Female.
3. Majority (77.1%) of the respondents are unmarried.
4. Majority (45%) of the respondents are completed their Under Graduation.
5. Majority (65.6%) of the respondents are lived in Urban area.
6. Majority (64.9%) of the respondents are have Joint family.
7. Majority (61.1%) of the respondent are Employee in the MSME Industry.
8. Majority (40.5%) of the respondents are have their monthly income between 15,000-20,000
9. Majority (51.1%) of the respondents are Rarely aware about functioning of MSME
10. Majority (47.3%) of the respondents are having two trade unions in their MSME industry.
11. Majority (35.1%) of the respondents are having their expectations from ministry in MSME by Technology.
12. Majority (43.5%) of the respondents are having the medium enterprises in MSME industry.
13. Majority (45.8%) of the respondents are having Category in Service Sector of MSME.
14. Majority (54%) of the respondents are having Medium level contribution in Functioning of MSME.
15. Majority (39.7%) of the respondents are involved in MSME growth leads to decreased employment opportunities.
16. Majority (43.5.%) of the respondents are having 31% to 70% of market value in informal business.
17. Majority (42%) of the respondents are having Business development service sector in their own business.
18. Majority (49.6%) of the respondent are having 10% of staff expecting to cut off in MSME industry.
19. Majority (38.9%) of the respondent are caused of shortage of workers in MSME by Outsourcing of Orders.
20. In the above Pie Chart, The Majority (51.1%) of the respondent having the same expectations about industry as well the other industries.
21. In the above Bar Chart, Analyzing the social status of the employer and employees as it describes that all the social status like (dressing, speaking, walking, eating, children education, celebrations) have improved 70%-80% by both employer and employees in MSME industry.

22. In the above Bar Chart, Analyzing the economic status of the employer and employees as it describes that all the economic status like (income, consumption expenditure, savings and investment, borrowing power, loan repayment) have improved 70%-85% by both employer and employees in MSME industry.

5.2 Chi Square Analysis

1. There is a significance relationship between the area they belong in their designation in industry.
2. There is no significance relationship between the area they belong and their monthly income.
3. There is a significance relationship between the area they belong to their employee aware about functioning of MSME industry in Madurai city.
4. There is no significance relationship between the area belong to their employees expectations from ministry of MSME.
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1. Conduct a survey to determine the levels of worker contribution towards the functioning of the MSMEs. This could include questions about their workload, productivity, creativity, and ability to adapt to changing circumstances.
2. Analyze data on worker turnover rates and absenteeism, to determine if they are a factor in the functioning of the MSMEs.
3. Interview current and former employees to gain insight into the levels of worker contribution and potential areas for improvement.
4. Compare working conditions and salaries between MSMEs of different sizes to assess the impact of worker contribution.
5. Examine the success rates of businesses using different employee engagement models, such as team building activities or recognition programs.

6. Create a program to incentivize workers to contribute more to the functioning of the MSMEs.
7. Investigate whether or not there are any regulations or laws that would help to improve worker contribution at MSMEs.
8. Conduct a survey to understand the challenges faced by workers in MSMEs in Madurai. This will help to identify the factors that affect their contribution towards the functioning of the MSME.
9. Analyze the existing data on the productivity of workers in MSMEs.
10. Interview workers to understand their attitude towards working conditions, job satisfaction and their perception of the MSMEs they are employed in.

VII. CONCLUSION

In conclusion the workers play a significant role in the functioning of MSMEs in Madurai city. They are the backbone of the businesses, and without their contribution and dedication, the growth and success of these enterprises would be impossible. The workers in MSMEs are the ones who bring in their creativity, Awareness ,skills, social and economic status to help the business flourish and grow. It is important for the enterprises to recognize the contributions of these workers and treat them with respect and appreciation. This study create a awareness about MSME to both employers and employees in MSME in Madurai city. And also enhance how to manage themselves by improving Socio-Economic status in MSME Organization.

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