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Industrial Psychology and Industry Psychology in Conflict: A Cause-and-Effect Study of State-Owned Industries' Underperformance in Kerala

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ABSTRACT

This paper explores the interplay between Industrial Psychology and Industry Psychology in understanding workforce behaviour and bridging the gap between expected and actual performance, with a particular focus on industrial contexts. Industrial Psychology, the human-cantered dimension, examines individual behaviour, cognition, emotions, and motivation, aiming to enhance personal development, skill acquisition, and workplace well-being. Industry Psychology, the organization-cantered perspective, emphasizes organizational goals, vision, mission, policies, and value systems in shaping employee behaviour, ensuring alignment with collective objectives, and fostering purpose-driven productivity. The progression from underperformance to optimal achievement is conceptualized through a Growth Journey comprising four psychological zones: Comfort, Fear, Learning, and Growth. The Comfort Zone offers stability and familiarity but limits innovation and initiative, often leading to stagnation. The Fear Zone introduces hesitation, low confidence, and reliance on external opinions, reflecting a psychological defence against failure. The Learning Zone represents a turning point, where individuals confront challenges, acquire new skills, and expand their capabilities through curiosity and resilience. Finally, the Growth Zone signifies maturity, self-actualization, and intrinsic motivation, where employees align personal purpose with organizational vision, contributing to high performance and sustained productivity. This study highlights the cause-and-effect relationship between mismatches in human-cantered and organization-cantered psychological frameworks. Misalignment between individual behaviour and organizational intent can result in underperformance, stagnation, or disengagement. By understanding these zones and applying tailored interventions — such as structured learning, mentorship, and goal alignment — organizations can harmonize employee mind-set with organizational purpose, fostering innovation, engagement, and sustainable growth. The findings offer actionable insights for managers, industrial psychologists, and policymakers to design effective strategies that bridge performance gaps while promoting both individual fulfilment and organizational excellence.

***Keywords**: Industrial Psychology, Industry Psychology, Policymakers, Sustainable Growth, Self-Actualization.*

Introduction

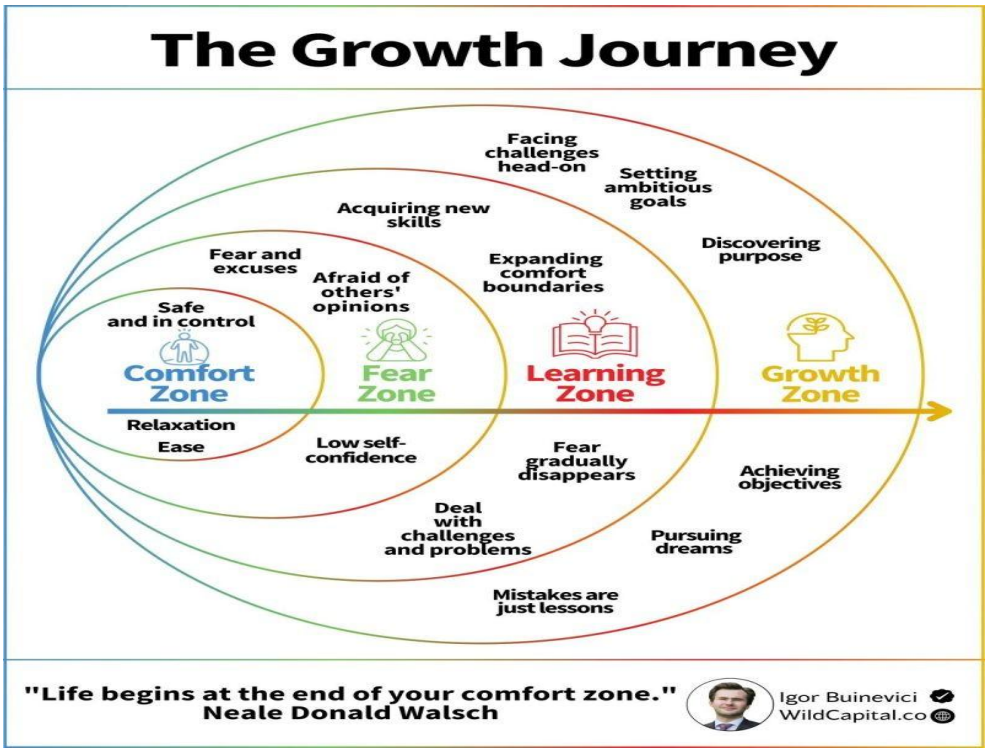
Industrial Growth Journey

Industrial Psychology and Industry Psychology collectively provide a comprehensive understanding of workplace behaviour, performance, and organizational effectiveness. **Industrial Psychology** focuses on the individual — analysing behaviour, cognition, motivation, and emotions to enhance skill development, job satisfaction, and overall well-being. In contrast, **Industry Psychology** is organization-cantered, emphasizing the vision, mission, goals, and policies that guide workforce

behaviour and ensure alignment with collective objectives. The interaction between these two domains is critical: a mismatch between individual mind-set and organizational intent often results in underperformance, stagnation, and disengagement.

In the context of Kerala's industrial sector, underperformance is observed across small-scale manufacturing, production units, and service industries. Many workers exhibit proficiency in routine tasks but lack initiative, innovation, or alignment with organizational goals. This scenario underscores the need for a dual psychological perspective, considering both **individual-cantered strategies** (skill development, motivation) and **organization-cantered frameworks** (goal clarity, culture, incentives) to address performance gaps.

The pathway from underperformance to optimal achievement can be conceptualized through a **psychological Growth Journey**, consisting of four progressive zones:



Comfort Zone

The Comfort Zone is characterized by safety, familiarity, and control. Employees perform routine tasks efficiently but exhibit limited creativity or initiative. While operational consistency is maintained, prolonged comfort leads to stagnation and diminished motivation for improvement. Managers must identify this phase and introduce **mild challenges** or **gradual skill enhancement programs** to stimulate growth without inducing fear.

- **Key traits:** Safety, control, low risk, stability
- **Barrier:** Resistance to change, low innovation
- **Strategy:** Constructive challenges, incremental skill development

Fear Zone

Transitioning beyond comfort often brings uncertainty and discomfort. In the Fear Zone, employees experience low confidence, heightened sensitivity to criticism, and a focus on problems rather than solutions. This stage functions as a psychological defence mechanism, protecting individuals from perceived failure or judgment. Organizational interventions — including **mentoring, emotional support, and a psychologically safe environment** — are crucial to help employees overcome fear and develop initiative.

- **Key traits:** Low confidence, problem-focused thinking, external influence, excuses
- **Barrier:** Emotional insecurity, avoidance behaviour
- **Strategy:** Foster trust, open communication, guided mentorship

Learning Zone

The Learning Zone marks the onset of transformation. Employees actively seek opportunities, embrace challenges, and acquire new skills. This stage aligns with **transformational learning principles**, where experiential engagement leads to cognitive and behavioural change. Organizations support this phase through **training programs, cross-functional exposure, and continuous feedback**, enabling employees to internalize the importance of on-going improvement.

- **Key traits:** Curiosity, problem-solving, skill acquisition, resilience
- **Barrier:** Overwhelm from new responsibilities
- **Strategy:** Structured learning, supportive leadership, recognition for effort

Growth Zone

The Growth Zone represents maturity, self-actualization, and intrinsic motivation. Employees align personal goals with organizational vision, demonstrate high self-esteem, and act with purpose-driven confidence. At this stage, the gap between expected and actual performance narrows, leading to enhanced productivity, creativity, and organizational culture. Interventions include fostering **autonomy, recognition of achievements, and maintaining a culture of continuous growth**.

- **Key traits:** Goal setting, self-motivation, vision, achievement
- **Barrier:** Sustaining long-term motivation
- **Strategy:** Encourage autonomy, reward performance, maintain growth-oriented culture

Industry Growth Journey

(Understanding Organizational Maturity through the Psychology of Industry)

Industry Psychology explores the collective mind set, adaptability, and behavioural dynamics of organizations as living, evolving systems. Just as individuals pass through psychological stages toward

growth, industries too undergo developmental transitions reflecting their leadership values, cultural maturity, and strategic orientation. The journey from survival to sustainable excellence can be conceptualized through **four progressive zones**, where the organization learns not only to grow but also to **swing in rhythm with market trends** — adapting without losing identity.

Survival Zone

At this foundational stage, industries operate in a **reactive mode**, seeking immediate stability and survival. The focus remains on daily operations, managing crises, and ensuring financial continuity. Decision-making is short-term and anxiety-driven, mirroring a *psychology of dependence*. There is minimal awareness of market shifts, and responses are usually delayed or defensive.

- **Key Traits:** Uncertainty, dependence on leadership, limited foresight
- **Barrier:** Lack of systems and market insight
- **Strategy:** Build structural foundations, establish financial discipline, initiate market awareness programs

Discipline Zone

After overcoming instability, industries enter the **Discipline Zone**, emphasizing structure, standardization, and control. The focus shifts toward compliance, policy adherence, and operational precision.

This phase ensures consistency and accountability but may lead to rigidity if overemphasized. Psychologically, the industry begins to recognize external factors — competition, customer expectations, and **market movements** — but still reacts cautiously, fearing instability.

- **Key Traits:** Structure, consistency, rule-based management
- **Barrier:** Bureaucracy, limited flexibility
- **Strategy:** Balance compliance with creativity, introduce participatory management, start strategic scanning of market trends

Innovation Zone

Here, the organization becomes **adaptive and exploratory**. It starts anticipating market changes rather than reacting to them.A culture of **continuous learning, experimentation, and flexibility** emerges, reflecting a *psychology of innovation and agility*.Leaders encourage employees to reinterpret challenges through creativity.This stage is where industries truly begin to **swing with market trends** — not through imitation, but through insight-driven adaptation.

- **Key Traits:** Creativity, responsiveness to market shifts, knowledge sharing, collaboration
- **Barrier:** Inconsistent leadership commitment, fear of rapid change
- **Strategy:** Institutionalize innovation cells, reward proactive adaptation, promote data-driven decision-making, foster cross-functional teamwork

Purpose Zone

The **Purpose Zone** represents the psychological maturity of an industry — where growth becomes value-driven and strategically stable.Here, the organization not only adapts to the market but **influences it through innovation, ethics, and long-term vision**.The focus expands from profit to purpose: sustainability, human development, and social responsibility.

The organization swings with the market trend **without losing its balance**, demonstrating wisdom — not just flexibility.

- **Key Traits:** Vision alignment, resilience, ethical leadership, strategic adaptability
- **Barrier:** Complacency after success, dilution of purpose
- **Strategy:** Maintain visionary leadership, engage in continuous renewal, align market responsiveness with ethical and social goals

The Psychology of Alignment

Sustainable growth occurs when **Industrial Psychology (the individual mind)** and **Industry Psychology (the organizational mind)** evolve in sync — both capable of adapting to internal goals and external market dynamics.An organization that resists market change stagnates; one that follows trends

blindly loses identity. The true psychological strength lies in maintaining a **dynamic equilibrium** — swinging with the market rhythm, yet standing firm on values.

The *Industry Growth Journey* is both structural and psychological. From mere survival to visionary leadership, industries mature by developing **awareness, adaptability, and authenticity**. The ability to swing in harmony with market trends — without compromising values — marks the pinnacle of industrial wisdom.

Indian Scenario: Industry Psychology and Industrial Psychology — A Study of Divergence

The Indian industrial ecosystem operates within a complex psychological framework shaped by two interdependent but often conflicting domains — **industry psychology** and **industrial psychology**. Understanding the relationship between these two dimensions is crucial in addressing the chronic underperformance observed across India's manufacturing, service, and emerging technology sectors.

- **Industry Psychology: The Strategic and Policy Mind-set**

"**Industry psychology**" refers to the collective **mission, vision, goal orientation, and policy behaviour** that define an industry's overall direction. It embodies how the industry perceives growth, competition, and human capital. In India, many industries still operate within a **protectionist and survivalist mind set**, prioritizing short-term compliance over long-term innovation.

For instance, in traditional sectors such as textiles, construction, and small-scale manufacturing, the industrial mission is often limited to maintaining production levels rather than fostering creativity or sustainability. This narrow vision results in **policy stagnation**, discouraging up skilling, innovation, and performance-linked reward systems.

Example:

- A medium-sized textile cluster in Tamil Nadu may adopt productivity targets but lack a mission for technological integration or workforce empowerment. The absence of a transformative policy mind set traps the entire industry within mediocrity.

- **Industrial Psychology: The Human Performance Mind-set**

"**Industrial psychology**" operates at the **micro-level**, focusing on the psychological states of individuals — their motivation, adaptability, and response to organizational structures. Workers and professionals move through psychological phases — from **comfort** to **fear**, **learning**, and finally **growth** — depending on how well their environment aligns with personal goals and recognition.

In India, many employees remain in the **comfort or fear zone**, constrained by rigid hierarchies, lack of participation in decision-making, and limited prospects for growth. Even when individuals aspire to learn and innovate, institutional culture rarely supports such transition.

Example

- A skilled engineer in a public sector unit may wish to implement new safety protocols, but bureaucratic indifference discourages initiative, pushing them back into compliance-driven behaviour.

- **The Dissonance Between the Two Psychologies**

Industrial inefficiency often arises when **industry psychology (goals and policies)** and **industrial psychology (human motivation and behaviour)** move in **opposite directions**.

- When industries design missions focused purely on profit or output, workers lose emotional connection to the vision.
- When the workforce is ready for innovation but the industry's vision remains static, initiative fades.
- When management policies are disconnected from ground realities, even the most skilled workforce operates below potential.

This **psychological mismatch** results in stagnation, absenteeism, and declining creativity — symptoms widely observed across Indian sectors. It becomes evident that underperformance is not merely an economic failure but a **psychological misalignment** between institutional intent and human potential.

- **Synchronizing Industry and Industrial Psychology**

For India's industrial landscape to evolve, both levels must achieve **psychological synchronization**. The industry's mission and policy framework should consciously integrate human motivation and learning behaviour. Conversely, individual workers should be empowered to internalize industrial goals as part of their personal growth journey.

A psychologically aligned system ensures that:

- **Vision** inspires participation.
- **Policy** fosters innovation.
- **Workforce behaviour** reflects ownership rather than compliance.

When industry psychology (mission, vision, policy) and industrial psychology (motivation, learning, growth) converge, organizations transcend operational routines and move toward **transformational performance**. Such alignment is key to building globally competitive and psychologically resilient industries in India.

Application in Kerala's Industrial Context

In Kerala, industries often face challenges such as low innovation in traditional manufacturing, labour skill gaps, and misalignment between workforce mind-set and organizational goals. Workers may remain in the Comfort or Fear Zones due to limited exposure, lack of training, or unclear organizational objectives. By applying the dual framework of Industrial and Industry Psychology, organizations can:

- Identify psychological barriers to performance
- Align worker behaviour with organizational vision and goals
- Implement targeted interventions (training, mentoring, goal-setting)
- Encourage progression through the Comfort → Fear → Learning → Growth trajectory

Through this integrated approach, Kerala's underperforming industries can transform potential into measurable productivity, employee satisfaction, and sustainable industrial growth.

Bridging the gap between expected and underperformance is a psychological evolution rather than a managerial directive. Industrial Psychology highlights that employees transition through stages of comfort, fear, learning, and growth — each demanding specific interventions. By recognizing these stages and applying tailored motivational strategies, organizations can cultivate resilient, high-performing individuals who find meaning and satisfaction in their work. Ultimately, understanding this journey allows both leaders and employees to transform potential into sustained excellence.

Industrial Psychology, also known as Occupational or Organizational Psychology, is the scientific study of human behaviour in the workplace. It focuses on understanding how psychological principles can be applied to improve employee performance, satisfaction, and overall organizational effectiveness. In today's competitive world, organizations expect employees to consistently meet or exceed performance standards. However, there often exists a gap between *expected* and *actual* performance. This gap is not merely a result of technical incompetence but is deeply rooted in psychological factors such as motivation, mind-set, confidence, and adaptability.

Employees undergo a gradual psychological journey as they evolve from comfort and complacency to confidence and creativity. This journey can be represented through four distinct stages — the **Comfort Zone**, **Fear Zone**, **Learning Zone**, and **Growth Zone**. Each stage reflects a different state of mind that influences behaviour, productivity, and potential.

Understanding these zones helps both individuals and organizations identify where they currently stand and what psychological interventions are needed to progress. Industrial psychologists emphasize that sustainable performance enhancement comes not from external pressure alone, but from internal transformation — a shift from fear and self-doubt toward learning, vision, and purpose.

This journal explores these four levels in depth, signifying the vital psychological and behavioural factors required to bridge the gap between underperformance and excellence. By tracing this developmental path, it aims to provide insights into how employees can overcome internal barriers, embrace learning, and achieve personal and organizational growth.

The Misalignment between Industry Psychology and Industrial Psychology in Kerala

The performance and behavioural patterns observed across Kerala's public and industrial sectors reveal a significant disconnect between **industry psychology**—the mission, vision, and policy orientation of the organization—and **industrial psychology**—the motivation, adaptability, and mind-set of individual workers. This divergence manifests through the following observations:

- **Low Employee Engagement and Static Industry Vision**

While most organizations maintain broad missions and policy statements emphasizing efficiency and innovation, the **industrial psychology of employees** remains confined to the **Comfort Zone**. Workers perform repetitive tasks without internalizing the organization's mission as a personal goal. The **industry psychology**, which should inspire a collective drive for progress, instead remains abstract and disconnected from everyday performance.

Result: Routine efficiency without passion; productivity sustained at minimum levels with no significant value addition or innovation.

- **Fear and Resistance to Change as a Systemic Trait**

The **Fear Zone** is not merely a personal issue among employees but **a psychological reflection of the industry's policy environment.** Overregulation, rigid hierarchies, and political interference cultivate a culture where employees fear criticism, transfer, or job insecurity for attempting change.

Result: Industrial psychology (individual fear) mirrors industry psychology (institutional risk aversion), creating a self-perpetuating loop of stagnation that hinders reform, modernization, and efficiency.

- **Underutilization of Learning Opportunities**

Despite formal missions emphasizing "capacity building" and "employee development," the **industry psychology** often treats training as a ritual rather than a strategic investment. Employees, responding to this lack of seriousness, approach learning programs passively.

Result: Industrial psychology remains trapped between comfort and fear zones; skill enhancement programs fail to yield measurable outcomes because the larger industry vision does not reward or recognize applied learning.

- **Absence of a Growth-Oriented Culture**

A true **Growth Zone culture** emerges when organizational vision aligns with personal aspiration. However, most industries in the state exhibit **mission fatigue**—vision and goals exist on paper but fail to inspire. Without a psychologically engaging mission or policy support, employees lack intrinsic motivation.

Result: Disconnected goals and absent leadership communication prevent synergy between collective purpose (industry psychology) and individual ambition (industrial psychology).

- **Decline in Organizational and Economic Performance**

The psychological dissonance between the two levels culminates in **reduced productivity, declining innovation, and ineffective resource utilization**. Even when infrastructure, finance, and manpower are adequate, the absence of psychological alignment prevents optimal performance.

Result: Industries and public institutions remain operational but underperforming—functionally stable yet psychologically stagnant.

Synthesis

Kerala's industrial underperformance thus cannot be attributed solely to economic or managerial shortcomings. It represents a deeper **psychological misalignment** between the **institutional mind-set (industry psychology)** and the **human behavioural mind-set (industrial psychology)**. Bridging this gap requires industries to **redefine their mission and policy frameworks** around human motivation, empowerment, and purpose — ensuring that every employee sees the organizational vision not as an external directive but as an internalized personal goal.

History :Industry- Public Sector Undertakings

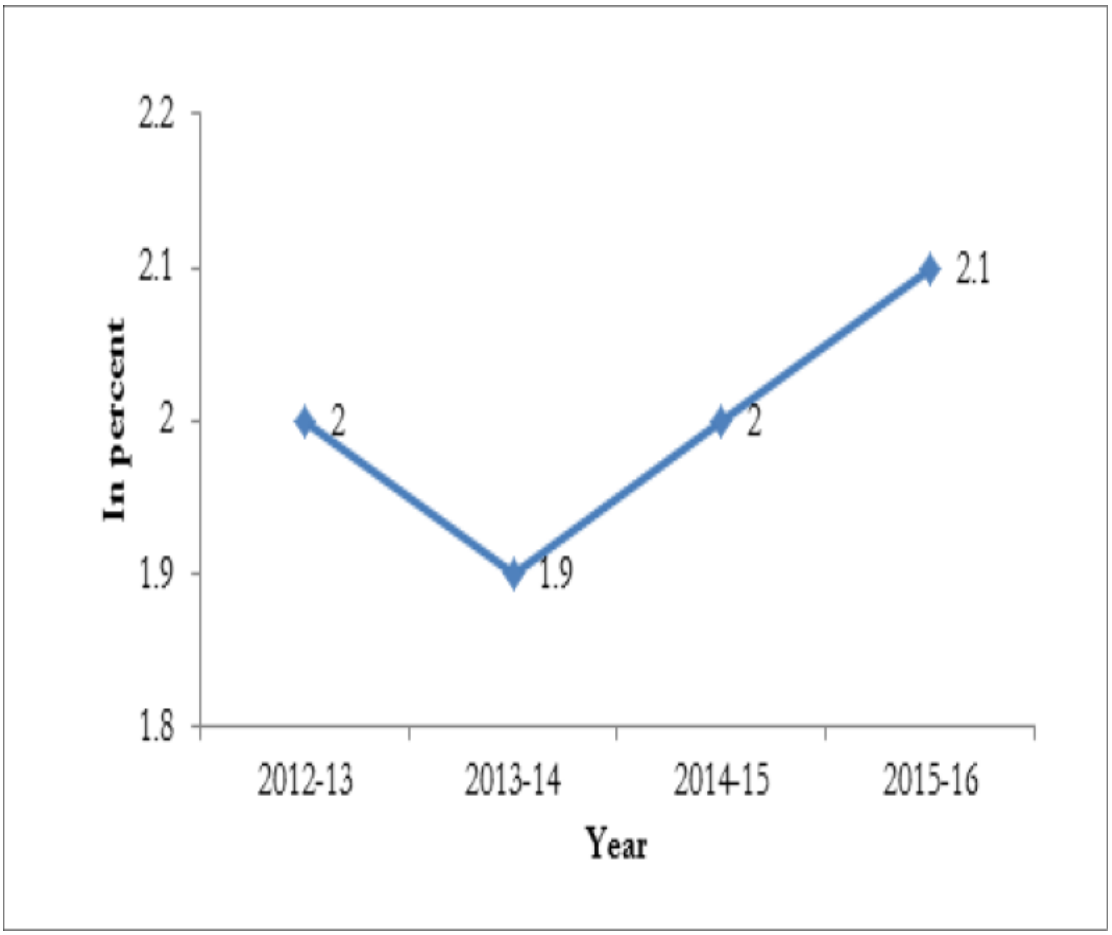
Reference : Economic Review 2017 :State Planning Board, Thiruvananthapuram, Kerala, India. (The Economic Review 2017 includes recent data, policies and programmes of the Government

departments. It provides an insight into the development strategies of various sectors, the performance achieved under the plan schemes and the issues to be addressed in the coming years).

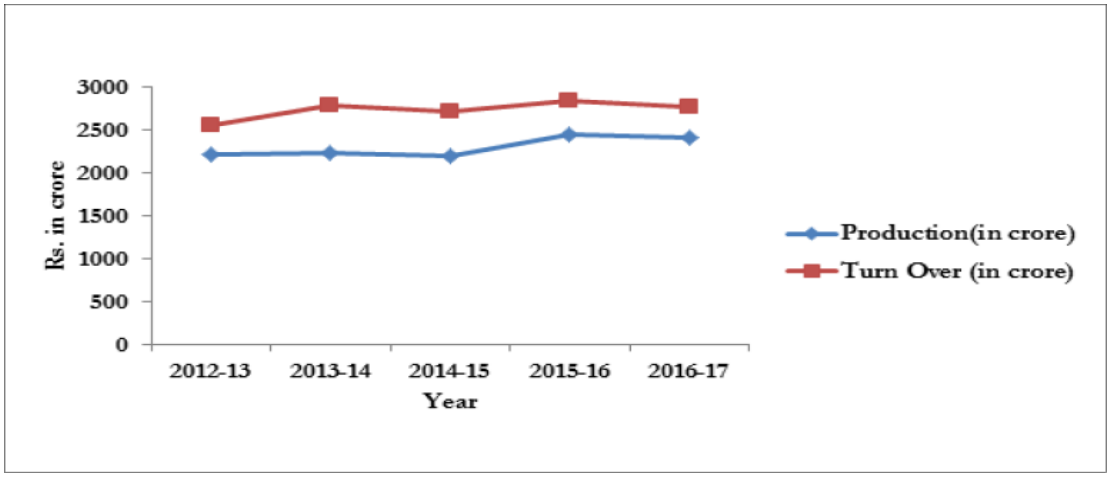
Public Sector Undertakings (PSU), both at the Central and State level, have played an important role in the industrialisation and the overall development of the country. They have been set up with the objective to help the country achieve self-sufficiency in manufacturing and technology. As on 31 March, 2016, there were 320 Central Public Sector Undertakings under the administrative control of various ministries/departments in India. Out of these, only 244 are in operation. In 2015-16, the combined profit of 165 Central PSUs was 1,400 billion while there were 78 sick Central PSUs, generating a combined loss of 287.5 billion.

Kerala's share in investment Central PSUs from 2012-13 to 2015-16 is exhibited in Figure 3.1.3. It may be seen that the share of Kerala has declined in 2013-14 and started increasing thereafter.

Share of Kerala in investment by Central PSUs, in per cent



Value of Production and Turnover of State PSUs under Industries Department, Government of Kerala*



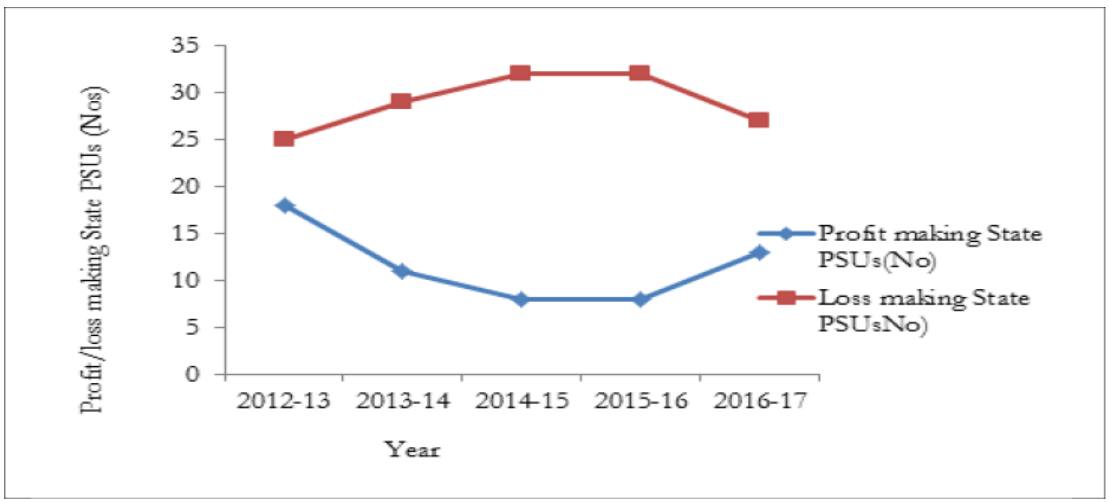
State Public Sector Undertakings

In Kerala, State Public Sector Undertakings play a crucial role in the development of the economy, especially in the manufacturing sector. PSUs consist of State Government companies and Statutory Corporations established to carry out activities of commercial nature. As per the report of the Comptroller and Auditor General of India on Public Sector Undertakings in Kerala, there were 128 Public Sector Undertakings as on 31 March 2016. Out of the 128 Government companies, 113 (109 Government Companies and 4 Statutory Corporations) are currently working while 15 are non-working PSUs. The working PSUs in Kerala registered a combined turnover of 198.7 billion (which is equivalent to 3.4 per cent of State's GSDP). The working PSUs had accumulated a loss of 3,136.8 crore and the total investment as on 31 March 2016 in 128 PSUs was 19,786.9 crore. An analysis of the latest finalised accounts of all working PSUs in the State revealed that the total profit of 50 PSUs was 395.5 crore whereas the total loss of 56 PSUs was 10,19.3 crore. Three working PSUs had no profit or loss.

State Public Sector Undertakings under Industries Department

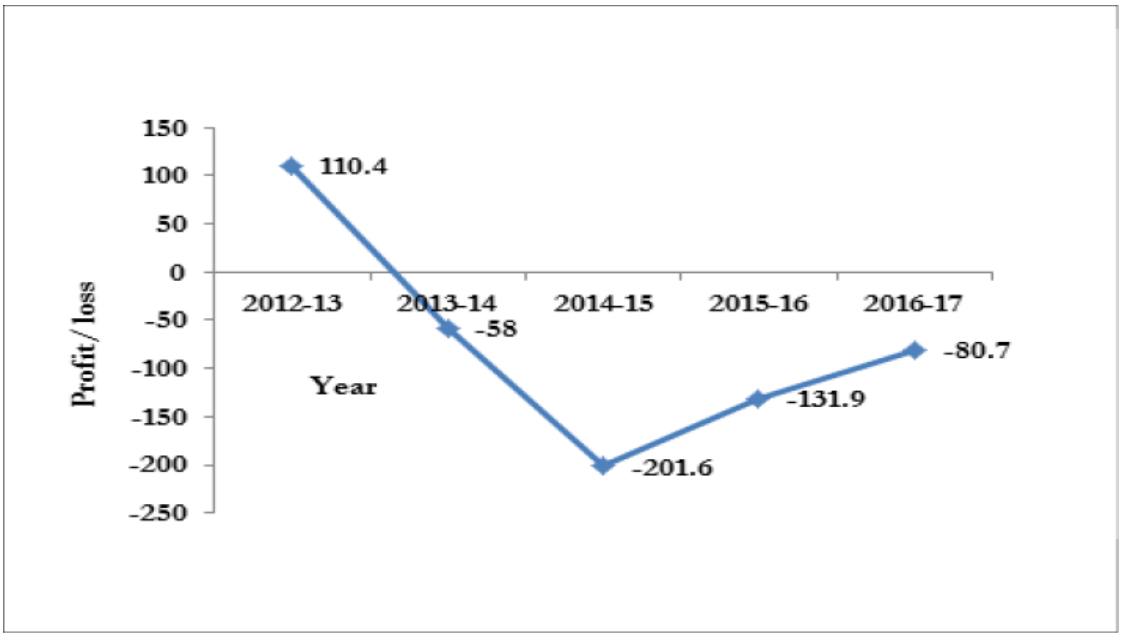
Under the Industries Department, Government of Kerala, there are 40 PSUs, of which 7 are in chemical sector, 4 in electrical sector, 6 in engineering sector, 3 in electronic sector, 8 in textile sector, 2 in ceramic sector, 6 in traditional sector, 1 in wood based sector and 3 in development sector. Performance trend of 40 State PSUs from 2012-13 to 2016-17 is depicted below:-.

Net Profit/Loss of State PSUs Under Industries Department



It may be seen that there has been no significant changes in the total turnover and total value of production of these State PSUs for the last five years. The combined net profit made by all 40 State PSUs under the Industries Department was 110.41 crore in 2012-13. However, from 2013-14 onwards, the combined net profits of these State PSUs has been negative. It was (-)131.9 crore in 2015-16 and (-)80.7 crore in 2016-17. The performance of State PSUs under Industries Department during the last 5 years is given below:

Net Profit/Loss of State PSUs Under Industries Department



Public Sector Undertakings (PSUs), both at the Central and State levels, have played a vital role in India's industrialisation and overall economic development. They were established with the objective of achieving self-sufficiency in manufacturing, technology, and essential industries. As of 31 March 2016, there were 320 Central Public Sector Undertakings under the administrative control of various ministries and departments in India. Out of these, 244 were operational. During the financial year 2015–16, 165 Central PSUs together earned a profit of ₹1,400 billion, while 78 PSUs were classified as "sick," incurring a combined loss of ₹287.5 billion.

While there are numerous **technical, financial, and managerial reasons** behind the sickness or underperformance of industries, the present study moves beyond these conventional explanations and focuses on the **psychological aspects** influencing industrial performance. Specifically, it examines the **psychological conflict between the industry and the workers**, which often manifests as mistrust, lack of motivation, poor communication, and reduced productivity.

In this context, it is important to distinguish between **industry psychology** and **industrial psychology**. *Industry psychology* (or organisational psychology) primarily concerns the psychological framework of the organisation itself — its culture, leadership style, communication systems, and the pursuit of its **vision and mission**. It aims to align human behaviour with organisational objectives, ensuring that the internal environment remains conducive to growth, efficiency, and innovation.

Industrial psychology, on the other hand, focuses on the **psychology of the workers**. It studies the attitudes, motivation, satisfaction, and emotional engagement of employees toward their work and workplace. Its core concern is the development of a **positive mindset among workers**, which leads to improved performance, commitment, and productivity.

Therefore, the health of any industry depends on the **harmony between these two psychological dimensions** — the organisation's strategic goals (industry psychology) and the workers' attitudes and emotional well-being (industrial psychology). When these two are aligned, industrial peace and productivity flourish; when they conflict, inefficiency, dissatisfaction, and decline often follow. This

study, therefore, focuses on understanding and addressing this psychological gap to improve the overall performance and sustainability of Public Sector Undertakings.

Literature Review

Industrial Psychology has long focused on understanding human behaviour in organizational settings, with an emphasis on bridging the gap between expected and actual performance. Researchers have identified motivation, mind-set, learning, and goal-setting as critical factors influencing workplace efficiency.

Psychological Zones and Industrial Performance

- **Comfort Zone:** Csikszentmihalyi (1990) noted that individuals often remain in a "comfort zone" where stress is minimal and tasks are predictable. While it offers safety, prolonged comfort leads to stagnation, limiting creativity and innovation in industrial settings.
- **Fear Zone:** According to Bandura (1997), low self-efficacy and fear of failure restrict performance. Workers in this zone avoid challenges and delay decisions, reducing problem-solving capacity and productivity — a pattern observed in Indian manufacturing and IT sectors.
- **Learning Zone:** Kolb's Experiential Learning Theory (1984) emphasizes active engagement and feedback as keys to growth. Employees who embrace learning develop technical and soft skills, boosting adaptability and organisational performance.
- **Growth Zone:** Maslow (1943) and Locke & Latham (2002) link purpose and goal-setting to self-actualization. In the growth zone, employees align personal ambition with organisational goals, driving innovation and sustained productivity, as seen in firms like Tata Steel and Mahindra & Mahindra.
- **Bridging the Performance Gap:** Luthans (2002) highlights psychological capital — confidence, resilience, optimism, and motivation — as vital for improving performance. Interventions such as mentoring, training, and supportive leadership help workers move from comfort and fear zones toward learning and growth.

The literature consistently supports the concept that employee performance is not solely dependent on technical skills but is significantly influenced by psychological states. Moving through the stages of Comfort → Fear → Learning → Growth provides a structured framework for understanding and enhancing workforce potential, especially in the context of Indian industries where hierarchical structures and traditional mind-sets often impede proactive behaviour.

Research Gap: Disconnect Between Industry Psychology and Industrial Psychology in Indian Contexts

Despite the growing body of research in **industrial psychology**—particularly on motivation, performance, and learning—there remains a significant gap in understanding how these individual-level psychological transitions align with the **collective mission, vision, and policy behaviour** of industries themselves. This disconnect between *industry psychology* and *industrial psychology* is especially evident in the Indian context, where traditional structures, cultural norms, and policy inertia often obstruct synchronization between institutional goals and employee growth.

- **Limited Context-Specific Studies**

Most existing studies on workforce psychology are derived from Western industrial models, emphasizing structured corporate environments and individual autonomy. In contrast, **Indian industries operate under rigid hierarchies, unionized structures, and policy-driven mind sets** that shape both the collective and individual behaviour differently. However, **few studies examine how an industry's mission and policy orientation (industry psychology)** interact with or influence **employee mind-set and adaptability (industrial psychology)** in Indian settings.

- **Lack of Longitudinal and Integrative Research**

While research has examined short-term motivation and training outcomes, there is limited longitudinal evidence that explores how **workers transition through the psychological zones of Comfort, Fear, Learning, and Growth** in tandem with **changes in the industry's vision or strategic orientation**. The mutual evolution—or lack thereof—between institutional psychology and individual progress remains largely undocumented.

- **Neglect of the Fear Zone and Policy-Driven Paralysis**

The **Fear Zone**, where hesitation, dependency, and risk aversion dominate, is not only a personal barrier but often a reflection of **organizational or industrial fear** embedded in policies, out-dated mission statements, and over-regulation. Yet, research rarely examines how **industry-level fear of reform or innovation** mirrors and reinforces **worker-level fear of initiative**, producing a psychological loop that sustains mediocrity.

- **Absence of Applied, Culturally Grounded Strategies**

Although global theories such as Maslow's Hierarchy, Herzberg's Motivation Theory, and Kolb's Learning Cycle provide broad frameworks, they often ignore **context-specific industrial psychology shaped by India's socio-economic realities**. There is a lack of **practical frameworks** that show how Indian industries can recalibrate their **mission, vision, and HR policies** to help employees break free from fear and comfort zones and move toward learning and growth.

- **Weak Integration with Industrial Performance Outcomes**

Empirical research in India tends to separate **organizational metrics** (productivity, output, compliance) from **psychological metrics** (confidence, learning, engagement). There is insufficient work linking how **alignment between industry psychology and industrial psychology** affects measurable outcomes such as innovation, safety, and retention.

Identified Research Need

There is a clear need for **empirical and conceptual studies** that explore how the *psychological alignment or misalignment* between **industry-level goals (mission, vision, policy culture)** and **worker-level mind-sets (motivation, learning behaviour, adaptability)** impacts performance. Understanding this interrelationship can provide actionable insights for designing **psychologically coherent industrial systems** — where both institutions and individuals evolve together toward higher productivity, innovation, and human fulfilment.

Methodology

Identification of the Problem

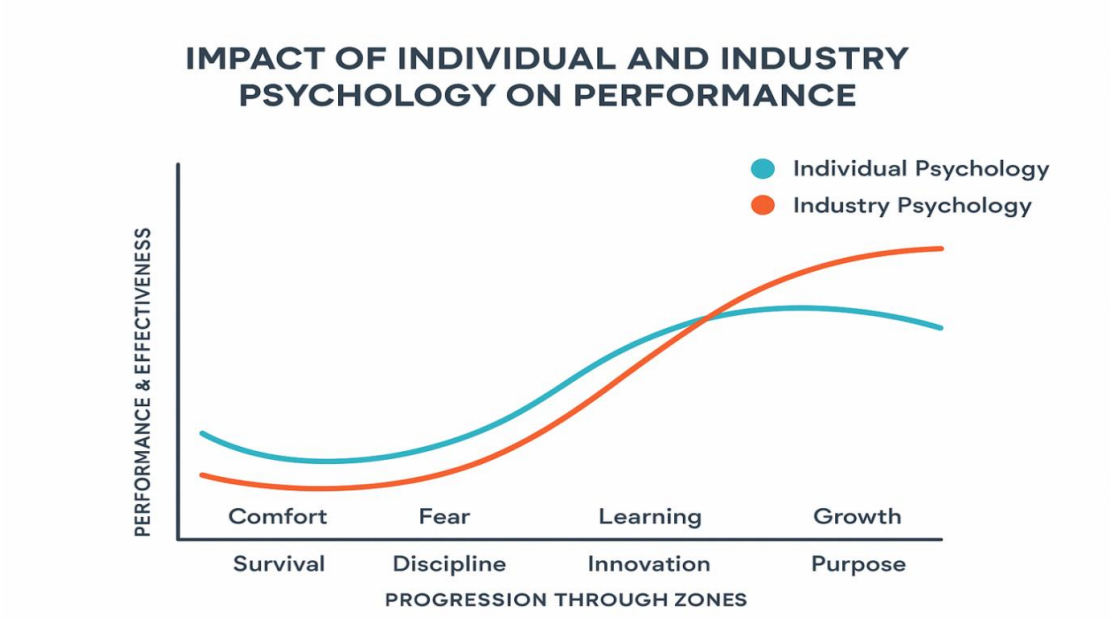
Despite significant investments, technological advancements, and skilled manpower, many well-established public sector units in Kerala continue to operate at a loss. This persistent underperformance cannot be attributed solely to operational inefficiencies or financial mismanagement. Industrial psychology suggests that workforce-related factors — such as employee motivation, mind-set, and skill utilization — play a critical role in determining organizational outcomes.

Problem Statement: Even well-established public sector industries in Kerala face persistent losses due to a gap between expected and actual performance. This gap is primarily rooted in psychological and behavioural factors — employees remaining in comfort and fear zones, limited engagement in learning, and lack of growth-oriented culture — which hinder effective utilization of resources and capabilities.

Significance: Understanding and addressing these psychological barriers can provide actionable strategies to transform employee behaviour, improve productivity, and restore profitability in public sector units. Bridging this performance gap requires targeted interventions that facilitate progression through Comfort → Fear → Learning → Growth zones.

Improving employee performance and reducing industrial unrest in Kerala's public sector contributes to economic efficiency, reduces public expenditure on conflict management, and enhances service delivery to citizens. A psychologically empowered workforce can also support innovation and competitiveness, even in state-run units traditionally perceived as bureaucratic and resistant to change.

This study is crucial because it links the psychological well-being and motivation of employees to tangible organizational outcomes, industrial peace, and socio-economic development. By addressing issues such as strikes, gherao, cartel practices, and political nepotism, it provides a holistic framework to bridge the gap between expected and actual performance in Kerala's public sector industries. See the chart showing Behavioural trend of Industries in Kerala.



Graph Concept: Performance vs. Zones

X-axis: Progression through zones

- For **individuals**: Comfort → Fear → Learning → Growth
- For **industries**: Survival → Discipline → Innovation → Purpose

Y-axis: Performance & Effectiveness

- Reflects productivity, creativity, initiative, and long-term adaptability

Curves:

- **Individual Psychology Curve (IP)**
  - Low in Comfort Zone → drops in Fear Zone (due to uncertainty) → rises steadily in Learning Zone → peaks in Growth Zone
- **Industry Psychology Curve (IndP)**
  - Low in Survival Zone → rises in Discipline Zone (consistency) → climbs higher in Innovation Zone → peaks at Purpose Zone (aligned vision + strategic adaptability)

Key Observations:

- Fear Zone corresponds to a temporary dip for individuals; industries may not experience a "dip" but may plateau in Discipline if innovation is lacking.
- Maximum performance occurs when both individual and industry psychology are aligned toward growth and purpose.

The intersection point—where the **red (Industry Psychology)** and **blue (Individual Psychology)** curves meet—has deep conceptual significance.

It represents the **alignment point** between **individual growth** and **organizational maturity**. Here's what it means:

- **Psychological Synchrony:** Employees' mind-set (confidence, learning, motivation) begins to align with the organization's strategic maturity (discipline, innovation). Both individual and industry performance reinforce each other.
- **Transition from Dependence to Partnership:** The organization no longer drives change through control or compliance alone; employees become **active participants** in shaping innovation and culture.

- **Peak Growth Momentum:** This point usually corresponds to the **Learning–Innovation overlap**, where individuals are developing new skills and the organization is experimenting and adapting. Performance accelerates because both are learning and evolving together.
- **Leadership Significance:** At this intersection, leadership plays a crucial role — transforming from directive to **facilitative**, ensuring that individual creativity fuels organizational advancement.

Scope of the Study

This study aims to explore the psychological and behavioural factors influencing employee performance in public sector industries in Kerala and how these factors contribute to the gap between expected and actual organizational outcomes. By examining the journey through the Comfort, Fear, Learning, and Growth zones, the study provides insights into bridging performance gaps and enhancing workforce productivity.

Key Aspects of the Scope

- **Geographical Focus:** The study is primarily focused on public sector units in Kerala, including manufacturing, service, and administrative sectors, where persistent financial losses have been reported despite adequate resources and infrastructure.
- **Psychological and Behavioural Perspective:** Emphasis is on industrial psychology concepts, such as employee mind-set, motivation, confidence, learning behaviour, and goal orientation, rather than purely operational or technical factors.
- **Workforce-Level Analysis:** The study examines different categories of employees, from frontline workers to supervisors, identifying how their psychological zones influence performance and contribution to organizational goals.
- **Organizational Implications:** The research highlights strategies for human resource development, skill enhancement, and motivation programs to move employees through the psychological zones toward growth, ultimately improving productivity and profitability.
- **Temporal Scope:** While the study primarily analyses current conditions and behaviours, it also considers longitudinal aspects, such as the impact of training programs, promotions, and organizational changes on employees' progression through the zones.
- **Practical Relevance:** The findings can be applied to design targeted interventions in public sector industries, such as structured training, mentorship programs, psychological support systems, and performance management strategies.

Limitations within Scope

- The study does not focus on private sector industries or IT-based corporate firms outside Kerala.
- Financial and operational audits are considered only in relation to workforce performance and psychological factors.
- Broader socio-political or policy-level influences are acknowledged but not analysed in depth.

Case Studies

Psychological Drawbacks and Underperformance in Kerala Public Sector Industries

To understand the impact of psychological and organizational factors on employee performance, it is useful to examine real examples of public sector units in Kerala that have faced prolonged underperformance or financial distress. These case studies illustrate how workforce mind-set, industrial unrest, and management challenges contribute to operational inefficiency.

The case studies of **FACT, NIL, BSNL, KSRTC, and KSEB** reveal a persistent pattern of **psychological stagnation, political interference, and administrative discontinuity** within Kerala's public sector. Once employees secure government jobs, **job security, political patronage, and union protection** foster a *Comfort Zone* mind-set that discourages innovation, accountability, and long-term vision.

A deeper issue lies in **frequent leadership changes following political transitions**. When governments of differing ideologies assume power, **board members, top bureaucrats, and key**

managerial positions are reshuffled for political convenience. This results in a **loss of policy continuity**, disruption of long-term planning, and confusion in administrative priorities. The constant alteration of leadership styles and strategic focus weakens synergy between management and workers, reducing institutional stability and performance consistency.

- **FACT (Fertilisers and Chemicals Travancore Ltd), Kochi**

Issues: Routine task performance with little innovation; fear of reporting inefficiencies; frequent management changes due to political influence; labor unrest.

Impact: Operational consistency but stagnant productivity and morale.

Interventions: Structured up skilling, mentorship to reduce fear, and politically neutral, merit-based management practices.

Ministry of Chemicals and Fertilizers

Revival of Fertilizers and Chemicals Travancore Limited (FACT)

Posted On: 04 JAN 2019 3:15PM by PIB Delhi

Minister of State for Planning)IC(and Chemicals & Fertilizers, Shri Rao Inderjit Singh, in a written reply to a question on revival of Fertilizers and Chemicals Travancore Limited (FACT), in Rajya Sabha today, informed that Government of India has given financial support to FACT from time to time. During the last ten years, Government of India had released a grant in aid of Rs.200 crores during financial year 2007-08 to sustain the operations of the company and to restart the shutdown plants. Government also sanctioned a Plan loan of Rs.1000 Crore during the year 2016 to avert immediate financial crisis and to restart operations. The financial restructuring proposal is under examination of Government of India.

Shri Singh stated that the Government of India had accorded approval for sale of 169.69 acres of land to BPCL-Kochi Refinery. FACT has concluded sale of 150.9 acres of land to BPCL on 09.05.2018 and received net revenue of Rs 244.60 crore after adjusting dues of BPCL amounting to Rs 170 crore.

A proposal seeking approval of the Cabinet for sale of 481.79 acres of FACT land to Government of Kerala has been circulated for Inter-Ministerial consultation on 05.12.2018, the Minister stated.

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KSP/VM…*(Release ID: 1558587) Visitor Counter : 950*

Newsprint India Ltd (NIL), Kottayam

Issues: Resistance to innovation; fear of adopting new technology; favouritism and board-level political interference; leadership changes disrupting operational flow.

Impact: Lack of innovation and recurring losses.

Interventions: Technology training, transparent governance, and continuity-focused management appointments.

Reference

Ministry of Heavy Industries

Hindustan News Print Limited

Posted On: 11 FEB 2020 3:15PM by PIB Delhi

The National Company Law Tribunal (NCLT), Kochi bench, on 28.11.2019 in an application filed by a creditor of Hindustan Newsprint Limited (HNL) directed for initiation of Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code (IBC), 2016 and appointed an Interim Resolution Professional (IRP) for HNL.

Hindustan Paper Corporation Limited (HPC), the parent company of HNL,is under liquidation as per the orders of the NCLT, New Delhi Bench and the National Company Law Appellate Tribunal (NCLAT).

On 25.11.2019, the NCLT, New Delhi granted permission to the Liquidator, HPC to sell the 100% shareholding of HPC in HNL to the Government of Kerala.

This information was given by the Minister of Heavy Industries & Public Enterprises, Prakash Javadekar, in a written reply in the Lok Sabha today.

MM/ SB..*(Release ID: 1602772) Visitor Counter : 771…Read this release in: Urdu*

BSNL (Kerala Circle)

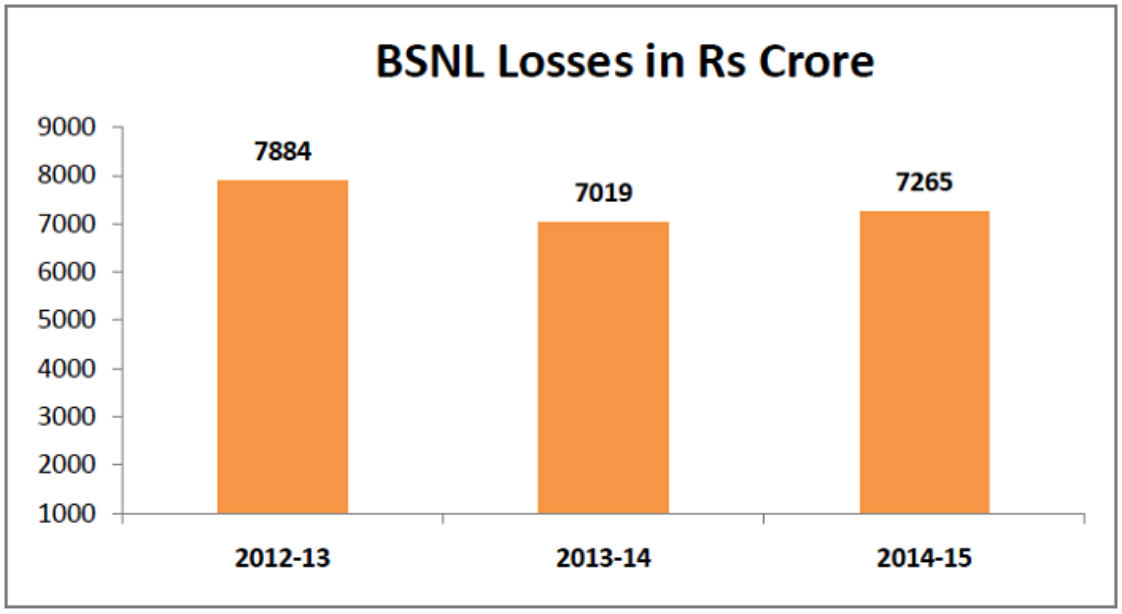
Issues: Passive work culture; delayed technology adoption; politically influenced administrative reshuffles affecting policy continuity.

Impact: Service quality decline and competitive disadvantage.

Interventions: Performance-linked incentives, leadership continuity, and depoliticized administrative structure.

Reference

*IJCRTjournalRef :IJCRT | Volume 10, Issue 1 January 2022 | ISSN: 2320-2882 IJCRT2201465 International Journal of Creative Research Thoughts (IJCRT) www.ijcrt.org e186 "ANALYSIS OF FINANCIAL PERFORMANCE OF BSNL FROM 2018 TO 2021: A CRITICAL EVALUATION OF FINANCIAL PERFORMANCE DURING PRE AND POST PERIOD OF REVIVAL PACKAGE" by Gulzar Singh Jamwal** Junior Accounts Officer, BSNL Jammu, J&K*



KSRTC (Kerala State Road Transport Corporation)

Issues: Complacency, union domination, and rapid managerial changes with political turnover affecting strategic direction.

Impact: Chronic inefficiency, weak accountability, and demoralized workforce.

Interventions: Stable leadership, leadership development programs, and merit-based governance.

Reference

CAG Report Puts KSRTC under Major Loss-Making PSUs' List

Express News Service

24 Mar 2015, 9:13 am

THIRUVANANTHAPURAM: The KSRTC (Kerala State Road Transport Corporation) continues to be a major loss-making Public Sector Unit in the state along with the Kerala State Cashew Development Corporation, according to the recent report of the Comptroller and Auditor General (CAG), tabled before the Kerala Assembly on Monday.

A total of 43 PSUs earned a profit of Rs 545.32 crore while 34 PSUs incurred a loss of `740.92 crore, says the CAG report for the financial year ending March 2014.

KSEB (Kerala State Electricity Board)

Issues: Insulated workforce, bureaucratic rigidity, and politically motivated reshuffling of top management hindering policy continuity.

Impact: Slow modernization and operational inefficiencies.

Interventions: Long-term administrative stability, mentorship, and performance-based governance.

Reference

KERALA STATE ELECTRICITY BOARD LIMITED THIRUVANANTHAPURAM

THIRTEENTH ANNUAL REPORT 2023-2024

13th Annual Report 2023-24 16

Particulars	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Average cost of supply	6.55	6.45	6.63	6.97	5.83	7.00	7.78
Average revenue realized	5.80	6.07	6.50	6.16	6.12	6.62	7.86
Gap (=1-2)	0.75	0.38	0.13	0.81	0.29 surplus	0.38	0.08 surplus

Findings cum Observations and Suggestions

Across Kerala's public sector units:

- **Comfort and Fear Zones** dominate employee mind-sets, discouraging innovation.
- **Political influence and administrative reshuffling** with each change in government erode continuity and institutional memory.
- **Union protectionism and nepotism** reinforce complacency.
- **Disrupted leadership flow** breaks synergy between management and employees, lowering productivity and motivation.

The performance crisis in Kerala's public sector stems not only from psychological stagnation but also from **political volatility and inconsistent leadership**. Sustainable improvement demands:

- **Depoliticized, tenure-secured leadership** to ensure policy continuity.
- **Psychological empowerment** through Learning and Growth Zone transitions.
- **Transparent governance** that values competence over political loyalty.

By stabilizing leadership and nurturing intrinsic motivation, Kerala's public institutions can rebuild synergy, innovation, and long-term performance excellence.

Causes of Failure: An Industrial Psychology Perspective

The persistent underperformance and financial losses in Kerala's public sector industries, such as FACT, Newsprint India Ltd, BSNL, KSRTC, and potentially KSEB, can be analysed through the lens of industrial psychology. These failures are not solely due to operational inefficiencies but are deeply intertwined with employee behaviour, motivation, and organizational culture.

Psychological Barriers Among Employees

- **Comfort Zone Dominance:** Many employees continue performing routine tasks without seeking challenges or innovation, leading to stagnation in productivity.
- **Fear Zone Entrapment:** Low confidence, fear of criticism, and dependence on others prevent employees from taking initiative or problem-solving.
- **Lack of Growth Mind-set:** Employees often lack intrinsic motivation and a sense of purpose, which hampers engagement and long-term performance.

Inadequate Skill Development and Learning

- Limited participation in training programs or exposure to modern tools keeps employees from advancing into the Learning and Growth zones.

- Absence of continuous learning culture prevents adaptation to new technologies or process improvements.

Industrial Unrest and Conflict

- Frequent strikes, gherao, and union conflicts disrupt operations and reflect unresolved employee dissatisfaction.
- Psychological factors such as frustration, perceived injustice, and low engagement contribute to repeated unrest.

Organizational and Structural Issues

- **Political Interference:** Favouritism and nepotism influence promotions, task assignments, and decision-making, demotivating competent employees.
- **Bureaucratic Red-Tapism:** Delays in approvals for modernization, procurement, or restructuring prevent timely responses to market demands.
- **Weak Goal Alignment:** Employees often lack clarity on organizational objectives, reducing motivation and accountability.

Technological and Operational Lag

- Failure to adopt modern machinery, digital tools, and innovative processes leads to inefficiency and reduced competitiveness.
- Psychological inertia among employees, combined with inadequate training, further delays technical up-gradation.

Lack of Leadership and Vision

- Leaders in some units fail to inspire, mentor, or guide employees toward growth-oriented behaviours.
- Poor leadership contributes to low self-esteem, fear-based compliance, and resistance to change.

From an industrial psychology perspective, the failure of public sector industries in Kerala is multi-dimensional. It arises from a combination of **employee mind-set issues, insufficient skill development, organizational inefficiencies, political interference, and technological stagnation**. Addressing these psychological and systemic barriers is crucial to transforming employee behaviour, enhancing productivity, and ensuring the long-term sustainability of these units.

Financial Indiscipline and Structural Causes of Failure

In addition to psychological and organizational factors, Kerala's public sector industries face chronic structural and financial issues that have contributed to their decline. A closer analysis reveals that **financial indiscipline, managerial inefficiency, and policy inconsistencies**—when viewed through the lens of industrial psychology—have created a cycle of underperformance and demotivation within the workforce.

- **Financial Indiscipline and Wage Imbalance**
  - Public sector enterprises often bear **high salary burdens** disproportionate to their productivity levels.
  - Wage revisions, politically negotiated rather than performance-based, strain financial resources and reduce the incentive for innovation or efficiency.
  - Employees develop a **security-oriented mind set**, prioritizing job protection over productivity, thus remaining in the *Comfort Zone* psychologically.
- **Unionism and Disloyalty to Organizational Goals**
  - Excessive union influence often leads to a culture of entitlement rather than responsibility.
  - **Industrial actions like strikes, gherao, and go-slow tactics** become routine negotiation tools, damaging operational stability.
  - Workers' loyalty shifts from the organization to their respective unions or political factions, creating internal divisions and a loss of collective purpose.

- **Undue Political Influence in Management**
  - Political appointments and interference in administrative matters weaken managerial autonomy.
  - **Favouritism and nepotism** in promotions or recruitments erode morale among competent employees and foster mediocrity.
  - Psychological fear and compliance replace initiative and accountability, keeping employees trapped in the *Fear Zone*.
- **Backdoor Appointments and Erosion of Meritocracy**
  - Irregular appointments made under political or union pressure dilute the quality of manpower.
  - The absence of merit-based recruitment leads to a **skill-performance mismatch**, where positions are filled by under qualified individuals, further weakening organizational efficiency.
- **Failure to Introduce Technological Novelty**
  - Many units failed to modernize their machinery or adopt new technologies due to bureaucratic delays and lack of vision.
  - Employees, untrained or unwilling to adapt to innovation, further resist modernization due to fear of redundancy.
  - This stagnation has caused Kerala's PSUs to fall behind in global and national competitiveness.
- **Inability to Pool Capital and Expand Operations**
  - Ineffective financial management and the inability to attract or mobilize capital prevent expansion and modernization.
  - Unlike private sector competitors, these units depend heavily on state subsidies or budgetary support, making them financially fragile and dependent.
- **Policy-Level Inconsistencies and Market Imbalance**
  - State and Union government industrial policies often lack coordination, resulting in confusion and inefficiency.
  - For example, the **sharp reduction in rubber prices** discouraged farmers from cultivating rubber, pushing them to alternate crops.
    - While farmers suffered losses, **tyre prices continued to rise**, reflecting deep structural inefficiencies and the disconnect between production and market regulation.
    - Such paradoxes defy conventional economic reasoning, revealing flaws in policy execution and market oversight.
- **High rate of retirement benefits liability**

In many cases, **high salary structures in the public sector**lead to **proportionally high retirement benefits**, such as pensions and gratuities. While this may seem like a reward for long service, it creates a **long-term financial liability** for the government. Over time, a large portion of the annual budget gets diverted to meet these **non-productive expenses**, leaving fewer resources for investment, modernization, or development activities.

As a result, **public sector units (PSUs)** often struggle to remain financially viable. The heavy burden of salary and pension commitments reduces their capacity to reinvest in technology, improve efficiency, or compete with private enterprises. Consequently, many such institutions gradually turn into **"sick units"**—organizations that are unable to generate sufficient revenue to cover their operating costs and liabilities.

The combined effect of **financial indiscipline, excessive unionism, political favouritism, and technological stagnation** has weakened Kerala's public sector industries both economically and psychologically. These factors foster an environment where employees lack motivation, accountability, and innovation—essential drivers of industrial success. Unless reforms address these systemic and behavioural flaws simultaneously, the sustainability of even historically strong public enterprises remains uncertain.

Policy Implications and the Way Forward

Addressing the underperformance of Kerala's public sector industries requires a multi-pronged approach that integrates **industrial psychology, financial discipline, technological modernization, and policy reforms**. The focus should be on creating an environment that encourages workforce motivation, operational efficiency, and sustainable growth.

- **Strengthening Financial Discipline**
  - **Performance-Based Compensation:** Link employee wages, incentives, and promotions to measurable productivity and contribution rather than tenure or political affiliation.
  - **Audit and Transparency:** Conduct regular financial audits to identify inefficiencies, control overspending, and prevent misuse of funds.
  - **Capital Mobilization:** Facilitate avenues for public sector units to pool capital through government-backed bonds, partnerships, or public-private collaborations.
- **Reforming Industrial Relations**
  - **Union-Management Collaboration:** Develop structured dialogue platforms where unions and management work collaboratively on productivity, safety, and innovation rather than strikes or gherao.
  - **Grievance Redressal:** Establish impartial mechanisms to address worker concerns, reducing industrial unrest and creating a culture of trust and accountability.
  - **Promote Psychological Growth:** Train employees to transition from Comfort and Fear zones to Learning and Growth zones, fostering problem-solving, initiative, and engagement.
- **Reducing Political Interference and Nepotism**
  - **Merit-Based Appointments:** Ensure recruitment, promotions, and leadership positions are based on competence, qualifications, and performance.
  - **Independent Oversight:** Establish independent boards or committees to minimize political influence in day-to-day operations and strategic decision-making.
  - **Leadership Development:** Encourage managers to act as role models, motivating employees to adopt a growth-oriented mind set.
- **Promoting Technological Up gradation**
  - **Investment in Modernization:** Allocate funds for machinery, IT infrastructure, and process innovation to enhance efficiency and competitiveness.
  - **Skill Development:** Implement training programs that equip employees to use new technologies effectively.
  - **Research and Innovation:** Encourage public sector units to collaborate with academic institutions and private firms for innovation, product diversification, and process optimization.
- **Aligning Policy with Market Realities**
  - **Coordinated Industrial Policies:** Ensure state and Union government policies are synchronized to avoid market distortions, such as the rubber price paradox, and encourage sustainable agricultural and industrial practices.
  - **Market-Responsive Pricing:** Develop mechanisms to ensure that producers (e.g., rubber farmers) receive fair returns while maintaining industrial supply stability.
  - **Encouraging Entrepreneurship:** Introduce incentives for employees or local entrepreneurs to innovate within or alongside public sector units, reducing overreliance on state subsidies.
- **Institutionalizing Monitoring and Evaluation**
  - **Periodic Performance Reviews:** Track organizational efficiency, employee progression through psychological zones, and financial performance.
  - **Benchmarking:** Compare operational metrics with national and international standards to identify gaps and best practices.

- **Feedback Loops:** Use employee and stakeholder feedback to refine policies and interventions continually.

A holistic approach that combines **workforce psychological development, merit-based governance, technological modernization, financial discipline, and market-aligned policies** is essential to revive Kerala's public sector industries. By implementing these measures, the state can enhance productivity, reduce industrial unrest, foster innovation, and ensure long-term sustainability, transforming these enterprises from loss-making entities into competitive and resilient organizations.

Acclimatization and the Equilibrium of Performance

The process of **acclimatization** to the industrial environment plays a pivotal role in determining how effectively employees perform and how closely their behaviour aligns with organizational goals. It is a psychological and emotional adjustment phase through which workers learn to understand, accept, and internalize the **values, demands, and dynamics of the industry** they serve.

- **Acclimatization as Psychological Alignment**

When employees enter an industry, they bring diverse backgrounds, expectations, and personal work habits.Through proper orientation, training, and socialization, they gradually **acclimatize**—that is, they adjust to the work culture, communication patterns, expectations, and performance standards of the organization.This adaptation helps to:

- Build **emotional comfort** and security in the workplace.
- Develop **trust** between workers and management.
- Strengthen **belongingness** and **commitment** to organizational objectives.

Such acclimatization ensures that employees operate in harmony with the *Industry Psychology*—the collective purpose and strategic vision of the organization.

- **Comfort as a Catalyst, Not a Trap**

Industrial psychology emphasizes that comfort is necessary for optimal performance, but only when it acts as a **supportive base** rather than a **zone of stagnation**.A well-acclimatized worker feels psychologically secure yet remains motivated to learn, innovate, and perform better.

This comfort acts as:

- A **foundation for confidence**, not complacency.
- A **springboard for learning**, not withdrawal from challenges. When employees feel comfortable and valued, they are more willing to extend themselves into the *Learning* and *Growth Zones*—taking on new responsibilities, embracing technology, and seeking creative solutions.

- **Synchronization: The Key to Equilibrium**

The **synchronization between Industry Psychology and Industrial Psychology** occurs when the **organizational environment** (goals, systems, and leadership) and **employee psychology** (motivation, attitude, and adaptation) move in tandem.

This equilibrium eliminates performance gaps because:

- The industry's expectations are clearly understood by the employees.
- The employees' psychological needs are adequately met by the organization.
- Both management and workers share a **common purpose** and mutual trust.

This synchronized state can be visualized as a psychological equilibrium, where **comfort supports confidence**, **confidence drives learning**, and **learning results in growth**—creating a continuous cycle of productivity and fulfilment.

- **When Equilibrium Is Achieved**

When acclimatization is complete and synchronization exists:

- Workers deliver their **maximum potential** naturally and willingly.
- The organization experiences **consistency, innovation, and reduced conflict**.
- Industrial unrest, resistance to change, and inefficiency decline, as employees identify themselves with the organization's mission.

In such an environment, **no performance gap exists**, because the **industrial mind (system)** and the **human mind (individual)** operate in unison—each reinforcing the other.

Acclimatization is the psychological bridge that transforms workers from mere participants into partners of productivity.

When comfort, confidence, and challenge coexist harmoniously, an **equilibrium of performance** is achieved—where organizational goals and human potential perfectly align.

The figure showing the flow **—Acclimatization → Comfort → Confidence → Learning → Growth → Equilibrium (No Performance Gap)**? In this regards see the diagrams below:

Graph 1: Perfect Equilibrium (No Gap)

This diagram shows a **state of harmony** between *Industry Psychology* (organizational expectations) and *Industrial Psychology* (employee response).

- Both the red dashed line (industry) and the blue dashed line (employee) run together, indicating **total synchronization** between what the organization expects and what employees deliver.
- Such equilibrium is rarely achieved but represents the **ideal psychological and operational state** in an industry—where the workforce is fully motivated, skilled, and aligned with the organization's goals.
- There is **no performance gap**, meaning every industrial effort yields maximum productivity and satisfaction.

Interpretation: This symbolizes a mature and psychologically stable work environment where workers feel secure, confident, and connected to organizational objectives.

Graph 2: Convergence to Equilibrium

This graph illustrates the **process of psychological adjustment** from disparity to harmony.

- In the early stages (Comfort and Fear Zones), a **gap** exists between the red (industry) and blue (employee) lines, representing **mismatch of goals, fear of change, or lack of confidence**.
- As employees enter the **Learning Zone**, both lines begin to **converge**, indicating a process of adaptation, skill acquisition, and acceptance of challenges.
- The lines ultimately **meet in the Growth Zone**, forming the **Equilibrium Zone**, where both the individual and the organization move in tandem.

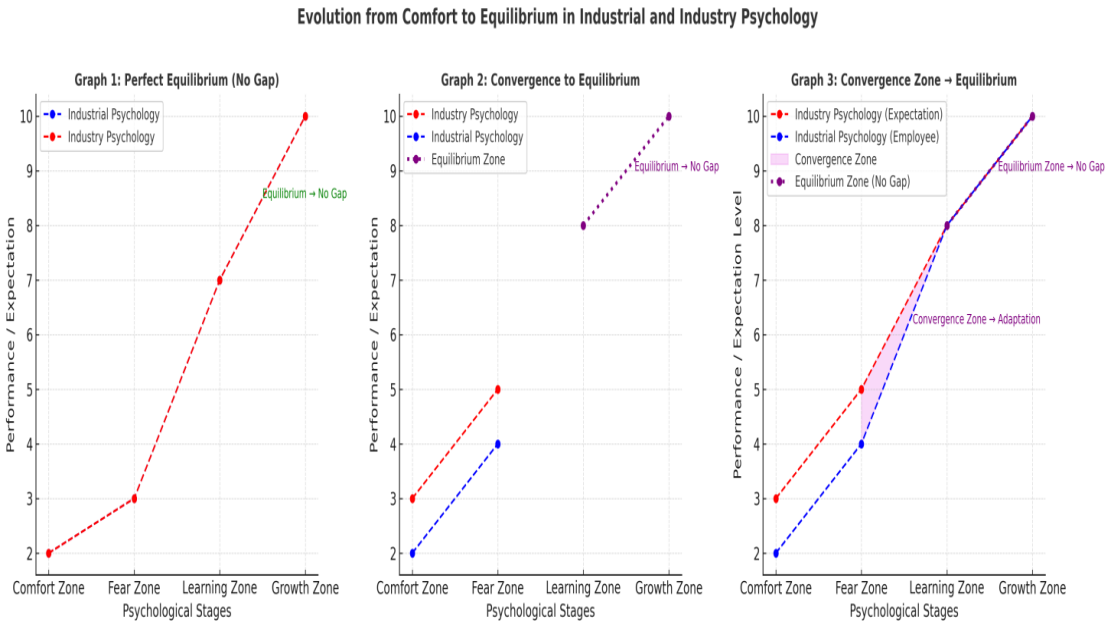
Interpretation: This transition depicts **industrial acclimatization** — the phase where effective leadership, training, and psychological support help employees align their efforts with organizational expectations.

Graph 3: Convergence Zone → Equilibrium (Shaded Area)

This final and most detailed diagram highlights the **"Convergence Zone"** with a violet shaded area between the *Fear Zone* and the *Learning Zone*.

- The shaded region represents the **psychological bridge** where employees begin to overcome fear, uncertainty, and resistance to change.
- Through motivation, counselling, and supportive management practices, workers **adapt to new industrial expectations**, allowing the gap to shrink progressively.
- Beyond this zone, both lines merge completely in the **Equilibrium Zone**, indicating **maximum performance, satisfaction, and efficiency**.

Interpretation: The shaded convergence zone is the **heart of industrial transformation**. It is where management psychology and worker psychology synchronize, eliminating performance gaps and creating sustainable industrial harmony.



Overall Significance

Together, the three diagrams symbolize the **psychological evolution of employees** from *security-dependence* to *self-driven growth*. The journey reflects how **acclimatization, motivation, and learning** bridge the gap between **expected performance (Industry Psychology)** and **actual performance (Industrial Psychology)**.

In the context of Kerala's struggling public sector units, understanding and applying these stages can guide reforms in **human resource development**, **leadership training**, and **organizational restructuring**, ensuring industries regain competitiveness and stability.

Final Conclusion

(Personal Observation–Based Industrial Perspective)

The researcher wishes to clarify that the insights presented in this study are not drawn from secondary literature or academic datasets but are **entirely substantiated by personal observation, long-term exposure, and self-analysis** as a citizen who has closely watched the industrial and social transformations within the state. These reflections arise from **continuous engagement with ground realities**, offering a direct and experiential understanding of how industries in Kerala operate, evolve, and face disruption.

The industrial environment exhibits clear signs of **systemic imbalance and internal conflict**, where shifting demographics, policy inertia, and politicized interventions have collectively undermined the natural rhythm of growth. The **outmigration of the productive workforce**, coupled with rising operational costs and a lack of coherent policy direction, has created a **cycle of industrial fatigue and economic stagnation**.

Hence, the interpretations offered here should be read as **authentic experiential insights** rather than academic generalizations. They represent the **personal yet grounded reflections of an informed observer**, capturing the industrial distress and policy vacuum that define Kerala's current economic climate. This study stands as an **independent and conscientious documentation of industrial behaviour**, highlighting a sector that continues to function under strain—sustaining employment, investment, and service continuity despite limited acknowledgment, strategic neglect, and widespread misunderstanding.

In the context of **Kerala's industrial sector**, frequent H**artals**, National Bandh, local bandh, **pen-down strikes**, **public processions**, Rallies, protests, and **workers' absenteeism** for union-related activities have often disrupted industrial operations and productivity. Employees' active participation in

political movements — both during and beyond working hours — reflects a deep-rooted **unionistic mind-set** and **political preoccupation**, which divert attention from organisational duties and goals. The **fearlessness arising from strong union backing**, coupled with a sense of **lifelong job security and financial stability**, often gives workers **undue confidence to violate organisational rules and cross professional boundaries**, eroding discipline and weakening managerial authority.

From the perspective of **industry psychology**, such recurring disruptions and misplaced confidence shift the organisational focus away from its **vision, mission, and efficiency objectives**, undermining the discipline and commitment needed for sustained performance. Conversely, from the **workers' psychological standpoint**, excessive involvement in union politics and overreliance on job security foster complacency, rivalry, and mistrust, reducing motivation and accountability.

In this context, the **success of any industrial system demands operational discipline and psychological alignment from both management and workers**. Both sides must maintain an **identical and complementary psychological approach**, rooted in mutual respect, shared responsibility, and a common sense of purpose. When organisational psychology and workers' psychology function in harmony, productivity and growth are naturally sustained; but if either side diverts from this balance, the entire system risks **disorder, decline, and eventual disaster.**

❑❑❑