

Motivation of Industrial Labour and Productivity in India

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Abstract

Motivation plays the crucial role to achieve the desired goals. It enhances the working capability and productivity of human resource. Industrial labour is the most important factors of production. The development of any firm is the function of labour and capital but labour is only the active factor of production while others are passive. The correlation between firm growth and industrial labour is well documented in research literature, only recently the link between human resources (HR) and inclusive growth of firm has attracted the interest of researchers. This study aims to assess the extent, if any, to which, specific HR practices and industrial labour may contribute to firm's inclusive growth. This paper finds that selecting, training, and rewarding employees as well as giving them the power to decide for the benefit of their firm, contribute significantly to firm's inclusive growth.

Key Words: Human Resource, Industrial labour, Firm Growth, HR Practices, Motivation etc.

I. Introduction

Motivation plays the crucial role to achieve the desired goals. It enhances the working capability and productivity of human resource. The development of any firm is the function of labour and capital but labour is only the active factor of production while others are passive. The extent to which, if any, human resource management (HRM) and industrial labour impact on organizational performance has emerged as the central research question in the research of firms. Although initial results indicate that some human resources practices may have a positive effect on organizational performance, most scholars suggest that more conceptual and empirical work is required in changing trend of market. For the moment, although Human resources (HR) are considered as the most valuable asset in an organization, they make a difference only for a few organisations. The link between human resources (HR) and firm growth is well documented in classic economic theory. This paper finds that selecting, training, and rewarding employees as well as giving them the power to decide for the benefit of their firm, contribute significantly to firm's inclusive growth.

II. Literature Review

A growing body of empirical research has examined the effect of certain HRM practices and industrial labour on firm performance. It was conducted a longitudinal study of the effectiveness of incentive plans in the hotel industry and found that incentive plans were related to higher revenues, increased profits, and decreased cost. It has been examined the role of human resource practices in creating organizational competitive advantage and found that top management team social networks.

Tata and Prasad (2004) found that a company with micro level of centralisation is a receptive environment for self-managed teams. Sharing of information may have a dual effect. Firstly, it conveys employees the right meaning that the company trusts them. Secondly, in order to make informed decision, employees should have access to critical information. Communicating performance data on a routine basis throughout the year help employees to improve and develop. This practice can ensure that the right people, with the desirable characteristics and knowledge, are in the right place, so that they fit in the culture and the climate of the organization. Moreover, pinpointing the rights employees would decrease the cost of employees' education and development. Schuster (1986) argued that selective hiring is a key practice that creates profits. This paper studies the role of human resource and industrial labour to firm's growth.

III. Analysis/Discussion

Training and development may be related to firm performance in many ways. Firstly, training programmes increase the firm specificity of employee skills, which, it turn, increases employee productivity and reduces job dissatisfaction that results in employee turnover (Huselid, 1995). Secondly, training and developing internal personnel reduces the cost and risk of selecting, hiring, and internalising people from external labour markets, which again increases employee productivity and reduces turnover. Training and development like job security requires a certain degree of reciprocity: A company that train and develop systematically its employees advocates them that their market value develops more favourably than in other firms. This increases employees' productivity, commitment, and lowers turnover. Therefore, training and employee development practices are more common in rapid-growth firms than slow growth ones. It has been examined the manufacturing industry in Spain and found that quality management practices related to product design and development, together with human resource practices, are the most significant predictors of operational performance. Job security creates a climate of confidence among employees which cultivates their commitment on the company's workforce. Job security requires a certain degree of reciprocity: firstly, a company must signal a clear message that jobs are secure; then, employees believing that this is true, feel confident and commit themselves to expend extra effort for the company's benefit; finally, a company that have learnt that job security contributes to its performance, invests again in job security. It has been developed a conceptual model of the antecedents and consequences of job security. Antecedents include worker characteristics, job characteristics, organizational change and job technology change. Consequences include psychological health, physical health, organizational withdrawal, unionisation activity, organizational commitment and job stress. Job involvement, cultural values, and procedural justices moderate job security perceptions and attitudes. Results also suggested a direct positive relationship between managerial promotions based on merit and firm performance.

Respondents were asked to indicate their firm's growth as compared to the industry's average in these areas: perceived sales growth, perceived market share growth, perceived overall improvement and perceived firm growth. The first is that they are self-reported responses from HR managers, who may have a stake in seeing positive relationships between their decisions about personnel recruitment, training, development and compensation with achievement of firm's objectives. However, the responses from the sample contain ample

variance and means that do not reflect an extremely strong positive bias. If the respondents had greatly inflated their responses, there may have been more consistently positive results than were seen. Secondly, as in all self-reported studies, the possibility of common method variance should be addressed. When both the outcome measure (i.e. firm growth) and the six predictor variables (i.e. compensation policy, decentralisation), are self-reported on the same survey instrument, both measures share common methods variance. There are several techniques that can be used to minimise common method variance. We used the Harmon's factor test to examine whether or not common methods variance in the predictor and outcome variables inflates the empirical relationships among the variables. Harmon' test consists of a factor analysis of all relevant variables. If a large degree of common method variance is present, one factor will emerge. Such an analysis was conducted on the firm performance and HR practices variables of this sample. Seven factors emerged, with the first factor (which, in cases of common method variance, would account for most of the variance) only accounting for 18.472% of the variance.

IV. Concluding Remarks

Motivation plays the crucial role to achieve the desired goals. It enhances the working capability and productivity of human resource. Briefly, a survey of HR managers demonstrated that HR practices are linked to firm's inclusive growth. The findings of the study lead to a number of interesting implications for HRM theorists and practitioners. Decentralisation and team working was significant factor of firm growth. Training and development was related to all firm growth measures but it showed higher correlation to overall firm performance improvement. Given that firms were well established, they may have already run many in-company training programmes and noticed and reported concrete evidence of the benefits of training and development. The findings demonstrate that information sharing does positively relate to firm growth. Information sharing was significantly correlated to sales growth, firm growth, and overall firm performance improvement. Respondents did not perceive that job security was an important HR practice. These findings provide tentative support of the contention that HR practices can create a competitive advantage. A series of limitations bounds the findings, conclusions, and implications of this study. The most obvious limitations of this study stem from the sample used and the measures employed.

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