

Human Resource Management Policies in MSMEs

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ABSTRACT

Among all the sectors of the economy, MSMEs are the most important sectors. It is a silent driver of a nation's economy. Human Resource Management is the most important practice as the people spend most of their time in the industry. In MSME, there is no such practice of HRM. Very few research papers are published on this areas. This study will concentrate on four districts of West Bengal, India. Random Sampling method and around 110 samples from lower level workers are taken for study the Human Resource Management practices. It is being studied that no formal policies of Human Resource Management are being practiced in MSMEs. A suggestive suitable frame of Human Resource Model are taken for employees of MSMEs. It is concluded that formalization, high flexibilities and informalities of Human Resource Management are required. It will also open a door for new researcher to conduct research on this areas of MSMEs.

Keywords: MSMEs, Human Resource Model, Human Resource Management, Economy, Informalities

A tremendous growth was seen in the last five decades. Micro, Small and Medium Enterprises (MSMEs) contribution in the country's economy cannot be denied. MSMEs contribute in creation of jobs, GDP and in exports. Due to the lack of scientific management, these industries are facing both the challenges and weakness. For development plays an essential part. Selection of employees to his/her development and sustainability are included. The classification of MSMEs are on the basis of Manufacturing Enterprises and Enterprises rendering services (Revised Classification applicable w.e.f. 01st July, 2020):-

- Micro: Investment in Plant and Machinery or Equipment – Not more than Rs. 1 Crore and Annual Turnover not more than Rs. 5 Crore.
- Small: Investment in Plant and Machinery or Equipment – Not more than Rs. 10 Crore and Annual Turnover not more than Rs. 50 Crore
- Medium: Investment in Plant and Machinery or Equipment – Not more than Rs. 50 Crore and Annual Turnover not more than Rs. 250 Crore

I. INTRODUCTION

About MSMEs

As per annual report of 2021-2022, the distribution of employment in Rural and Urban Areas are as follows:-
(No. in Lakhs)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
All	1076.19	31.95	1.75	1109.89	100

As per annual report of 2021-22, the employment distribution as per gender are as follows:-
(No. in Lakhs)

Sector	Female	Male	Total	Share (%)
Rural	137.50	360.15	497.78	45
Urban	127.42	484.54	612.10	55

Total	264.92	844.68	1109.89	100
Share (%)	24	76	100	

Human Resource Management in West Bengal

In West Bengal, there are different types of industries are found. According to annual report of 2021-22, as per NSS 73rd round, West Bengal share is 14% and around 88.67 lakhs in numbers whereas, as per Fourth All India Census of MSMEs and Fifth Economic Census its share is 10% and around 34.64 lakhs in numbers.

The following are the type of MSMEs industries established in West Bengal:-

- Food and Allied industries
- Textile product including hosiery items
- Rubber & Plastic product
- Leather and resin
- Chemical and Chemical product
- Mechanical
- Electricals and Electronics
- Glass and Ceramic products

Labour in India do not remain in the same job for longer period of time. The high labour turnover, indiscipline, absenteeism, etc. are found there. The cause of the above factors are may be because of their lack of education and leisure state of mind. The variables to study the relationship between local practices and the parental practice are time off, employee benefits, gender ratio, training, executive bonds and participation.

Problem Statement

In industrial world, the competition is increasing day by day. Skill full management is essential for any business to grow and survive. During public enterprises reforms industrial relations and trade unions are not treated as an assets they are treated more than liabilities. In labour management, training and development programme and also genuine and trusted

relationship plays an important role. Formal HRM polices are not practices in the small business units whereas the follow practices like recruitment, selection, training and performance appraisal. The major issues of MSMEs that are affecting the smooth running of the organisation and working life are the problems like wages and salary, bonus, incentives, social security, etc. The present study is to focus the issues of HRM practices in MSMEs in West Bengal to survey and analysis the present situation.

Objectives

- To study the HRM polices followed in MSMEs in the study area.
- To analyze the measures practiced in MSMEs.
- To suggest suitable measures or models to improve HRM policies.

II. METHODOLOGY

The study areas cover a total of four districts i.e., PurbaBurdwan, South 24 Parganas, Howrah and Nadia. A total of 10 units of micro, small and medium scale have been selected. From 10 units a total of 110 employees have been selected. To be noted that selected units have a symmetrical selection of MSMEs units. Difference is there among the respondents. It is divided or classified as 02 respondent from micro, 03 respondents are from small and 05 respondents are from medium among the total of 110 respondents. In this way, the data is collected.

Methods of Data Collection: The data is collected through Primary method i.e., from Questionnaire, Interview and Observation.

Loop Holes of HRM Practices in MSMEs

Table:1 (Wages Problem)

Wages	Upto Rs.150/-	Rs.151/- to Rs.250/-	Rs251/- and above	Total	Percentage
Type of Firm					
Micro	7	12	11	30	27.27
Small	13	8	14	35	31.82
Medium	14	16	15	45	40.91
Total	34	36	40	110	100
Percentage	30.91	32.73	36.36		

Source: Computed from Field data

The above table is showing the relationship of the types of enterprise and the wages. We have analysed that the most employees are working in the medium enterprises which is 40.91%, followed by Small which is 31.82% and

then micro 27.27%. Nearly, 36.36% of workers are earning Rs.251/- and above, followed by 32.73% from Rs.151/- to Rs.250/- and then 30.91% upto Rs.150/-. So, it determines that firm size effects the wages pattern in the study area.

Table:2 (Switch of Job)

Decision	Yes	No	Total	Percentage
Type of Firm				
Micro	17	13	30	27.27
Small	21	14	35	31.82
Medium	26	19	45	40.91
Total	64	46	110	100
Percentage	58.18	41.82		

Source: Computed from Field data

The above table is showing the relationship of the types of enterprise and the labour intension to switch over. We have analysed that the most employees around 58.18% have the intension to switch over the job and 41.82% wants to continue it. So, it determines that more than 50%

of employees switch over will affect the organization due to lack of sustainability of the job. From the table we have also seen that higher turnover rate gives less satisfaction in their jobs and working environment.

Table:3 (Other Issues)

Type of Firm	Micro	Small	Medium	Total & (%)
Reasons				
Poor Working Environment	27 (90%)	34(97.14%)	41(91.11%)	102(92.73%)
Staff Welfare Absent	24(80%)	30(85.71%)	37(82.22%)	91(82.73%)
Poor industrial relations	26 (86.67%)	31(88.57%)	35(77.78%)	92 (83.64%)
Medical facilities	25 (83.33%)	32(91.43%)	43 (95.56%)	100 (90.91%)

Source: Computed from Field data

The table above shows the relationship of different HRM issues and the firms that in medium enterprises there is around 91.11% is facing poor working environment, in small enterprises 85.71% faces in absences of Staff Welfare and also 88.57% in poor industrial relations and 95.56% faces lack of medical facilities in medium enterprises. This shows that HRM practices is absent in the selected MSMEs.

Suggestions

After seeing all the issues, some of the following suggestions should be taken into consideration:-

- As MSMEs has no provisions to look after the issues of the workers, so government should intervene and should formulate some polices

and provisions to solve those issues.

- Employer should provide training and development to increase the productivity of the workers. It will help to increase the job satisfaction among the workers.
- Good working environment, medical facilities and adequate remuneration should be provided to the employees.

III. CONCLUSION

MSMEs is the backbone of the growing economies. It can substitute the large industries and can generate the large amount of employment in the country. But day by day MSMEs are becoming the sick and historic industries. This study found that due to the switch over of jobs among the

employees has an affect on MSMEs. The employees are switching it due to the poor working condition, not having adequate pay, staff welfare is absent, no medical facilities are there. Without human, no units can be run. So, MSMEs should concentrate more on these valuable assets to achieve the profit. Though this study is limited to only four districts of West Bengal, 10 units of MSMEs and 110 employees. Future studies will help to increase the productivity of MSMEs and to contribute the sustainability of the nation development.

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