

Challenges Faced by Employees in Small-Scale Industries in Madurai District of Tamil Nadu: An Empirical Study

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Abstract: Small-Scale Industries (SSIs) form the backbone of the manufacturing and economic landscape in Tamil Nadu, particularly in industrial corridors like Madurai District. While significant research highlights entrepreneurial challenges, the primary perspective of shop-floor employees remains underrepresented. This empirical study investigates the socio-economic profiles, operational challenges, wage disparities, workplace environments, and occupational health hazards faced by workers in SSIs across Madurai District. Primary data was gathered from N = 80 **employees** across textiles, food processing, engineering, and plastic manufacturing units using a structured questionnaire. The data were analysed by appropriate tools and techniques.

Keywords: Small-Scale Industries, SSIs, Madurai District, Employee Challenges, Labor Welfare, Empirical Study, Job Security.

Introduction

Small-Scale Industries (SSIs) performance a vital part in promoting regional balance, employment generation, and socio-economic equity in developing economies like India. In Tamil Nadu, Madurai District stands out as an prominent industrial hub with a rich diversity of micro and small industrial clusters including textile processing, ready-made garments, agro-processing, rubber, plastic, and general engineering units. Ahmad, M. M.; Sanusi, S. M. (2025) While the economic contribution of SSIs to Madurai's district domestic product is substantial, the workforce sustaining these units frequently encounters adverse employment conditions.

Literature Review

Subrahmanya (2015): Observed that small manufacturing units face intense structural constraints that indirectly translate into low compensation packages and minimal employee welfare benefits.

Selvaraj & Kumar (2019): Highlighted that labor turnover in Madurai district industrial clusters stems from statutory non-compliance, inadequate safety infrastructure, and competitive market pressures on profit margins.

Ramesh & Devi (2021): Focused on workplace ergonomics in Tamil Nadu's MSME sectors, documenting high rates of physical fatigue and occupational stress among shop-floor workers working beyond standard 8-hour shifts.

Research Gap

The review indicates that previous studies have examined individual aspects such as job stress, job satisfaction, welfare measures, occupational safety and HRD practices. The Madurai-based study by Venkataraman and Ganapathi (2013), for example, concentrated mainly on the relationship between job stress and job satisfaction. Other studies have examined employee welfare or HRD issues in other districts of Tamil Nadu. Datta, S.; Suganthiya, M. S.; Sharma, B. (2024)

Statement of the Problem

Although small-scale industries drive localized employment in Madurai District, workers often endure unorganized labor practices, uncompetitive wages, poor working conditions, and absence of safety nets. Identifying specific employee challenges is critical to designing targeted interventions that balance industrial profitability with workforce welfare.

Objectives framed for the study

1. To analyze the socio-demographic outline of employees working in small-scale industries in Madurai District.
2. To evaluate the specific operational, financial, and environmental challenges faced by employees at the workplace.
3. To examine the statistical relationship between demographic characteristics (e.g., educational qualification) and satisfaction levels regarding compensation.
4. To suggest pragmatic strategies for enhancing working conditions and employee retention in SSIs.

Research Methodology framed for the study

This study adopts an empirical, descriptive, and analytical research design to examine the subject within the Madurai District of Tamil Nadu, focusing on key industrial clusters including Kappalur, Ellis Nagar, and Nagamalai Pudukottai. Primary data was gathered by face-to-face consultations using a pre-tested well constructed questionnaire, while secondary data was compiled from journal articles, government reports, and official district industrial profile documents. To analyze the collected data, statistical tools including Percentage Analysis, Mean Score, Standard Deviation, and Chi-Square Test were applied. Shah, K.; Parashar, A. (2024)

Data Analysis & Interpretation

Table 1: Socio-Demographic Profile of Respondents

Variable	Category	Frequency Distribution (f)	Percentage (%)
Gender	Male	52	65.0%
	Female	28	35.0%
Age Segment	Below 25 years	18	22.5%
	25 – 40 years	44	55.0%
	Above 40 years	18	22.5%
Educational Qualification	High School	22	27.5%
	Higher Secondary	38	47.5%
	ITI / Diploma / Graduate	20	25.0%
Monthly Income (₹)	Below ₹10,000	24	30.0%

	₹10,000 – ₹15,000	42	52.5%
	Above ₹15,000	14	17.5%
Experience in SSIs	Less than 2 years	20	25.0%
	2 – 5 years	38	47.5%
	More than 5 years	22	27.5%

Source: Primary Data

A most of the members (55.0%) go to the prime working age of 25–40 years of the segment. Furthermore, 52.5% of workers earn between ₹10,000 and ₹15,000 per month, reflecting low baseline wages in the district's SSI sector.

Table 2: Evaluation of Workplace Challenges Faced by Employees

Challenge Factor	Mean Score	Standard Deviation (SD)	Rank
Low Compensation	4.35	0.72	I
Lack of Job Security & Informal Contracts	4.18	0.81	II
Long Working Hours & Forced Overtime	4.05	0.88	III
Absence of Social Security Benefits (ESI / PF)	3.92	0.95	IV
Poor Workplace Safety & Health Hazards	3.68	1.04	V
Inadequate Skill Development & Training	3.45	1.10	VI

Source: Primary Data

Wage inadequacy ($\bar{x} = 4.35$) ranks as the primary challenge faced by employees, closely followed by lack of job security ($\bar{x} = 4.18$) and excessive working hours ($\bar{x} = 4.05$).

Hypotheses Testing:

Null Hypothesis (H_0): There is no significant association between the educational qualification of employees and their level of satisfaction with wages.

Alternative Hypothesis (H_1): There is a significant association among the educational qualification of employees & their level of satisfaction with wages.

Table 3: Cross-Tabulation & Chi-Square Test Results

Educational Level	Low Satisfaction	Moderate Satisfaction	High Satisfaction	Total
High School	14	6	2	22
Higher Secondary	22	12	4	38
ITI / Diploma / Graduate	6	10	4	20
Total	42	28	10	80

Source: Primary Data

Parameter	Value
Degrees of Freedom (df)	4
Significance Level (α)	0.05
Calculated Chi-square value (χ^2)	5.67
Critical Chi-square value (χ^2)	9.49
p-value	0.225

Meanwhile the considered Chi-square value (5.67) is less than the critical value (9.49), and the p-value (0.225) is greater than 0.05, the null hypothesis is not disallowed. Hence, there is no substantial association among educational qualification and wage satisfaction among the respondents.

Major Discoveries of the study

The study found that most respondents were male (65.0%), aged 25–40 years (55.0%), and earned ₹10,000–₹15,000 per month (52.5%). Low compensation was the major challenge (mean 4.35), followed by job insecurity (4.18) and long working hours (4.05). The Chi-square analysis indicated that educational qualification was not significantly associated with wage satisfaction. wage satisfaction ($\chi^2 = 5.67$, $df = 4$, $p = 0.225$). Overall, compensation, job security and working hours were the major challenges faced by employees in the selected small-scale industries in Madurai District.

Suggestions for the study

Small-scale industries should provide fair wages, better job security and reasonable working hours to employees. Adequate ESI, PF, safety measures and training opportunities should also be provided. Improving employee welfare, workplace safety and career-development opportunities can enhance employee satisfaction and productivity.

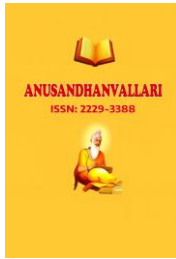
Conclusion

Conclusion of the Study

The study concludes that employees in the selected small-scale industries in Madurai District face several workplace challenges, particularly low compensation, job insecurity and long working hours. Social-security benefits, workplace safety and skill-development opportunities also require greater attention. The study suggests that improving wages, employment security, working conditions and employee welfare can contribute to better employee satisfaction and productivity in small-scale industries.

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