

# THE CHARACTERISTICS AND DYNAMICS OF MANAGEMENT CONTROLS IN SMALL AND MEDIUM ENTERPRISES:

## MEASURING PERFORMANCE ACCORDING TO EMPLOYEE STIMULATION

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**Abstract:** This paper begins with explanation of importance of the control management in organisations and how controlling aspect of organisations plays an important role in achieving organisational's best interests and goals that are strategically planned. Set of controls need to be implemented in order to decrease undesirable behavior and to encourage desirable actions. Individuals don't generally comprehend what is anticipated from them nor how they can best perform their employments, as they might do not have some essential capacity, preparing, or data. Also, individuals have various inalienable perceptual and psychological predispositions, for example, a failure to prepare new data ideally or to settle on reliable choices, and these inclinations can decrease hierarchical viability. This paper suggests that the proper stimulation of employees in terms of different types of rewarding can result in higher achievements, both for the employee and the organisation.

**Keywords:** Management, Control, SME, Performance, Employee

### Introduction

Individuals at work actually have a tendency to receive instinctual methods of conduct that are self-defensive as opposed to open and synergistic. This clarifies why feeling is a solid power in the work environment and why administration frequently responds fiercely to reactions and as a rule looks to control as opposed to go out on a limb. Along these lines, keeping in mind the end goal to dispense with this sort of viewpoint and to build representative inspiration, it is best that you impact conduct as opposed to change identities.

The world of business administration is not all about income, spreadsheets, and advertising, there is the precarious business of human conduct that must be gone to. Most business supervisors who examined administration in school invested significantly more energy in bookkeeping and financial aspects class than they did in psychology class and in some cases human conduct can be a significant riddle. In an organization not just authority, the workforce is likewise an imperative segment. We ought to treat individuals similarly, no preference.

Motivation is a worker's inborn eagerness about and drive to perform exercises identified with work. Motivation is that inner drive that causes a person to choose to make a move. An individual's motivation is impacted by natural, scholarly, social and passionate components. In that capacity, motivation is a complex, not effectively characterized, inborn main impetus that can likewise be impacted by outer components. Each representative has exercises, occasions, individuals, and objectives in his or her life that he or she discovers rousing. In this way, motivation about some part of life exists in every individual's cognizance and activities.

The trap for businesses is to make sense of how to move representative motivation at work. To make a workplace in which a worker is roused about work, includes both inherently fulfilling and extraneously promising components.

Worker motivation is the blend of satisfying the representative's needs and desires from work and the work environment considers that empower worker motivation - or not. These variables make inspiring representatives testing. Businesses comprehend that they have to give a workplace that makes motivation in individuals. Be that as it may, numerous businesses neglect to comprehend the essentialness of motivation in achieving their central goal and vision. Notwithstanding when they comprehend the significance of motivation, they do not have the ability and learning to give a workplace that encourages representative motivation.

Choices to hold, advance, or fire individuals must be made in each association. What is the most exact approach to settle on these choices?

Traditionally, these choices were made through support and nepotism, where individual connections inside the association largely affected advancement and terminating choices. While individual connections are still vital today, numerous commercial enterprises attempt to deliberately survey specialist execution, so as to build efficiency (and at last, benefits).

Productive employees are the soul of each enrolling business, however what method can be used to survey their execution levels? Do they comprehend objectives and desires of the organisation? Is it accurate to say that they are meeting their own destinations? Each organization ought to ceaselessly screen and assess their workers.

Assessing worker execution ought to be completed on an on-going premise and incorporate all zones of their hard working attitude and individual accomplishments. Keeping in mind as well, that poor execution or negative practices can likewise be symptomatic of a basic issue with organisation's way of life, so have an arrangement set up to address any issues that can be find.

### **Motivation methods**

There are the same number of various techniques for spurring workers today as there are organizations working in the worldwide business environment. Still, a few procedures are common over all associations endeavoring to enhance representative motivation. The best worker motivation endeavors will concentrate on what the representatives regard to be critical. It might be that representatives inside the same division of the same association will have distinctive motivation. Numerous associations today find that adaptability in occupation plan and compensate frameworks has brought about representatives' expanded life span with the organization, enhanced efficiency, and better spirit.

### **Empowerment**

Giving workers more obligation and basic leadership power builds their domain of control over the assignments for which they are considered mindful and better prepares them to complete those errands. Subsequently, sentiments of disappointment emerging from being considered responsible for something one doesn't have the assets to do are reduced. Vitality is occupied from self-protection to enhanced assignment achievement.

**Creativity and Innovation**

At numerous organizations, representatives with imaginative thoughts don't express them to administration for trepidation that their info will be overlooked or criticized. Organization endorsement and toeing the organization line have turned out to be so instilled in some workplaces that both the worker and the association endure. At the point when the ability to make in the association is pushed down from the top to line work force, representatives who know a vocation, item, or administration best are given the chance to utilize their thoughts to enhance it. The ability to make rouses representatives and advantages the association in having a more adaptable work power, utilizing all the more admirably the experience of its workers, and expanding the trading of thoughts and data among representatives and divisions. These upgrades additionally make an openness to change that can give an organization the capacity to react rapidly to market changes and support a first mover advantage in the commercial center.

**Learning**

On the off chance that representatives are given the apparatuses and the chances to achieve all the more, most will tackle the test. Organizations can propel representatives to accomplish more by focusing on never-ending upgrade of worker aptitudes. Accreditation and authorizing programs for representatives are an undeniably prominent and powerful approach to realize development in worker learning and inspiration. Regularly, these projects enhance representatives' states of mind toward the customer and the organization, while reinforcing self-assurance. Supporting this statement, an examination of components which impact inspiration to-learn found that it is specifically identified with the degree to which preparing members trust that such interest will influence their employment or profession utility. At the end of the day, if the group of information picked up can be connected to the work to be refined, then the procurement of that learning will be a beneficial occasion for the worker and the employer.

**Quality of Life**

The quantity of hours worked every week is on the ascent, and numerous families have two grown-ups working those expanded hours. Under these circumstances, numerous specialists are left thinking about how to meet the requests of their lives past the work environment. Frequently, this worry happens while at work and may decrease a worker's efficiency and confidence. Organizations that have established adaptable worker game plans have increased spurred representatives whose profitability has expanded. Programs consolidating strategic scheduling, dense work filled weeks, or occupation sharing, for instance, have been fruitful in centering overpowered representatives toward the work to be done and far from the requests of their private lives.

**Monetary Incentive**

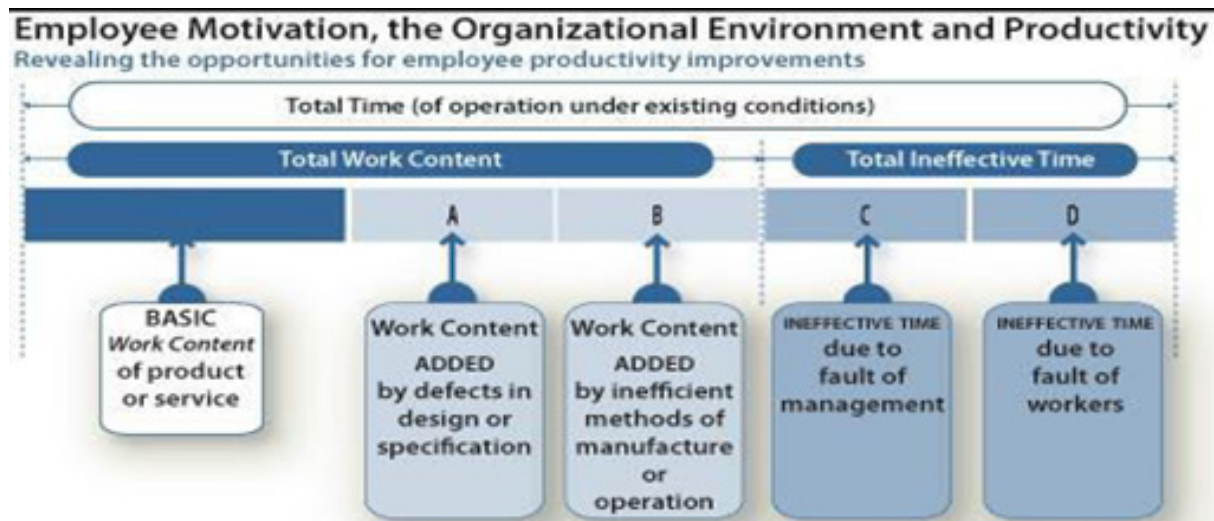
For all the championing of option inspirations, cash still possesses a noteworthy spot in the blend of helpers. The sharing of an organization's benefits offers motivating force to representatives to create a quality item, perform a quality administration, or enhance the nature of a procedure inside the organization. What advantages the organization straightforwardly advantages the representative. Financial and different prizes are being given to representatives for creating cost-investment funds or process-

enhancing thoughts, to support profitability and lessen truancy. Cash is successful when it is specifically fixing to a representative's thoughts or achievements. All things considered, if not combined with other, non-money related inspirations, its spurring impacts are fleeting. Further, fiscal motivations can demonstrate counterproductive if not made accessible to all individuals from the association.

**Other Incentives**

Study after study has found that the best inspirations of laborers are non-money related. Fiscal frameworks are lacking helpers, to a limited extent since desires frequently surpass results and in light of the fact that uniqueness between salaried people may separate instead of join workers. Demonstrated non-money related positive inspirations foster cooperation and incorporate acknowledgment, obligation, and headway. Administrators who perceive the "little wins" of representatives, advance participatory situations, and treat workers with decency and admiration will observe their representatives to be all the more exceptionally energetic. One organization's administrators conceptualized to think of 30 effective prizes that cost little or nothing to actualize. The best compensates, for example, letters of recognition and time off from work, improved individual satisfaction and sense of pride. Over the more drawn out term, true acclaim and individual signals are much more powerful and more sparing than recompenses of cash alone. At last, a project that consolidates money related prize frameworks and fulfills inherent, self-realizing needs might be the most strong worker spark.

**Illustration 1: Employee motivation principles**



**The ways to employee productivity**

• make work easier • make it simpler • make it quicker • make it rewarding • make it safer and • make it fun!

Over time, expect to yield performance improvements in areas A, B, C, and D when optimizing the organizational environment. (Use our supervisory guide to productivity improvement to measure / quantify A, B, C, and D. (Click [HERE](#) for details.))

The importance of the application of ergonomics and effective formal and informal communications is stressed.

- Good ergonomics reduces time and effort.
- Amazing ideas for improvement come from those most undervalued employees—talk and listen to all. Seek and you will find, ask and you will receive.

Entirely separated from the advantage and good estimation of an unselfish way to deal with regarding associates and representatives as individuals and regarding human poise in all its structures, looks into and perception demonstrate that well motivated workers are more gainful and innovative.

### **What is the stimulation of the employees?**

Numerous managers still hold the old feeling that an employee will complete his occupation constrained by good and cash. Obviously, both are viable for pulling the occupation off. Else they could complete it without productivity. It is set to trust that capable work genuinely influence the venture's proficiency. Despite what might be expected, with a higher work excited, individuals can effectively perform work, in order to upgrade the organization in this appreciation advantage. What we ought to do is simply given each representative a chance to be keen on his work and stir his excitement to make the organization's advantages the entire upgrade.

The purported faculty consolation implies the enterprise invigorates from outside to actuate the staff's needs, longings and inspirations. Structure a particular objectives and protect when the representative achieve his objective he remains a high spirits, supportable positive state and discharges the boundless mechanical potential. The mental studies demonstrate that individuals are spurred while they encounter some unsatisfied needs or uncompleted objectives. In this way, the necessities or objectives, can be either physical and material, or mental and otherworldly. As a general rule, individuals' interest is not single.

Workers are "trainable"- at one level, people are just creatures and the practices can be comprehended as a progression of boost and reaction designs. At an extremely fundamental level, we rehash practices that have worked for us in the past and neglect to rehash practices that have not worked for us. This idea is called behaviorism and it says that when representatives are compensated for good conduct, they will rehash the conduct. In an awful occupation, the main compensate a representative gets is a paycheck and he or she will do as meager as could reasonably be expected to continue getting that remunerate.

In a great job, there are steady remunerates; even acclaim can be viewed as a spurring compensate that supports great conduct.

An intriguing thing to note about behaviorism is that discipline is just used to decrease conduct. In the event that you need any kind of conduct to expand, you have to compensate the conduct, not rebuff a man for absence of it. For instance, on the off chance that you need a worker to tidy up their range toward the end of the movement, discipline for not cleaning won't ingrain the conduct (despite the fact that it may work for some time). On the off chance that you really need to change conduct, you have to give a prize for cleaning the region. This doesn't mean you have to chase after your representative's tossing treats throughout the day. The prize can be, "when your zone is cleaned, you can go home". In the event that going home is remunerating, that will soon get to be connected with cleaning the region. You would prefer not to get in the propensity for treating representatives like pets, however it regards comprehend the essential way of human conduct and how support functions.

Employees need to feel engaged enormous conduct issues can come about because of workers feeling weak in their parts. Feeling weak can show itself in various courses with various workers; some will take a uninvolved forceful position, picking up force by what they don't do as opposed to what they do. Different workers may react to sentiments of frailty by more forceful means, such as tattling and abusing the organization. Still others may take out the sentiments on subordinates or even on their clients.

## **5 ways to encourage employee behaviour through motivation**

### **1. Adjusting individual financial interests to organization execution**

It takes more doing at the most elevated administration levels than the rest. In any case, impetus pay programs that give workers at all levels of an association an opportunity to advantage when an organization succeeds can actually support inspiration (accepting strong individual execution with the goal one should partake in money related prizes).

### **2. Taking a real enthusiasm for the future way of a employee's vocation**

It does ponders for a worker's state of mind to trust that a supervisor truly thinks about where his or her profession is going. Tutoring, instructing, proposing extra preparing or coursework

- these can be useful to workers, and very esteemed.

### **3. Taking a sincere enthusiasm for their work-life equalization**

To the degree that administrators can offer some adaptability in timetables and to be understanding about family duties, medical checkups et cetera – such affectability can be enormously refreshing. Little motions regularly have a major effect.

### **4. Giving a purpose**

Managers need to be ready to motivate its workers by giving them a reason. When achieving that, they comprehend the vision better and can execute all the more emphatically. What's more, by comprehension their motivation and the reason for the business, a worker is better ready to see how they fit into the 10,000 foot view.

### **5. Being Transparent**

Trying to be exceptionally open with workers about what's going on at the most abnormal amount so there are no curve balls and everybody has an opportunity to make inquiries and give input. The representatives need to feel incorporated into major choices and focused on the bearing our organization takes. This has managed inspiration and expanded organization faithfulness and pride.

## **Data**

When it comes to demographic data, I found out that the percentage of males and females are almost the same (51,06% of males). From the age point of view, the majority was between 18 and 40 years old (57, 45%). Further on, i found out that the majority have finished high school (34, 04%) and graduated from faculty (34, 75%). Looking at income, the majority have an income between 801 and 1600 KM. (50, 35%). The most

respondents in my research were married (54,61%). At the end, the biggest number of respondents have working experience 10 or more years (35,71%). See Table 1.

**Table 1:** Demographic profile of respondents

Demographic profile of respondents			
	Categories	Number (#)	Percentage (%)
Gender	Male	72	51,06
	Female	69	48,96
Age	18-40	81	57,45
	41-60	57	40,34
	61 or more	3	2,13
Level of education Status	Elementary school or lower	2	1,42
	1 - 3 grades of high school	9	6,38
	Finished high school	48	34,04
	1 - 3 years of faculty	19	13,48
	Graduated	49	34,75
	Master studies	10	7,09
Monthly income	Phd	4	2,84
	Less than 800 KM	43	30,50
	801 - 1600 KM	71	50,35
	1601 – 2400 KM	20	14,18
Marital status	2400 KM or more	2	1,42
	Single	25	17,73
	In relationship	30	21,28
	Married	77	54,61
	Divorced	6	4,26
Working experience	Widowed	3	2,13
	Less than 1 year	13	9,29
	1 – 3 years	34	24,29
	3- 5 years	20	14,29
	5 – 10 years	23	16,43
	10 or more years	50	35,71

Average satisfaction among respondents is around 3,87 on scale from 1 to 5 and the most frequent grade for satisfaction is 4 (mode). The lower standard deviation is the more data points are centered around the mean, in this case the standard deviation is 1,1 which means that the numbers in the range are clustered near mean. See Table 2.

**Table 2:** Average job satisfaction

I am satisfied with status in firm where I work.		
N	Valid	141
	Missing	0
Mean		3.87
Median		4.00
Mode		4
Std. Deviation		1.101
Minimum		0
Maximum		5

Average response in survey which respondents choose when it comes to equal behaviour toward manager and employees processes is 3,82 on scale from 1 to 5 and the most frequent grade for satisfaction is 5 (mode). The standard deviation is 1,29 which means that the numbers in the range are clustered near mean, but less than in previous example. For more details, see Table 3.

**Table 3:** Fair treatment between manager and employees

The company where I work treats fairly when it comes to equal behaviour toward manager and employees processes.		
N	Valid	141
	Missing	0
Mean		3.82
Median		4.00
Mode		5
Std. Deviation		1.291
Minimum		1
Maximum		5



From Table 4 it can be seen that 31, 9% agree and 23, 4% of respondents strongly agree that their company is constantly improving in employee motivation in order to gain organisational benefit.

**Table 4:** *Effects of motivation on organisation*

The company where I work is constantly improving in employee motivation in order to gain organisational benefit.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	2.8	2.8	2.8
	Disagree	23	16.3	16.3	19.1
	I don't know	36	25.5	25.5	44.7
	Agree	45	31.9	31.9	76.6
	Strongly agree	33	23.4	23.4	100.0
	Total	141	100.0	100.0	

From the Table 5. we can see that 35, 5% agree and 17% of respondents strongly agree that their companies are doing the right thing while controlling the environment in which employees operate on a daily basis.

**Table 5:** *Control of the environment*

The company where I work is doing the right thing while controlling the environment in which employees operate on a daily basis.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	4.3	4.3	4.3
	Disagree	19	13.5	13.5	17.7
	I don't know	42	29.8	29.8	47.5
	Agree	50	35.5	35.5	83.0
	Strongly agree	24	17.0	17.0	100.0
	Total	141	100.0	100.0	

In Table 6. we can see that 37, 6% agree and 27% of respondents strongly agree that their company rationally stimulate and motivate their employees in order to create more productive business environment.

**Table 6:** Stimulation and motivation of employees

The company where I work rationally stimulates and motivates their employees in order to create more productive business environment.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	3.5	3.5	3.5
	Disagree	17	12.1	12.1	15.6
	I don't know	28	19.9	19.9	35.5
	Agree	53	37.6	37.6	73.0
	Strongly agree	38	27.0	27.0	100.0
	Total	141	100.0	100.0	

**Conclusion**

Employee engagement is drawing in a lot of enthusiasm from businesses over various areas. In some regards it is an exceptionally old yearning – the craving by businesses to discover approaches to expand representative inspiration and to win more duty to the occupation and the association. In some ways it is “new” in that the connection inside which engagement is being looked for is changed. One part of this distinction is the more prominent punishment to be paid if specialists are less connected with than the representatives of contenders, given the condition of worldwide rivalry and the raising of the bar on productivity measures. A second perspective is that the entire way of the significance of work and the guidelines for vocation relations have moved and there is an open space concerning the character of the relationship to work and to association which managers sense can be loaded with more advanced methodologies.

In any case, there is motivation to stress over the absence of thoroughness that has, to date, frequently portrayed much work in worker engagement. On the off chance that we keep on referring to “engagement” without comprehension the potential antagonistic results, the centre prerequisites of achievement, and the procedures through which it must be executed, and on the off chance that we can't concur even to a reasonable meaning of what individuals should be occupied with doing any other way at work (the drew ‘in what’ question), then engagement may simply be one more ‘HR thing’ that is here for a brief span. On a positive note, there is presently a more extensive cluster of estimation methods with which to evaluate patterns in engagement and a related exhibit of ways to deal with impact some change. In this manner, goal can all the more plausibly be deciphered enthusiastically.

Making a work environment with brilliant resolve and persuaded representatives is a long haul venture, and should be installed inside the fabric of an organisation's every day operations. Profoundly energetic and connected with faculty are a colossal advantage for any organisation.

Growing all around spurred employees prompts more fulfilled clients and higher deals; this thus prompts more prominent employee inspiration and makes an idealistic circle. Exceptionally energetic employees are liable to be locked in workers, willing to run the additional mile with clients, and to remunerate their managers with dedication, abnormal amounts of profitability, and more prominent development.

Many economic theories recommend that independent from anyone else proprietorship is unrealistic to enormously influence specialist exertion and execution. Proprietorship must be consolidated with employee association and different approaches that give labourers the ability to follow up on possession motivations and the attitude to oppose the propensity to free ride. My examination of labourer reported exertion crosswise over firms and of specialists inside two firms underpins these contentions. I find critical contrasts in specialist evaluation of work exertion crosswise over ESOP firms, demonstrating that even in firms with significant representative possession, different components impact results. Relating specialist reported results to their feeling of proprietorship and a file of HR arrangements demonstrates that possession and HR approaches are both emphatically connected to worker reports of working environment execution, which is itself identified with organization execution.

My analysis of employee's reaction to colleagues who perform inadequately demonstrates that specialists on employee contribution boards of trustees or who generally report being included in setting objectives for their work gathering will probably talk specifically with non-performing labourers and are less inclined to do nothing. Thoughtfully, a comprehension of how representative proprietorship functions requires a three-pronged examination of: (1) the motivators that possession gives; (2) the participative instruments accessible to specialists to follow up on those impetuses; and (3) motivators/corporate society that balances inclinations to free ride. All organizations, whether representative possessed or not, need to consolidate these three components to inspire labourers to execute admirably well. Representative proprietorship gives an unmistakable answer for the impetus issue, however should at present manage the investment and free-riding issues.

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