

## Organizational Goals Vs Personal Goals - Their Level of Success in Selected Small Scale Indian Industries



### Commerce

**KEYWORDS :** organization, Psychological contract, fusion Process, organizational goals, personal goals.

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### ABSTRACT

*A successful organization is one in which the goals of the organizations are achieved, individuals are satisfied and they are more likely to be productive. Individual and organization enters into some kind of "Psychological contract".*

*This contract is implemented by the organization through assigning tasks to individuals, imposing certain obligations on individuals to perform their duties efficiently and by subjecting the employees to authority system etc. From his side, individual tries to put in his ability, loyalty, hard work and commitment to influence positively organizational objectives. As a result of interaction between individual and the organization, "fusion Process" takes place. Thus, individuals enter or form organizations with many expectations and goals; they expect a good return from organizations. Organizations expect individuals to make contribution to achieve its own goals.*

**Introduction:** Every business concern irrespective of private or public, small or big has been started with some objectives or goals. Generally the small scale industries are owned by the small entrepreneurs with small cash, machines, men and materials. Their main goal is to make as much profits as possible. But it is wrong to say that hundred percent that these units have only been started to make profits. Some units might have been started for other purposes too. In small scale industries, sometimes the goals of organization may be the goals of personal and vice-versa. Though theoretically it may be true but practically may not be so. Organizational goals are those which are concerned with organisation, its prosperity, its survival in the business. For instance, the organizational goals may be to earn profit, to produce quality products and to bring success to the unit. Contrary to this personal goals are the goals which are concerned mainly with persons i.e. owner-managers themselves. For instance, to live happily, to acquire a high status in the society etc, may be cited as example.

The ownermanager's style of behavior either in solving the problem or making the decisions is of Paramount important to achieve either of the above said goals or both. Though there is a strong belief in the Indian Context, that Autocratic leader is more successful, it is disappearing because of professionalizing of management has emerged in small scale industries also. At one particular time autocratic leader may be successful and other times democratic leader. It depends upon the nature task, nature of the work group, nature of the organization and nature of the leader and so on. These will have an impact upon what is require of a leader in order to operate successfully.

In the light of the above discussion, the present study is intended to identify what are the various organizational and personal goals of owner-managers of sample small scale units and how for these goals are correlated with each other. This study also tries to find out which types of leaders are more successful in achieving their goals. In addition to the above, it is also examined how far the demographic characteristics like education, Age , Experiences and family Background of Owner-managers are correlated to success level of their selected Goals.

**OBJECTIVE:** This research paper has the following objective:  
To assess the organizational and personal goals of owner-managers and the success level of both the goals.

**HYPOTHESIS:** In the light of the objective above, the following hypothesis has been formulated and tested:  
Owner-managers' preferences of organizational and personal goals differ significantly.

### Sample Design and Data Base:

Nellore town is purposively selected for the present study because of considerations of proximity and familiarity. It happens to be the headquarters of Nellore District and 'A' Grade Municipality. Though it is the fastest growing town in Andhra Pradesh, its industrial base is very thin and is essentially a commercial centre and is therefore typical of most urban centers in the country.

Out of the registered small scale industries operating in Nellore town, sixty owner-managers of small scale industries i.e. 10 percent of the total are selected for the present study. They are selected neither randomly nor stratified according to the functions and products produced by the units because of some practical constraints. Therefore, units are selected conveniently according to their availability and data have been collected from those individuals who are willing to cooperate in the study.

**Analytical Procedure:** In order to know which organizational and personal goals have been more preferred and also how these preferred goals have been achieved are calculated and analyzed in terms of percentages and mean percentages. Also ANOVA technique is used to examine whether there is any significant difference in the preferences of owner-managers in respect of organizational as well as personal goals.

**Limitation of the study:** In the present study an attempt is made to study the effectiveness of the selected units by analyzing the achievement of both organizational and personal goals of the owner-managers in the light of their behavior. Though there may be relationship between organizational and personal goals of owner-managers and workers, the present study is confined to owner-manager's view point, as most of the workers may not be aware of what constitutes organizational goals. Added to the problem of awareness on the part of workers, the concept of organizational goal itself is considered to be elusive, not being amenable to operational definition.

### ORGANISATIONAL GOAL-THEIR PREFERENCE:

The Content Analysis of Organisational Goals is presented in Table I. Ten goals have been given as organisational goals and the owner -Managers are asked to choose any five of their choice and further asked to rate on a ten-point scale how far each selected goals has been achieved. A score of 0 means no achievement and a score of TEN means complete achievement.

**Table I**  
**ORGANISATIONAL GOALS AND THEIR PREFERENCES**

N=60

Preferences											
Organisational Goals	1		2		3		4		5		Total
	NO.	% of total									
Quality of Goods	42	70.00	13	21.67	2	3.33	4	6.67	8	13.33	69
Increased Production	-	-	12	20.00	18	30.00	5	8.33	-	-	35
Efficient Organization	4	6.67	12	20.00	10	16.67	6	10.00	4	6.67	36
Expansion	-	-	4	6.67	6	10.00	6	10.00	10	16.67	26
Innovation and modernisation	4	6.67	4	6.67	2	3.33	6	10.00	7	11.67	23
Profits	8	13.33	2	3.33	18	30.00	8	13.33	4	6.67	40
Cost Reduction	-	-	2	3.33	-	-	12	20.00	-	-	14
Service to Nation	2	3.33	-	-	2	3.33	4	6.67	10	16.67	18
Competition	-	-	5	8.33	2	3.33	7	11.67	7	11.67	21
Sales/Market	-	-	6	10.00	-	-	2	3.33	10	16.67	18

\*Source: Field survey

Table I presents a summary of organisational goals selected by sample owner-managers in order of preferences i.e., First, Second, third, fourth and fifth. Preference first is considered to be highly important and preference fifth is less important.

**Preference 1:** 70.00 percent of the sample owner-managers have chosen the Goal 'quality of goods' as their first organisational Goal where as 13.33 percent of them 'Profits' as their first organisational goal. The least percentage i.e., 3.33 percent is evidenced in the case of goal 'services to nation'. No first preference has been given to goals 'increased production'; 'Expansion' Cost reduction; Competition and Sales/Market'. Thus is Evident that five organisational Goals have not been emphasised.

**Preference 2:** In this case, the goal 'Quality of Goods' has maintained to receive much attention by being selected by 21.67 percent of owner-managers as their second preference. 20.00 percent of the Owner-managers have favoured 'increased Production' and similar percentage of them also opted the goal 'Efficient Organization' as their second preference. Least percentage of Owner-manager i.e., 3.33 percent opted 'Profits' and 'cost reduction' as their second preference. Further it can be said that the sample-owner manager have not opted no second preference to goal 'Service to nation'.

**Preference 3:** With regards to third preference in organisational Goal the highest percentage of sample-owners(i.e., 30.00 percent ) have selected the goals 'Increased production' and 'Profits' and least percentage (i.e., 3.33 percent) the Goals 'Quality of Goods', 'Innovation and modernisationand 'service to nation' and 'competition'. It can be observed that the sample Owner-managers have not Chosen 'cost Reduction' and 'sales/market' as their third preferred organisational Goals.

**Preference 4:** 'Cost reduction' receive the attention of the highest percentage of sample owner-managers as their fourth preference (20.00 percent) followed by 'profits' (i.e., 13.33 percent) least percentage of fourth preference (sales/market). The peculiarity that can be found in this case is that all the goals are preferred by the sample owner-managers in a little or higher percentage.

**Preference 5:** The highest Percentage of owner-managers (16.67 percentages) has chosen Goals 'Expansion' 'Service to Nation' and 'sales / market' as their fifth preference. Least percentage (i.e., 6.67 percent) of owner-managers has selected Goals 'Efficient organisation' and 'Profits' as their Fifth preference.

To examine whether there is any significant difference in

the preference of the owner-managers in the respect of their organisational goals, the data in Table II are also subjected to ANOVA and the results are furnished in the table II below:

**Table II**  
**Preferences of Owner-managers-Organisational Goals**  
**N=60**

Source of Variance	Degree of freedom	Sum of Squares	Means Squares	F value
Organisational Goals	9	474.4	52.71	2.12
Preferences	40	1,867.6	46.69	

\*Source: Field survey

Table value@5% level=2.12

F=52.71/46.69=1.1287

The calculated F value (1.1287) in respect of preferences of owner-manager relating to their organizational goals is less than the Table value at 5% level of significance (2.12). Hence, there is no significant difference in the preference of owner-managers with regard to their organizational goals.

**Organizational Goals and Their Level of Success:** The Table III discloses the respondent-wise achievement of the selected organizational goals.

**Table III**  
**RESPONDENT – WISE ORGANISATIONAL GOALS SELECTED AND THEIR LEVEL OF SUCCESS**  
**N=60**  
**(In Percentages)**

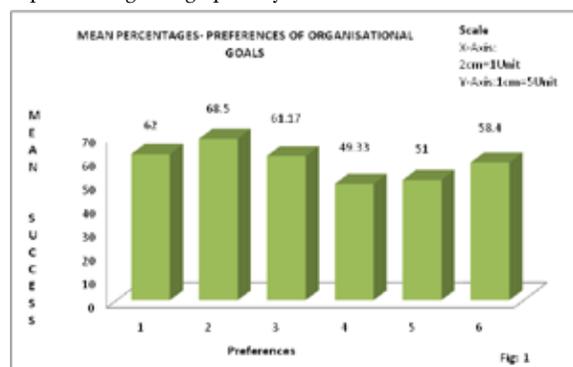
S.No of Respondents	1	2	3	4	5	Mean percentages
1	80	50	50	50	Nil	46
2	100	70	100	100	100	94
3	80	50	40	70	100	68
4	50	70	100	80	100	80
5	90	100	40	60	70	72
6	50	70	90	50	40	60
7	60	70	60	70	90	70
8	60	100	Nil	Nil	Nil	32
9	60	40	70	40	30	48
10	100	80	100	70	40	78
11	80	100	100	Nil	100	76
12	0	100	100	100	100	60

13	30	60	70	30	90	56
14	0	30	30	70	30	32
15	60	100	80	50	100	78
16	40	40	40	Nil	Nil	24
17	100	80	90	90	80	88
18	40	60	100	90	40	66
19	60	50	30	40	40	44
20	20	90	80	90	50	70
21	70	100	80	100	100	90
22	80	70	70	80	90	78
23	40	50	60	100	60	62
24	100	80	50	50	100	76
25	60	80	100	70	40	70
26	30	20	60	80	100	58
27	60	100	90	80	60	78
28	60	40	60	30	30	44
29	60	80	80	80	100	80
30	80	90	80	50	70	74
31	100	80	50	40	60	66
32	60	60	80	Nil	Nil	40
33	60	80	100	70	40	70
34	100	80	50	50	100	76
35	70	100	70	100	100	88
36	100	90	80	50	100	84
37	80	100	Nil	Nil	Nil	36
38	0	30	70	30	40	34
39	60	30	50	30	30	40
40	70	60	30	40	Nil	40
41	50	100	100	Nil	30	56
42	80	40	30	Nil	Nil	30
43	40	100	40	30	30	48
44	100	50	60	90	30	66
45	80	100	70	40	70	72
46	100	90	80	100	Nil	76
47	60	80	60	Nil	Nil	40
48	70	80	Nil	20	30	40
49	70	70	100	100	100	88
50	60	30	20	Nil	Nil	22

51	20	90	80	90	50	66
52	100	80	20	60	30	68
53	30	30	Nil	40	30	26
54	40	0	40	Nil	40	24
55	100	100	100	80	20	80
56	100	80	70	60	50	66
57	30	40	30	30	30	32
58	30	30	30	30	30	30
59	20	50	30	10	40	30
60	40	80	30	Nil	40	36
Average Success	62	68.5	61.17	49.33	51	58.4

\*Source:Field Survey

The summarized results presented in the table III clearly depicts that 22 percent of the sample owner-managers have succeeded in their organizational goals between 20-40 percent, while 67 percent between 40-80 percent and 11 percent between 80-100 percent. On an average in all the five selected goals, the level of success is 58.40 percent. This fairly indicates that most of the sample owner-managers are achieving their organizational goals successfully. The average successes of percentage are also depicted in figure 1 graphically.



**Personal Goals –Their Preferences:**Organizational goals differ from personal goals in case of small scale industries. For instance, if a question like what is your organizational goal is put to any business man, simply he may reply 'to make as much profits as it possible'. But if the same business man is put another question what is your personal goal, his reply for this question may be otherwise. Hence, those organizational goals may not always be the personal goals. Because of this, the owner-managers are asked what their personal goals in order of preference and the same is discussed according to the goals selected.

As in the case of organizational goals , here also ten framed goals are given and the owner-managers are asked to select any five goals in order of preference and again asked to rate on a ten-point scale how for each selected goals has been achieved and the results are noted in the Table IV.

Table IV PERSONAL GOALS AND THEIR PREFERENCES

N=60

Personal Goals	1		2		3		4		5		Total
	NO.	% of total									
Earn Profits	30	50.00	4	6.67	10	16.66	3	5.00	2	3.33	49

Live Happily	12	20.00	10	16.67	4	6.67	3	5.00	4	6.67	33
Social service	3	5.00	2	3.33	3	5.00	3	5.00	-	-	11
Produce Quality Goods	10	16.67	16	26.67	5	8.33	3	5.00	2	3.33	36
Bringing success to Unit	3	5.00	10	16.67	18	30.00	10	16.67	4	6.67	45
Innovation in Product and techniques	1	1.67	8	13.33	4	6.67	8	13.33	8	13.33	29
Social status	-	-	4	6.67	4	6.67	10	16.67	8	13.33	20
Working condition of the Unit	-	-	-	-	6	10.00	12	20.00	2	3.33	20
Achievement of life	1	1.67	-	-	2	3.33	2	3.33	8	13.33	13
To be independent	-	-	6	10.00	4	6.67	6	10.00	22	36.67	38

**\*Source field survey**

From the results noted in the Table IV the following findings emerge:

**Preference 1:** 50.00 percent of the samples Owner-managers have chosen the goal 'Earn Profits' as their personal goals where as 2.00 percent of them 'Live Happily' as their personal goal. The least percentage i.e., 1.67 percent is an evidenced case of goal 'Innovation in products and techniques' and 'Achievement of Life'. No first preference has been given to goal 'Social Status', 'working Conditions and 'To be Independent'. Thus it is evident that the sample Owner-managers of small scale industries particularly in this sample study that three goals have not been emphasized.

**Preference 2:** In this case, the goal 'Produce Quality Goods' has maintained to receive much attention being selected by the highest percentage (26.67 percent) of the Owner-managers as their second preference. 16.67 percent of the Owner-managers has favoured 'To Live Happily' and similar percentage of them are also opted the goal 'To bring success to the Unit' as their second preference. Least percentage of Owner-managers i.e., 3.33 percent opt 'Social Services' as their second preference. Further, it can be said that the sample Owner-managers have not opted no second preference to goals 'Working conditions of the Unit' and 'Achievement of life'.

**Preference 3:** With regards to their preference in personal goal the highest percentage of sample Owner-managers (i.e., 30.00 percent) have selected the goal 'Bringing success to unit' and least percentage (i.e., 3.33 percent) the goal 'Achievement of Life' as their personal goal.

The peculiarity that can be found in this case is that the entire goals are preferred by the sample Owner-managers in one way or the other.

**Preference 4:** 'Working Conditions of the Unit' received the attention of the highest percentage of Owner-managers as their fourth preference (20.00 percent) followed by 'Social Status' (16.67 percent) as well as 'Bringing Success to the Unit' (16.67 Percent). Least percentage of fourth preference 'Achievement of life'.

As in the case of third preference all the goals here also are preference by the Owner-managers to some extent.

**Preference 5:** 36.67 percent being the highest percentage

of Owner-managers in this case has chosen goal 'To be independent' as their fifth preference. Least percentage (i.e., 3.33 percent) of Owner-managers have selected goals 'Earn Profits', 'Produce Quality Goods' and 'Achievement of Life' as their fifth preference.

In sum up, it is obvious from the table above that the highest percentage of respondents have chosen the goal 'Earn Profits' as their first personal goal Followed by 'To be independent' and 'Bringing success to the Unit'. However, a little percentage of Owner-managers has selected the goals 'Social Service' and 'Achievement of Life' as their personal Goals which seem contrary to the general public thinking.

ANOVA is calculated for the data furnished in the Table V to know whether significant difference is in the preferences of Owner-managers in case of personal goals and the results are shown in the table that follows

**Table V**  
**PREFERENCES OF OWNER-MANAGERS PERSONAL GOALS**  
**N=60**

Source of Variance	Degree of freedom	Sum of Squares	Means Squares	F value
Personal Goals	9	292.4	32.48	2.12
Preferences	40	1,492.6	37.32	

**\*Source: Field Survey**

**Table Value @ 5% Level = 2.12**

**F= 32.48/37.32=0.8704**

It is Evident from the results shown in the table above that calculated F value being 0.8704 is less than the table Value (2.12) at 5% level of significance and hence, No significant difference is seen in the preferences of Owner-managers in their personal goals.

**Testing of Hypothesis:**

The calculated F value in respect to preferences of Owner-managers relating to both organisational and personal goals are less than the respective table value (6.2 and 6.5). Hence the formulated hypothesis viz., Owner-managers' preferences of organisational and personal goal differ significantly is rejected.

**PERSONAL GOAL AND THEIR LEVEL OF SUCCESS:**

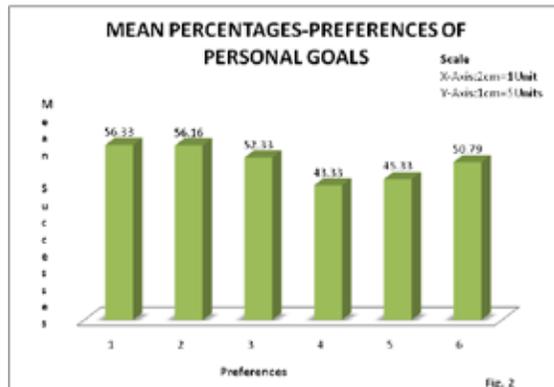
The Table VI discloses the respondent-wise achievement of the selected personal goals.

**Table VI**  
**RESPONDENT-WISE PERSONAL GOALS SELECTED AND**  
**THEIR LEVEL OF SUCCESS**  
**N=60**  
**(In Percentages)**

S.No of Respondent	1	2	3	4	5	Mean percentages
1	100	60	40	40	Nil	48
2	100	50	40	80	100	74
3	70	70	40	40	100	64
4	100	70	60	40	50	64
5	70	30	40	30	100	54
6	30	60	70	80	40	56
7	50	60	70	80	60	64
8	100	60	60	80	70	74
9	60	50	30	60	nil	40
10	100	80	40	40	80	68
11	80	40	30	30	nil	36
12	90	60	nil	70	20	48
13	60	80	20	50	50	52
14	70	30	30	nil	100	46
15	60	100	70	80	80	78
16	70	80	30	60	nil	48
17	70	60	40	40	80	58
18	30	90	50	40	50	52
19	90	80	40	100	100	82
20	100	80	70	nil	30	56
21	80	30	40	80	70	60
22	100	40	50	60	30	56
23	30	30	60	30	40	38
24	40	nil	40	100	80	52
25	60	100	nil	40	50	50
26	100	80	nil	70	60	62
27	90	30	30	40	nil	38
28	40	80	60	60	70	62
29	Nil	100	100	nil	100	60
30	Nil	30	30	70	80	42
31	60	100	80	50	100	78
32	80	50	50	50	nil	46
33	30	60	40	100	nil	46
34	100	60	90	40	40	66
35	60	50	30	40	40	44
36	60	80	50	40	60	58
37	80	100	nil	30	nil	42
38	60	30	30	30	40	38
39	20	90	80	90	50	66
40	30	30	Nil	40	30	26
41	30	30	30	30	30	30

42	60	80	60	nil	nil	36
43	80	40	30	nil	30	36
44	20	50	30	10	40	30
45	10	30	50	nil	70	32
46	30	20	60	80	100	58
47	Nil	30	70	30	40	34
48	70	60	30	40	nil	40
49	50	100	100	nil	30	56
50	30	60	70	30	90	56
51	40	nil	40	40	nil	24
52	60	50	30	40	40	44
53	Nil	60	Nil	30	40	26
54	80	50	50	nil	nil	36
55	50	20	30	10	40	30
56	10	40	60	nil	70	36
57	20	40	30	20	nil	22
58	50	30	40	30	nil	30
59	40	50	60	90	50	58
60	30	70	Nil	20	30	60
Average Success	56.33	56.16	52.33	43.33	45.33	50.79

\*Source: Field survey



Personal goals of sample Owner-managers and the Level of success of those goals are furnished in the table VI. 30 percent of sample owner-managers have succeeded in their personal goals between 20-40 percent levels. About 68.33 percent of Owner-managers have succeeded between 40-80 percent and only 2 percent of the sample owner managers have succeeded between 80-100 percent levels.

**The above data are also graphically exhibited figure 2.**

It is very pertinent to note here that the success level in both organisational and personal goals is very high. But it is found that organisational goals are achieved at higher (58.40 percent) than the personal goals (50.79 percent). This is evident from the means percentages of success level of both the goals.

Further, it can be said that in small scale industries the organisational goals sometimes may be the goals of personal. If organizational goals are achieved there is a possibility to achieve personal goals too. So one can say that there is a correlation between these two which is also evident in from the correlation between the two goals in the study being (+0.4029)

It can be inferred that the achievement of success in both organizational and personal goals may be on account of Availability of finance, raw material, advance technology and efficient personnel. But of all these, the Adoptability of appropriate style to the requirement of situation may be one major reason for this achievement.

**Conclusion:** Thus, individuals enter or form organizations with many expectations and goals; they expect a good return from organizations. Organizations expect individuals to make contribution to achieve its own goals. Successful relationship between individual and organization exists when both perceive the benefits of association outweighing costs. Many of the satisfactions that an individual receives are generally intrinsic and may actually contribute to increased productivity. The achievement of their organizational and personal goals by owner-managers is dependent not only on account of availability of finance , raw material , marketing , modernized technology and efficient personnel but also on the adoption of appropriate leadership style relevant to various organizational and personal goals.