Human Resource Management in MSME in Saurashtra Region

Tushar D. Borad, Dr. Satish Patel

Centre for Studies in Rural Management, Faculty of Management and Technology,
Gujarat Vidyapith, Randheja, Gandhinagar, Gujarat, India

ABSTRACT

In human resource management, there is a need to focus on employee training, skills development, recruitment process as well as reduction of employee turnover as well as a change in mental attitude towards human resources. Thus, enhancing modern and systematic management in the management of the industry.

KEYWORDS: HRM, MSME, SWOT, Saurashtra, Management

1. INTRODUCTION

The inevitability of small-scale enterprises to strengthen the country's economy and bring about economic equality cannot be denied. These industries are playing an important role in job creation, GDP and exports. But these industries are facing some challenges as well as some weaknesses. In particular the lack of implementation of scientific management. The unit consists of separate management, but here human resource management is at the centre. Human resource is the heart of the unit. Proper management and development of the human resources working in the organization is essential for the development of the organization. This includes everything from employee selection to development and sustainability. Here, let us examine the state of human resource management prevailing in this industry.

About MSME

According to the Micro, Small and Medium Enterprises Development Act-2006 in India, MSMEs are mainly divided into two sections.

Classification based on the investment in the unit			Classification based on the number of employees working in the unit	
Industry class	Investment in a manufacturing unit	Investment of equipment in the service sector	Industry class	Number of employees
Micro	More than 25 lakh	More than 10 lakh	Micro	02 to 09
Small	25 lakh to 5 crores	10 lakh to 2 crores	Small	10 to 49
Medium	5 crores to 10 crores	2 crores to 5 crores	Medium	50 to 249

Industries in Saurashtra Region

Different industries are found in the area according to the geographical situation. Which are as follows:

➢ Paper Industry: Units are located in Rajkot. As well as most of the units of paper industry in Gujarat are of MSME size.

➢ Cement Industry: Sikka, Drarka, Amreli, Jafrabad while Porbandar has white cement units.

➢ Sugar Industry: Units are located in Amreli, Gir-Somnath, Gadha, Rajkot, Junagadh.

➢ Diamond Industry: Located in Amreli, Bhavnagar, Gariadhar and SavarKundla

➢ Ceramic industry: Located in Morbi, Dhrangadhra, Shihor, Rajkot, Bhavnagar. Here, a total of 730 units are located in Gujarat. 90 percent of them are small businesses. The industry is in need of trained artisans and technical assistance.

➢ Shipbreaking: 70 to 80 ships a year are wrecked at Alang near Bhavnagar. Here, the problem of accident of the artisans prevails. Apart from this, the industry is also located near Jamnagar.

➢ Oxygen production: Units are located between Bhavnagar and Alang and near Limbdi.

➢ Petrochemical Industry: Jamnagar where Reliance and Essar units are located

➢ Clock industry: 85% of all wall clocks made in India are produced in this area. In which women workers are found special. In addition, there are 100 watchcase manufacturing units in Rajkot. Thus, there is still room for growth in the industry.

➢ Industries in various places in Saurashtra: There are scattered decentralized industrial units all over Saurashtra.

2. PROBLEM STATEMENT

In today's competitive world, competition is increasing day by day in the industrial world. In which skill full management is essential for business to grow and survive. Large companies meet it on the strength of money and resources, But MSME-sized industries are declining due to limited resources. As a result, they sometimes lose their very existence Therefore, subject selection has been done keeping in view the MSME size units to get proper direction in management and to nurture its development. The main focus of the study is the Saurashtra region of Gujarat. Here, most of the farmland is rained. Eight months of the year people get employment from non-agricultural sector. He has to move to cities like Surat and Ahmedabad. There is no shortage of beaches, ports and other natural resources in the area and small and big industries are also operating in the area. Small businesses here can be made more efficient through efficient management. Through which balanced growth as well as local employment can be generated.

3. RESEARCH METHODOLOGY:
Field Selection:
Saurashtra area of Gujarat has been selected to check the status of production management in MSME.

➢ **Aggregate and sample selection:**
The study area covers a total of 7 districts. (As per the year 2010-11) 5% of the total MSME units operating in these seven districts as per the 2011 census have been selected as sample. These units have been selected keeping in view the total units operating in the district. As well as a total of 165 units of micro, small and medium scale have been selected symmetrically. Thus, out of 165 selected units, a total of 385 respondents have been selected through visual demonstration method. It is important to note here that the selected units have a symmetrical selection of micro, small and medium scale units. But there is a difference in the number of respondents according to the size of the unit. In which 1 respondent is selected from the micro, 2 from the small and 4 from the medium unit.In this way the researcher collected data by visiting a total of 385 respondents out of 165 units. The number of units varies from district to district. But symmetrical selection of micro, small and medium scale units is done according to the size of the units.

➢ **Method of Data collection**
• **Primary Data collection:**
⁻ Questionnaire schedule, Interview and Observation

• **Secondary data collection:**
The main sources of this information collection are the use of modern methods such as internet and e-mail in addition to research books, pamphlets, periodicals, reports from government or non-government accounts available in the library.

4. FINDINGS
Human resource management has a prominent place in management, which involves working with and managing. As such, it includes matters such as recruitment, training-development, maintenance and evaluation. In which the focus is on developing the capacity of the employee and making maximum use of it for the organization. Here, analyse the feedback received from administrators regarding the practice of human resource management in sample units. Opinions have been obtained from the administrators as per the 'Likert scale' through the questionnaire schedule focusing on five options. These include fully agree, agree, neutral, disagree, fully disagree completely.

A. General Observation
Let's analyse based on the available information. Opinions were obtained focusing on a total of 16 criteria related to human resource management, as follows.

➢ **Outline of assignment of work to the employee:**
78.79% of the managers have agreed. Thus, there is an outline about the assignment of the employee.

➢ **Formalities in employee selection:**
79.39% of managers have agreed. Thus, there is formality in employee selection.

➢ **Employee Training:**
70.30% of the managers have agreed. Thus, the employee is trained.

➢ **Employee Performance Evaluation:**
66.67% of managers have agreed. Thus, employee performance evaluation comes into play.

➢ **Staff appointment keeping in view the nature of work:**
56.37% of the managers have agreed. Thus, the proportion of units that are recruited keeping in view the nature of work is low.

➢ **Productivity Measurement:**
56.97% of the managers agreed. Thus, the proportion of units on which productivity is measured is reported to be low.

➢ **Measure of efficiency:**
57.76% of the managers have agreed. Thus, the proportion of units where efficiency is measured is reported to be low.

➢ **Appropriate adjustment in the workplace**:
57.58% of managers have agreed. Thus, the proportion of units with proper arrangement in the workplace is reported to be low.

➢ **Know about Kai Zen:**
51.51% of the moderators agreed. Thus, the proportion of administrators with knowledge of Kai Zen is low.

> **Continuous improvement in the work process:**
> 53.93% of the managers have agreed. Thus, the proportion of units that are constantly undergoing positive improvements in the work process is low.

> **Innovation in management:**
> 53.34% of the administrators have agreed. Thus, the proportion of units being renewed in the system is low.

> **Promoting positive improvement in the workplace:**
> 56.97% of managers agreed. Thus, positive improvement in the workplace is encouraged

> **Proper Production Method:**
> 69.70% of the managers have agreed. Thus, the appropriate production method is adopted.

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> **Employee Recruitment Method:**
> 37.60% are recruited directly, 20% by agency, 23.60% by reference and 18.80% by other means. Thus, all three categories of industry unit have the highest direct recruitment.

> **Employee Incentive Method:**
> Incentive is given by 23.60% financial, 13.90% honorarium, 17% promotion and 45.50% salary increase. Thus, all three categories of industry unit are most encouraged by salary increases.

> **Types of employees working in the unit:**
> 12.10% one, 25.50% two, 29.10% three and 33.30% four or more types of employees are employed. Thus, all three categories of industry units have the highest number of four or more types of employees.

Analysis of the overall score

Opinions have been taken from the administrators focusing on a total of 13 criteria in the sample units. These opinions have been analysed in different dimensions, including age group, educational qualifications, industry class as well as institutional type, Kruskal Wallis test, and race as well as man whit test in industry activity. In addition, each criterion has been analysed comparatively with the industry. Here, the overall score of human resource management is analysed as a whole.

Table: Total score of human resource management

Total score of human resource management	N	Range	Minimum	Maximum	Mean	Std. Deviation
	165	35	25	60	49.636	6.32368

As shown in the table above, these units have a mean of human resource management 49.63 and standard deviation (SD) 6.32. Thus, overall the human resource management situation in these units is good.

In addition, its mean, standard deviation (SD) and variability (C.V.) have been analyzed keeping in view the 13 criteria of human resource management.

Table: Total score of Human resource management criteria

	Description	N	Mean	S.D	C.V.
1	Outline for assigning work to an employee	165	4.1	1.037	25.293
2	Formal in employee selection	165	4.18	0.939	22.464
3	Employee training	165	3.94	1.016	25.787
4	Employee performance evaluation	165	3.92	0.943	24.056
5	Employee appointment	165	3.76	0.936	24.894
6	Measuring employee productivity	165	3.72	0.973	26.156
7	Measurement of employee efficiency	165	3.75	1.067	28.453
8	Proper adjustment in the workplace	165	3.78	0.994	26.296
9	Information about Kai Zen	165	3.53	1.276	36.147
10	Positive improvements in functioning	165	3.58	1.205	33.659
11	Innovation in management	165	3.62	1.192	32.928
12	Promote positive improvement in the workplace	165	3.7	1.144	30.919
13	Proper production method	165	4.05	1.035	25.556

C.V. (Coefficient of Variation) = (SD / Mean)*100

In the criteria shown in the table above, the median value of "Formal in Employee Selection" is 4.18, followed by "Outline for Assigning Work to Employee" 4.1 and "Proper Production Method" 4.05. Here, the median value of "Kai Zen Knowledge" is 3.53, which is the lowest. In addition, in terms of variability (C.V.), "Kai Zen Knowledge" has the highest variability (36.14), followed by "Positive Improvement in Work Process" (3.65). Which shows more deviation and less consistency in response. While there is a high consistency in the response to "formal in employee selection" and "employee performance appraisal", the variables (C.V.) are 22.46 and 24.05, respectively, which is the lowest.

5. SUGGESTIONS

In addition to statistical analysis and interpretation, some suggestions have been made focusing on face-to-face interviews and observations. Which is as follows.

> After the appointment of the employee, the work should be assigned in stages by making a definite outline so that he can adapt to the new environment and daily work.

> Formal selection should be done keeping in view the work related study, experience, efficiency measurement as well as aptitude in the selection of candidate so that 'the right place is the right person'.

> Personal training should be organized at different levels from time to time to increase the understanding and implementation of technical, managerial and other new concepts.

➢ Performance appraisal should be done to create safety as well as competitive environment in the employee and for promotion as well as salary increase.

➢ The productivity of the employee should be measured for the analysis of the expenditure incurred on the employee and the revenue generated by it and for manpower planning.

➢ Workplace design and production method should be adopted keeping in view the human body and ergonomics so that energy and time of manpower is not wasted.

➢ Considering the nature of the business as well as the size of the unit, the work process should be continuously improved by implementing new concepts and technologies coming in the market.

➢ Continuous innovation in management is essential for the development of the unit. It should be increased in these units.

➢ Promoting positive improvement in the workplace enables employees to innovate new ideas. Here, this type of incentive should be increased.

➢ Most of the recruitment process in the units is done directly, here, this process can be done by 'outsourcing' (through the agency) to get more candidates selected and also to ease the workload.

➢ Most of the time 'salary increase' is given to the employee, but since man is a social animal, other incentives should also be given keeping in view the time and place.

➢ The more employees there are in a unit, the more 'specialization' there is. These units have the highest proportion of four or more employees. Thus, even here, 'specialization' should be increased.

6. SWOT ANALYSIS:
(SWOT: Strengthen, Weaknesses, Opportunities, Threads)
SWOT analysis has been done on the basis of research statistics, observations as well as information obtained through interviews. Which is as follows.

➢ **S: Strengthen**
• Procurement of human resources at the local level.
• Commitment, loyalty as well as self-worth in working human resource.
• Change Acceptability: Since no bureaucracy is bound by inertia here, acceptance can be done quickly so it is easy to react in the market.
• Innovation and creativity thrive in this industry more than big companies immersed in Bureaucracy. Here, the small size of the unit allows for quick judgment and experimentation.

➢ **W: Weaknesses**
• Lack of training and development.
• Less implementation of employee incentive policy
• Lack of clarity regarding employee role, responsibility and result.
• Lack of skilled workers: There is a shortage of skilled workers in these industries. Resulting in; Lack of project identification, consulting services, training and skill building etc.

➢ **O: Opportunities**
The Central and State Governments provide many opportunities for the development of MSMEs through policies and schemes.
A. Prime Minister's Employment Generation Program and Other Credit Support Scheme
B. Entrepreneurship and Skill Development Program
C. National SC-ST Hub
D. Scheme of Information, Education and Communication

➢ **T: Threads**
• To sustain a skilled employee after training and development
• Changing human resource management policies from time to time
• Keeping production costs low in labour-intensive industry

7. CONCLUSION
From the whole study it can be said that modern and systematic management needs to be enhanced in the management of this industry. Here, no specific formalities are followed in human resource management and the practice is becoming more traditional. Which should be improved and the concept of human resource should be changed from time to time. As well as human resource management, there is a need to focus on staff training, skills development, recruitment process, reduction of employee turnover as well as a change in mental attitude towards human resources. However, some of the modern concepts are implemented in these units knowingly or unknowingly and the operational aspect is followed and the work is done according to the department which can be considered a progressive matter.

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