

Human Resource Management Of Msmes: Special Reference To Saurashtra Region In Gujarat

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Abstract

Human resource management have a significant role in the growth of any organizations. Although, there is a need to focus on some specific aspects in order to get a better result such as employee training, enhancement of skills and proper recruiting. This study aims to investigate the role of human resource management in employee management. The sampling area covered in this study is Saurashtra region of Gujarat. 166 MSMEs of this region is considered under this study and the people working in these enterprises are surveyed. The results show that enhancing employee skills and potential is very much significant and necessary for the MSMEs. Several uses of advanced methods for better employee management are required for a better establishment of the small industries.

Keywords: Human resource management, employee management, MSMEs.

Introduction

The current trend has led to the realization of their potential in both industry and economy. MSMEs are the backbone of any country's industrial enterprise system because of their enormous development potential. MSMEs tend to expand as auxiliary industries to the large-scale public and private divisions organizations that provide accessory resources or manufacture a component of the bigger product designed by the large organizations.

In the manufacturing sector, SMEs have a significant impact on output, production, exports, and employment. In addition, MSMEs serve as a vital link between the public and private sectors,

strengthening the ties that bind them together and increasing our reliance on them (Massey, 2003; Lewis et al. 2007). Government of India's Annual Report on MSME 2012-2013 shows that there are 44.77 million active MSMEs employing 101.259 million people and generating a gross domestic product of 18343 crores. MSMEs account for 18% of India's GDP, 46% of the country's total manufactured goods, and 40% of its exports. There are 2.187 million businesses in Gujarat alone that provide 4.773 million jobs. Despite the crucial role it plays in the Indian economy, more than half of its workforce is unorganized and 60% of its workforce is unskilled. Extortionate working conditions lead to bad pay for workers, and the inadequate and incompetent management team requires a research that will give a fair preview of growth-oriented equality and inclusion.

It is imperative to investigate and comprehend because the MSME sector encompasses gigantic human resources. MSMEs' labor-friendly HR practices should be better understood with this knowledge in mind. The MSME workforce is noted for its ability to maintain order amidst the chaos of the sector's informality.

HRM practices in MSMEs are examined in this chapter. Within the scope of MSME definition and its role in various industrial sectors, Gujarat's MSME models, the resource-based perspective, and HRM's institutional theory are all discussed in this chapter.

Literature review

David (2010) found that employee training has become a major issue in many businesses today. As competition heats up, businesses are realizing the need of employee training in maintaining and growing their operations. Providing employees with the necessary skills or assisting them in improving their performance is what we mean when we say "train the workforce." Training's primary goal is to fix faults or increase one's performance. Clear and realistic goals are essential to the success of any training program.

Dessler (2007) has highlighted a number of HR techniques, including work analysis, positioning, appraisal of performance, and planning of HR. Others who have addressed HR-related activities that have been accepted include Akbar Khan Sheikh Qureshi Research on the effects of human resources, particularly on employee and organizational performance, has been critical in industrialized countries. Human resource performance in Asian countries has received very little research attention.

As part of their research, Bowra et al. (2012) looked at how employees in Pakistan's banking sector viewed their own performance in relation to HR practices in place at those institutions at the time. They polled employees at 235 banks in an effort to determine the influence of human resources on job performance.

Seeck and Parzefall (2008) found that even if the management does not appreciate it. Having a proper HR department gives a business an advantage over its competitors since it helps to improve the skills and abilities of its personnel, which results in increased profitability, reduced costs of production, retention of employees, and improved product quality. Prompt implementation of the organization's strategies will assist them in leapfrogging their competitors.

According to a study by Daniels (2006), HR policies that are applied in a systematic manner always result in higher levels of commitment, belief, support, and goodwill among employees. As a means of reducing absenteeism and turnover, firms should support employee well-being at work, which will result in an employee who is more devoted to their job, content, and has an adequate balance between work and personal life. You can argue about the relationship between employee capabilities and performance expectations.

According to Jos Gamble and Qihai Huang (2008), their research focused on Chinese employees' organizational commitment in foreign-invested firms: The researchers in this study set out to find out if there are cultural differences in the level of commitment shown by local employees in the Chinese subsidiaries of a UK multinational retailer to the company and the likelihood that those individuals would continue in their current positions. In the study, it was observed that employee loyalty and belief in the company's ideals, which are considered significant in western cultures, were not linked to an employee's inclination to stay. In contrast, qualities viewed as more essential and relevant to the Chinese environment, such as pride in working for the company, a positive relationship between management and employees, and a sense of job security, predicted employee retention.

Methodology

MSME production management is being examined in the Saurashtra region of Gujarat. All seven districts in the research region are included. According to the census, 5% of the MSME

units in these seven districts are included in the sample. The selection of these units was made in consideration of the total number of units in operation in the district. The 166 micro, small, and medium-sized units have been chosen symmetrically. As a result, a total of 385 people were chosen through the visual demonstration approach from among the 165 units that were initially picked. Micro, small and medium-sized micro, small, and medium-sized units are all included in the selected units. However, there is a variance in the number of respondents based on the unit's size. There is a micro, small, and medium unit, each of which has one response. Thus, 385 respondents out of 166 units were visited, resulting in the collection of statistically significant amounts of data. Depending on the location, the number of units varies. However, the size of the units is taken into account while making a symmetrical selection of micro, small, and medium scale units.

In this study, primary data is collected through scheduled questionnaire (Interview and survey). Secondary data is also gathered for this study. Internet and e-mail, as well as the library's research books, pamphlets, magazines, and government or non-government papers, are used as secondary documents for this accumulation of knowledge.

Results

When it comes to managing, human resources are at the top of the list of priorities. Recruiting, training, development, maintenance, and evaluation are all included. In which the emphasis is on enhancing the employee's capacity and maximizing its value to the company. Analyze the comments from managers on the implementation of human resource management practices in representative units. According to the 'Likert scale,' the administrators' opinions have been gathered through a questionnaire concentrating on five possibilities. Some examples include entirely disagree, completely disagree, agree, neutral, and agree.

General outcomes

- 78.79 percent of the directors have agreed. These are some general guidelines for the employee's task.
- 79% of supervisors have agreed. This results in a level of formality in the hiring process.

- 70.30 percent of the executives have agreed. In this way, the employee has been educated and prepared.
- Sixty-six and a half percent of the company's executives concurred. As a result, performance evaluations are necessary.
- Some 56.37 percent of the company's managers are on board with this. As a result, the percentage of units that are hired based on their job duties is minimal.'
- Among the business leaders, 56.97 percent said they were in agreement. So the percentage of units on which productivity is assessed appears to be low.
- More than five-fifths of the company's supervisors concurred. As a result, the percentage of units in which efficiency is measured is claimed to be low
- Managers are on the same page, according to 57.58 percent of respondents. As a result, it is estimated that only a small percentage of employees are able to design their workspace properly.
- 51.51% of moderators were in agreement. Because of this, the number of administrators who are knowledgeable about Kai Zen is small.
- About 53.93 percent of the business leaders concur. That's why just a small percentage of units are constantly improving their processes.
- In agreement, 53.34 percent of the administrators are in favor of this idea. Because of this, the system's rate of unit renewal is low.
- Managers, in a majority of 56,97%, were in agreement. As a result, efforts to improve conditions at work are encouraged.
- 69.70% of the managers have agreed to the plan. Thus, a suitable production process is chosen. '
- According to 69.70% of the managers, so far so good. A suitable production technique is chosen as a result of this
- 37.60 percent are hired directly, 20 percent through an agency, 23.60 percent through a personal recommendation, and 18.80 percent through other ways. As a result, direct hiring is at its greatest level for all three types of industry unit.
- There is a 23.60 percent cash incentive, a 13.90 percent honorarium, a 17 percent promotion and a 45.50 percent

pay rise granted as an incentive. As a result, wage rises benefit all three types of business units the most.

- In the United States, 12.10 percent, 25.50 percent, 29.10 percent three types of employees, and 33.30 percent four or more employees are employed. Thus, all three types of industry units have the maximum number of employees with four or more different types.

Administrators' opinions have been gathered on a combination of 13 factors in the study sample. In addition to age group, educational qualifications, industrial class and institutional type, Kruskal-Wallis test, and race and man whit tests in industry activities, these opinions have been analyzed in numerous dimensions. In addition, each criterion was evaluated in light of its value in the market. As a whole, human resource management is evaluated here.

HRM score	N	Range	Min	Max	Mean	Std deviation
	166	36	26	61	49.638	6.23367

Table 1: Total HRM score

According to the data in the table, these units have a mean HRM score of 49.64 and an SD of 6.23. Because of this, these units have an excellent human resource management condition generally. As a result of this investigation, its mean, standard deviation, and variability (C.V.) are all assessed in accordance with the 13 HRM criteria.

Description	N	Mean value	Std deviation	Variation of coefficient
A template for delegating tasks to a coworker	166	4.3	1.039	25.295
Formal in the selecting process for new employees.	166	4.20	0.941	22.466
Training of workers	166	3.96	1.018	25.789

Performance evaluation of workers	166	3.94	0.945	24.058
Worker appointment	166	3.78	0.938	24.896
Worker productivity measurement	166	3.74	0.975	26.158
Worker efficiency measurement	166	3.77	1.069	28.455
Workplace adjustment	166	3.80	0.996	26.298
Awareness about Kai Zen	166	3.55	1.278	36.149
Positive development in functioning	166	3.60	1.207	33.661
Management innovation	166	3.64	1.194	32.930
Positive enhancement promotion	166	3.9	1.146	30.921
Appropriate method of production	166	4.07	1.037	25.558

Table 2: Criteria wise value evaluation

"Formal in Employee Selection" has a median value of 4.20, followed by "Outline for Assigning Work to Employee" at 4.3 and "Proper Production Method" at 4.07 in the aforementioned criteria list. Kai Zen Knowledge has a median value of 3.55, which is the lowest in this dataset. Kai Zen Knowledge has the greatest C.V. (36.15) and is followed by "Positive Improvement in Work Process" in terms of this variable (3.64). As a result, the response is more erratic and inconsistent. When it comes to "formal in employee selection," there is great consistency, but the variables (C.V.) are only 22.48 and 24.07, which is the lowest.

SWOT analysis

Research statistics, observations, and information gleaned from interviews formed the basis for the SWOT analysis performed in this case. What follows is how it works.

S (Strengths): Local recruitment of human resources. Employees that have a strong sense of loyalty, commitment, and self-worth in the workplace. Acceptance can be done rapidly because there is no bureaucracy tethered to inertia in this sector. In contrast to large corporations that are engulfed in bureaucracy, this industry is a breeding ground for innovation and creativity. Because of its compact size, this device makes quick decisions and experiments possible.	O (Opportunities): Many policies and programs of the federal and state governments aid the growth of micro, small, and medium-sized businesses (MSMEs). A. Prime Minister's Employment and Credit Support Schemes. B. Entrepreneurial and Skill Development Program C. The National SC-ST Coordinating Center. D. Plan for the Spread of Knowledge and Instruction
W (Weakness): Lack of education and training. Employee incentive policies are being implemented at a lower rate. A lack of clarity in the roles, responsibilities, and outcomes of employees. Lack of qualified workers: These fields are suffering from a lack of qualified employees. By not having the ability to identify potential projects or consulting services or training or skill-building opportunities etc.	T (Threats): To keep a well-trained employee after they've completed their education and training. Adapting policies for human resource management on a regular basis. reducing labor expenses in a labor-intensive industry.

Conclusion

From the study, it can be concluded that contemporary and systematic management should be improved in this industry's

management. Human resource management is practiced more traditionally in this region, with no specific formality in place. How to develop and how to transform the concept of human resources is needed. Along with HR management, it is necessary to put an emphasis on staff training, skill development, the recruitment process, the reduction of employee turnover, and a shift in mentality toward human resources in general. However, some current concepts are incorporated in these units, either deliberately or unknowingly, and the operational aspect is followed and the work is done according to the department, which can be deemed progressive.

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