



Attitudes Of Owner-Managers in Small Scale Industrial Units of Indian Industries

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Keywords :

This paper deals with the attitudes and assumptions of owner-managers towards people in general and worker in particular. Generally, majority of the small scale industrialists maintained their units with their family members whose heritage of attitudes and beliefs are inherited from their ancestral. These owner-managers usually feel that their money, hard work etc., are sufficient criteria to run the business. Further they also assume that nothing is impossible if they are sure of the availability of the required resources.

An attitude is a strong belief towards a particular phenomenon. As pointed out by Hans Scholl hammer and Arthur H. Karloff "Attitude reflects the unique way in which the person construct arisen of the world. If attitude is to change, the person must view the world differently. This fact suggests the importance of creating a psychologically healthy environment that stimulated personal and organizational growth".

Of all the above, the attitude of owner-managers will reflect in the form of quick decisions, policies and the behavior with their workers etc.

The style or behavior of the owner-manager towards his subordinates is reflected through his attitude which in turn depends upon his family, socio-economic and educational environment in which he is operating.

According to classical view, "Leaders are born but not made". The classical view of leaders has been gradually changing into modern view according to which "Leaders are made but not born".

Keeping in view, the above discussion this paper is intended to probe into the attitudes of owner-managers in the selected Indian Small Scale industries.

Ramakanth conducted a similar survey of managerial thinking across the manufacturing organizations involving 70 managers in order to find out differences of attitudes and similarities among them.

Using direct questionnaire method Ramakanth concluded that in the area of attitudes of 'capacity for leadership and initiative' display, attitudes are in favor of the modern approach while 'sharing information and objectives' towards classical approach. The area of 'participation' has showed on modern approach while 'internal control' towards modern approach. On the whole the trend is towards modern approach.

In this paper an attempt is made to study the attitudes of contemporary sample owner-managers of small scale Indian industries and how they reacted to the same questionnaire.

Objectives: This study has the following objectives:

1. To know the attitudes of owner-managers towards the classical and modern approaches of leadership. And
2. To explain whether there is any relationship between the

demographic variables such as age, education, experience and family background and attitudes of owner-managers.

Hypotheses: In the light of the objectives above, the following hypotheses have been formulated and tested:

1. There are perceptible differences among owner-managers' attitudes towards classical and modern approaches of leadership. And
2. There is correlation between the demographic variables such as age, education, experience and family background and attitudes of owner-managers.

Sample Design and Data Base:

Nellore district is one of the 23 districts of Andhra Pradesh which is one of the foremost states of the Indian Union accounting for 8.6 percent area and 7.8 percent of population. There are 93 municipalities in Andhra Pradesh out of which 3 are in Nellore District. The three municipalities are Nellore, Kavali and Gudur.

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 center and is therefore typical of most urban centers in the country.

Out of the registered small scale industries operating in Nellore town, sixty units 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.

Data have been gathered by administering a structured schedule to owner-managers. Besides, personal interview has also been held with the respondents so as to get accurate information. Before proceeding to fill the schedule I have made all efforts in explaining the points wherever the respondent feels difficult to understand.

The administered schedule to owner-manager deals with attitudes of owner-managers about classical and modern leadership approaches.

Analytical Procedure

In the present study a questionnaire containing 11 items is used. 3 items are presented such that agreement with them suggesting classical or traditional-orientation of attitudes while 8 are presented such that agreement with them suggested modern orientation of attitudes. For summarizing the responses, weights are assigned in such a manner that

weights closer to 1 indicate classical attitude and those closer to 5 indicate modern attitude. Statistical techniques like weighted mean, standard deviation and coefficient of variation to compare the variability in the attitudes of owner-managers towards classical and modern approaches are used.

Direct Measurement of Attitudes

Hire, Chisetti and Porter reasoned that the attitudes of owner-managers depend upon their assumptions and perception about people in general and subordinates in particular. The classical organizational theory was based upon assumptions regarding the nature of employees such as, they inherently dislike work, they wished to avoid responsibility and lacked ambition. On the other hand, the modern orientation theory is based of the assumptions regarding the employees such as inherently they did not dislike work, what they possessed a certain amount of initiative and ambition and they could be taught to accept responsibility.

In order to find out the extent to which the attitudes of managers in different manufacturing organizations agreed with the classical or modern point of view in regard to the basic nature of people. Ramakanth used 12 item questionnaire covering four distinction areas viz.,

1. Capacity for leadership and initiation,
2. Sharing information and objectives,
3. Participation and
4. Internal control

In which the classical and modern view points differed

The same pattern is followed and analysed in the present study.

All results have been presented in the table and the same have been discussed as under:

**Table
Attitudes of Owner-Managers N = 60**

S.No	Statement	Strongly Agreed			Agreed			Undecided			Dis-agreed			Strongly Dis-greed			Weighted Mean X	Standard Deviations	Coefficient of Variation
		Number of respondent responded	Weights assigned	Total	Number of respondent responded	Weights assigned	Total	Number of respondent responded	Weights assigned	Total	Number of respondent responded	Weights assigned	Total	Number of respondent responded	Weights assigned	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	The average subordinates' (workers') prefers to be directed, wishes to avoid responsibilities and has relatively little ambition.	15	5	75	25	4	100	10	3	30	8	2	16	2	1	2	3.72	1.08	29.03 (1)
2	The average leader prefers to be directed, wishes to avoid responsibilities and has relatively little ambition.	3	5	15	8	4	32	12	3	36	10	2	20	27	1	27	2.18	1.73	79.72 (11)
3	Leadership skills can be acquired by most managers regardless of their particular traits and attitudes.	15	5	75	18	4	72	10	3	30	5	2	10	12	1	12	3.32	1.23	37.05 (4)
4	Leadership skills can be acquired by many subordinates' (workers') regardless of their particular in born traits and responsibilities.	11	5	55	14	4	56	16	3	48	9	2	18	10	1	10	3.12	1.33	42.63 (8)
5	The use of rewards and punishments is not the best way to get subordinates' (workers') to their work.	8	5	40	8	4	32	2	3	6	24	2	48	18	1	18	2.40	1.62	67.50 (10)
6	In order to give their best, subordinates' (workers') should get detailed and complete instructions rather than one merely get relevant general direction.	14	5	70	19	4	76	9	3	27	17	2	34	1	1	1	3.47	1.17	32.72 (2)
7	In a work situation if the subordinates (workers) cannot influence the leader than leader losses some influence on subordinates' (workers').	12	5	60	15	4	60	9	3	27	13	2	26	11	1	11	3.23	1.41	43.65 (9)
8	A leader should give his subordinates' (workers') only that information which is necessary for them to do their immediate tasks.	12	5	60	15	4	60	17	3	51	10	2	20	6	1	6	3.28	1.16	35.37 (3)
9	Goal setting, collectively the leader and his group of subordinates' (workers') offers advantages that cannot be attained individually goal setting.	16	5	80	13	4	52	8	3	24	18	2	36	5	1	1	3.28	1.36	41.46 (6)
10	A good leader should give detailed and complete instructions to his subordinates' then give them merely relevant general directions.	9	5	45	14	4	56	19	3	57	8	2	16	10	1	10	3.07	1.28	41.60 (7)
11	A leader's authority over subordinates in an organization is primarily economic.	8	5	40	11	4	44	17	3	51	19	2	38	5	1	1	2.97	1.17	39.39 (5)

Source : Field Survey

Note : 1. SA – Relating No. 5 means the criteria is strongly agreed 3. UD – Relating No. 3 means the criteria is undecided. 5. SDA – Relating No. 5 means the criteria is strongly dis-agreed

- 2. A – Relating No. 4 means the criteria is agreed
- 4. DA – Relating No. 2 means the criteria is dis-agreed

- 1. Capacity for Leadership and Initiative: The mean for the sample in this area is 3.09 and the standard deviation 2.09. The sample mean is 2.09 units away from classical extreme and 1.91 units away from the modern extreme of the scale. Hence, the difference is 0.81 units out of maximum possible difference of 4. This is statistically significant. The ratio of the distance being 0.91 is in favour of modern attitudes. Hence, the sample displays attitudes definitely in favour of the modern approach.
- 2. Sharing Information and Objectives: The mean for the sample in this area is 3.27 and standard deviation 1.47. The sample mean is 2.27 units away from classical extreme and 1.73 units away from the modern extreme of the scale. The difference is 0.54 units out of a maximum possible difference of 4. This is statistically significant. The ratio of the distance (i.e., 0.76) is in favour of modern attitudes.
- 3. Participation: The mean for sample in this area is 3.28 and standard deviation 1.36. The sample mean is 2.28 unit away from classical extreme and 1.72 units away from the modern extreme of the scale. The difference is 0.56 units out of a maximum possible difference of 4. This is statistically significant. The ratio of the distance is 0.75 and hence is in favour of modern attitudes.
- 4. Internal control: The mean for the sample in this area is 2.87 and standard deviation 1.45. The sample mean is 1.87 units away from classical extreme and 2.13 units away from modern extreme of the scale. The difference is 0.26 units of a maximum possible difference of 4. The ratio of the difference is 1.14 and hence this is in favour of classical attitude.

Over-all attitudes of owner-managers

In all these four areas there are some variations in the attitudes on the whole. The attitudes are positive towards modern view. As quoted by Fredric G. Donner’s managers tend to adopt impersonal, if not passive attitude towards goals. Managerial goals arise out of necessities rather from desires and therefore, are deeply embedded in the history and culture of the obligation.

Statements 2, 5 and 7 noted in table come under the category of classical organizational theory. While the remaining 8 statements go to the regime of modern orientation theory.

Attitudes differ from situation to situation and from person to person. Hence, the co-efficient of variations (CV) have also been calculated and exhibited in the table statement-wise.

Table shows the variation in attitudes of owner-managers statement-wise.

Statement 1: In case of this statement the co-efficient of variation is 29.03 and the corresponding mean value is 3.72. This implies that on an average the owner-managers’ attitude is favouring modern view even though least variation is found as it is evident.

Statement 2: It can be observed that the highest variation of attitudes is found i.e., 79.72 and the corresponding mean value is 2.18. This implies that on an average the attitudes of owner-managers are towards classical view even though higher variation in reflecting through co-efficient of variation (79.72) among attitudes.

Statement 3: The variation in attitudes to this statement is 37.05 and the mean value is 3.32. This shows that though the variation is large but the corresponding mean value shows that the attitude is modern.

Statement 4: The variation in attitudes to this statement among owner-managers is 42.63 and the corresponding mean value is 3.12. Though this statement shows favourable trend towards modern approach, the variation in attitudes is high (C.V. 42.63).

Statement 5: The variation in attitudes to this statement is 67.50 and the mean value 2.40. This means that on an average the attitudes of owner-managers are favouring classical view even though large variation is found.

Statement 6: To this statement though the mean value is 3.47 showing favourable trends towards modern approach, a considerable variation in attitudes is observed.

Statement 7: The co-variation is 43.65 and the corresponding mean value is 3.23. This variation shows the attitudes towards modern view.

Statement 8: In case of this statement the variation is 39.37 and the corresponding mean value is 3.28. This implies that on an average the owner-managers’ attitude is towards modern view even though the co-efficient of variations among the owner-managers is large.

Statement 9: The variation in attitudes in this statement among the owner-managers is 41.46 and the corresponding mean value is 3.28. Though this statement shows favourable trend towards modern approach, the variation in attitudes are high.

Statement 10: The variation in attitudes of this statement among the owner-managers is 41.60 and the mean value is 3.07. This statement shows favourable trend towards modern approach, however the variation in attitudes in high.

Statement 11: A modern view has been seen from the mean value i.e., 2.97 but the variation in attitudes to that approach is flexible. It is seen from the coefficient of variation value of 39.39.

This discussion above permits us to conclude that though there are variations in attitudes among owner-managers towards classical and modern leadership approaches, still majority of the owner-managers express their views favouring modern. Hence, the formulated hypothesis viz., there are perceptible differences among owner-managers’ attitudes towards classical and modern approaches of leadership is accepted.

Attitudes differ from age to age and from person to person. It is though that there is correlation between various demographic variables such as age, education, experience and family background of owner-managers. Hence, efforts have been made to calculate the co-relation between age, education, experience and family background of owner-managers and the attitudes and the results are furnished in the table below:

Table
Correlation between the demographic characteristics and attitudes of owner-managers N = 60

Demographic Characteristics								
Statement	Age		Education		Experience		Family Background	
	Correlation	t-value	Correlation	t-value	Correlation	t-value	Correlation	t-value
1	-0.57	3.92	-0.57	3.92	+0.69	0.98	-0.56	3.87
2	+0.34	0.64	-0.34	2.96	-0.59	4.02	-0.67	4.46
3	-0.38	3.11	-0.60	4.07	-0.87	6.17	-0.92	7.00

4	+0.24	0.99	-0.52	3.69	-0.80	5.40	-0.86	6.04
5	+0.21	1.10	-0.38	3.11	-0.72	4.87	+0.52	0.09
6	+0.12	1.40	-0.39	3.15	-0.91	6.81	-0.65	4.34
7	+0.26	0.93	-0.73	4.84	-0.93	7.24	-0.73	4.84
8	+0.26	0.89	-0.29	2.78	-0.83	5.69	-0.67	4.46
9	-0.52	3.69	-0.34	2.96	-0.59	4.02	-0.93	7.24
10	+0.40	0.41	+0.21	1.10	+0.69	0.98	-0.63	4.23
11	-0.34	2.96	+0.26	0.93	-0.72	4.78	-0.78	5.23

Source : Field Survey $p < 0.01 = 2.58$

From the results of correlation furnished in the foregoing table it is evident that not only there is correlation between the demographic variables such as age, education, experience and family background and attitudes of owner-managers but also it is significant in most of the cases. Hence, the formulated hypothesis viz., there is correlation between demographic variables and attitudes of owner-managers is accepted.

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