

Exploring Employees Job Performance of Small and Medium Size Enterprises

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Abstract

Exploring employee job performance in (SMEs) is a critical endeavor to enhance the overall productivity and success of these organizations. SMEs often operate in resource-constrained environments, making it crucial to understand the factors that influence employee performance. By delving into various aspects such as leadership effectiveness, employee engagement, training and development opportunities, workplace environment, and the presence of effective performance appraisal systems, valuable insights can be gained. Through a combination of surveys, interviews, and data analysis, a comprehensive understanding of employee job performance can be achieved, enabling SMEs to implement targeted strategies for growth and improved competitiveness in their respective industries.

Keywords: Job Performance, employees, role conflict, Rewards and Recognition and job performance metrics.

Introduction

If the growth of (SMEs) is prioritized, economies across the globe, and notably those in the developing area, tend to expand. These unique SMEs have a natural inclination to grow the economy, but they can't do it on their own. Businesses all around the globe are always on the lookout for ways to improve their productivity via investments in human capital. Employee output is a major factor in the success of a developing business. They owe a great deal to the efforts of their staff and other members of the ecosystem in which they operate. Every company needs a well-thought-out reward system that uses financial incentives like pay and perks like public acknowledgement to spur employees to work harder.[12] Employees' intrinsic motivation to do well for the company increases when they are rewarded for it. However, businesses confront a conundrum when trying to decide what kinds of incentive tools to use and in what combinations. Human resource is an unpredictable social beast. There is still a need for an enhanced and strong incentive system since enterprises or organisations rely on optimum performance from this class of resource to boost productivity in their operations. Companies often use incentive systems for their staff as a means of boosting morale and productivity. The company's workers constitute its backbone. Both parties in an employment relationship benefit when workers feel valued and cared for by their employers. [7]. This is essential for boosting the competitive drive of the organization's employees. The operational efficiency of businesses will suffer, and a significant loss of talent will result, if workers are dissatisfied with their work conditions. Every business needs a fair pay structure to attract and retain talented workers who can help it succeed. There have been a number of studies on the topic of employee satisfaction; however, this one stands out because it is the first to examine satisfaction from the perspectives of individual development, workplace atmosphere, job return, job content, and business conditions.[1]. Also discussed were the difficulties workers have experienced with SME incentives. The results of this study may be useful for (SMEs) in the city, as well as for the workers and future researchers in this subject.

Background

Employee productivity and efficiency on the job have long been used as proxies for a company's success as an enterprise. Workers create competitive advantages for their companies to use in the marketplace. Organisations value their workers highly since their efforts directly contribute to the success of the business. As a result, businesses need to invest in their workers' productivity on the job if they want to see positive results. Therefore, it is essential for businesses to determine what elements will contribute to employee performance, since employee performance has an effect on organisational success.[6] There is hope that Bangladesh will see rapid economic growth and development in the future because of recent developments. Businesses of all sizes, but notably those in the (SME) category, have played a crucial role in the expansion of the economy. The sector provides a helpful foundation by providing a wide range of job openings to the jobless. The expansion of the SME industry is tied to the prosperity of its constituent small and medium-sized enterprises. [2]. If workers in the SME sector can improve their performance, they will be better able to contribute to the growth and success of their employers. There hasn't been a lot of investigation on what factors influence productivity in Bangladesh's small and medium-sized enterprise (SME) workforce.

Concept of SME

(SMEs) play a crucial role in the global economy, driving innovation, generating employment, and fostering economic growth. [8]. These enterprises are characterized by their relatively smaller size and

often operate with limited resources, compared to large corporations. SMEs are typically privately owned and exhibit agility in adapting to market changes swiftly.[5] They are prevalent in various sectors, ranging from manufacturing and retail to services and technology. One of the key advantages of SMEs lies in their ability to foster entrepreneurship and nurture local talent. They serve as breeding grounds for fresh ideas, enabling individuals to turn their innovative concepts into viable businesses. Moreover, SMEs contribute significantly to the reduction of unemployment, particularly in developing economies, offering opportunities to a diverse workforce and contributing to poverty alleviation. Despite their numerous advantages, SMEs also face challenges such as limited access to financial resources, bureaucratic hurdles, and intense competition[2]. Governments and policymakers often recognize the importance of supporting SMEs through favorable policies, tax incentives, and streamlined regulations to ensure their sustained growth and development. In conclusion, SME are vital components of any thriving economy. They serve as a backbone to economic diversification, job creation, and technological advancement, making them a crucial element in fostering inclusive and sustainable growth.[9].

Problems confronted by SMEs

When compared to bigger companies, SMEs have more variation in profitability, survival, and development, which creates unique financing challenges. Small and medium-sized enterprises (SMEs) sometimes face higher interest rates and credit restriction owing to a lack of collateral. Existing businesses, startups, and businesses with sluggish and fast growth all face financial challenges, but they do it in very different ways. Because of their limited resources and manpower, small and medium-sized enterprises (SMEs) continue to struggle under the weight of regulatory requirements.[13]. Regulatory information should be made easily and cheaply accessible to SMEs. Policymakers should work to reduce the time, effort, and resources spent on complying with regulations pertaining to areas like research and development and emerging technologies. Yet, less than half of all new businesses make it into their fifth year, and even fewer transform into high-growth enterprises that sustainably bolster the economy and create high-quality jobs. Low-wage businesses are generally not required to give workers notice, adding to the insecurity that results from high job turnover.[7]. Small and medium-sized enterprises (SMEs) benefit greatly from more transparency, and the information technology has significant potential to close the knowledge gap. In certain countries, a "one-stop-shop system" already exists, and its implementation would be very helpful.[4]. In this system, businesses may go to one central location to get all the information they need to make strategic and informed choices.

The importance of SMEs

The need for SME data that is credible, current, and globally comparable has been on the rise. The collection and dissemination of necessary data by statistical bureaus has begun, but significant gaps remain. The only way to tackle many intriguing SMEs-related topics is with micro-level data sets that permit the tracking of individual businesses or premises over time.[5] Slow progress in international research may be attributed to issues with comparability, the number of data sets, and considerations of confidentiality.-[11]. More broadly, there is a tension between the goals of collecting accurate and timely data on (SMEs) and reducing the effort required to fill out statistical questionnaires. In addition, small businesses are less likely to spend in training, preferring instead to increase competence via external recruiting.

Statement of the problem

However, research shows that SME's may be a solution to the economic woes of the world's developing countries. The term "work ethic" describes a person's general outlook on the job. To put it another way, studies have shown that an organization's incentive system significantly affects the satisfaction level of its employees. Human resource management practices and the financial success of Indian SMEs were analyzed by Sathyanarayana and Kishore (2013)[12]. Most of these publications focused on narrow facets of the incentive structure, which calls for further research. Therefore, the purpose of this research is to analyze the relationship between the intrinsic and extrinsic natures of rewards and the performance of small and medium-sized businesses.

Objectives, Methods and Materials

The main theme of the article is to exhibit exploring employee job performance in SME and Factors influencing Job Performance. The following were the baseline characteristics of a prospective cohort study in which each participant company implemented HPM and researchers monitored temporal changes and other outcome variables. Each company's president provided written consent for the researcher to conduct this investigation [4]. The personnel manager notified employees via internal message or email about the study and solicited their participation. Employees who did not want their information used for this study were required to report. As a result, the data analysis was conducted on an opt-out basis. The effect of the job performance of the Small Medium Enterprises is measure in the study area with 500 sample units. The data were collected from the sample respondents during the period of March 2023. Questionnaire has been used to collect the data. The factors and their impact are measured with the help of 5 point Likert scale.

Analysis and Interpretation

Exploring employee job performance in small and medium-sized enterprises (SMEs) can provide valuable insights into the factors that influence employee productivity and effectiveness within these types of organizations. Job performance is a crucial aspect of SME success since they often have limited resources and need to maximize the output of their workforce. SME may have unique characteristics, so it's essential to tailor the exploration of job performance to the specific context of the organization. Additionally, gathering data from surveys, interviews, performance evaluations, and other relevant sources can help in obtaining a comprehensive understanding of employee job performance in SMEs. The result is given below.

Table 1
Exploring employee job performance

Dimension	Mean	Std. Deviation	Mean Rank
Employee Engagement	3.09	1.417	3.97
Training and Development	3.07	1.329	4.01
Job Design and Role Clarity	2.98	1.331	3.89
Work-Life Balance	3.04	1.441	4.09
Rewards and Recognition	3.14	1.358	4.19
Job Performance Metrics	3.14	1.368	3.67

Performance Appraisal	3.78	1.429	4.02
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Rewards and Recognition (4.19). Analyze how SMEs recognize and reward high-performing employees. Recognition programs, performance-based bonuses, or other incentives can boost motivation and job satisfaction Work-Life Balance (4.09). Consider the work-life balance provided to employees. Burnout and stress can hamper job performance, so ensuring employees have a healthy balance between work and personal life is essential Training and Development (4.01), Investigate the availability and effectiveness of training and development programs. SMEs with limited resources may struggle to provide extensive training, but investing in employees' skills can lead to improved performance and loyalty. The significance in the difference is tested as below.

Table 2
Friedman Test

N	500
Chi-Square	3.879
df	6
Asymp. Sig.	0.762

The result given in the above table shows that the calculated Chi-Square value (3.897) for the degree of freedom 6 is significant at 76.2% level. It is understood from the table that there is no significant difference in the mean rank of the features of the job performance. The function of (SMEs) in the national economy is crucial. With the intensification of reform and opening up in recent years, academicians at home and abroad have become increasingly concerned with employee satisfaction and motivation. SMEs have been affected by the novel coronavirus pneumonia, and the pressure has increased. With the gradual rise of the industrial and technological revolutions, small and medium-sized enterprises have become increasingly attentive to talent. Talents are the most valuable assets among all assets. The key to determining whether an enterprise has the advantage of human resources and the criterion for determining whether an enterprise has the potential for sustainable development rests in the employees' professional and technical competence and inventiveness.

Table 3
Factors influencing Job Performance

	Rank	1	2	3	4	5	6	Score
Statements	GV (x)	77	64	55	46	37	23	
Role Conflict	f	76	69	72	98	100	85	24391
	fx	5852	4416	3960	4508	3700	1955	
Role Ambiguity	f	85	82	89	91	59	94	25219
	fx	6545	5248	4895	4186	2183	2162	
Role Overload	f	112	78	36	106	78	90	25428
	fx	8624	4992	1980	4876	2886	2070	
Interpersonal Relationship	f	66	48	80	96	100	110	23200
	fx	5082	3072	4400	4416	3700	2530	
Physical Work Environment	f	68	59	111	99	85	78	24610
	fx	5236	3776	6105	4554	3145	1794	

Role Clarity	f	110	116	75	29	79	91	26369
	fx	8470	7424	4125	1334	2923	2093	

GV – Garret value

The result shows that Role Clarity (26369) is ranked first followed by Role Overload (25428). Role Conflict (24391) was ranked third. Role Ambiguity (25219) are subsequently ranked by the respondents. Role clarity is a fundamental aspect of successful Small and Medium Scale Enterprises (SMEs) that ensures the efficient functioning of the organization. It refers to the clear definition of responsibilities, duties, and expectations for each member within the SME's workforce. Establishing role clarity is essential as it helps avoid confusion, overlapping tasks, and conflicts among employees.

Discussion

In SMEs, where teams are often smaller and resources more limited, role clarity becomes even more critical. When every employee understands their specific role and responsibilities, they can focus on their areas of expertise and work cohesively towards the company's goals. This fosters a sense of ownership and accountability within the organization, as each individual knows their contribution is valued and directly impacts the overall success of the business. Furthermore, role clarity enhances communication and collaboration among team members. When everyone knows what others are responsible for, they can coordinate efforts, share information effectively, and make well-informed decisions. This leads to increased productivity and efficiency, as tasks are completed with minimal duplication or delays. Role clarity also aids in performance evaluation and employee development. With clearly defined roles, it becomes easier for managers to assess individual and team achievements, provide constructive feedback, and identify areas for improvement. Employees, in turn, can better understand their strengths and weaknesses, allowing them to seek appropriate training and development opportunities to enhance their skills. To establish role clarity within an SME, it is essential for the leadership to communicate clearly defined job descriptions, responsibilities, and reporting lines. Regular meetings and open communication channels are also crucial to address any uncertainties or changes in roles that may arise as the business evolves. The significance of small and medium-sized enterprises (SMEs) in the manufacturing industry is paramount due to the large number of units that fall within this category. This immense contribution of the SME sector is the result of government, policymakers, legislators, industrial authorities, and associations' concerted efforts towards the SME sector's overall development. The cluster-based operation model has paved the way for the accelerated expansion of SME entities. Small and medium-sized businesses serve as auxiliary entities to large-scale industries and pave the way for the socioeconomic development of the nation. In key areas such as technology transfer, resource efficiency, and sustainability management, support for micro, small, and medium-sized enterprises has been subpar or insufficient. Although the Indian government has taken many steps to enhance conditions for micro, small, and medium-sized enterprises (MSMEs), this has not yet been reflected in a noticeable uptick in MSMEs' fortunes. Weak collaboration between business and academia, as well as research and quality improvement institutions and government agencies, limits SMEs' ability to innovate and threatens their long-term existence. The success of the country's micro and small business sector has been essential in the countries broader and more diverse industrial base. The economic climate in India is characterized by limited resources and a huge population, making micro size companies a good fit. It also requires a lot of human effort and has room for growth in the cultivation of age-old expertise.

Conclusion

The employees' work content was demanding and gratified them. However, employees were dissatisfied with training, especially in terms of improving their vocational abilities. Regarding the work environment, the employees of SMEs were extremely content. The companies provided the necessary office supplies and hardware resources (equipment, facilities, etc.) to meet the requirements of their employees. They were also given the opportunity to communicate with their superiors and peers, and they receive timely feedback on their work. Regarding their employment returns, the employees were somewhat content. The employees were pleased with their sense of accomplishment at work but dissatisfied with the recognition and rewards they received from their superiors. Even if they perform well at their employment, they were dissatisfied with the paucity of opportunities for promotion and monetary incentives. In terms of job content, respondent satisfaction with respective company policies was high. The employees were extremely content with the authority corresponding to their duties, but dissatisfied with the opportunity to attend and convey their opinions at important meetings. The employees were satisfied with the management system and work manner of their company; however, they were dissatisfied with their time off and vacation time. The top three problems encountered by SME employees were an imbalance between work and personal life, a divergence between policy formulation and implementation, and the absence of a reasonable talent training plan. It is suggested that SME proprietors and administrators provide additional incentives and advantages to employees who have performed admirably. This would motivate employees to complete their duties correctly and increase their satisfaction with their workplace. In addition, companies should consider training aimed at enhancing employees' abilities and achieving a work-life balance. In conclusion, role clarity forms the foundation for a well-organized and productive Small and Medium Scale Enterprise. It empowers employees, improves teamwork, and streamlines operations, ultimately contributing to the SME's overall growth and success.

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