

BEST PRACTICES FOR HUMAN RESOURCE MANAGEMENT IN SMALL-SCALE INDUSTRIES

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Abstract

The best methods for human resource management in small-scale enterprises are examined in this research. The formality of human resource management procedures, such as the frequency of performance reviews and the possibility of on-the-job training, are correlated with the size of the company. A human resources policy still needs to be in place for the majority of small industry units. They do, however, adhere to some best practises in human resources, albeit carelessly and randomly. The Thoothukudi small-scale industries' human resources management research is finished. The knowledge's conclusion suggests that the majority of the unit lacks a human resources policy. Nonetheless, they employ the same arbitrary and inept human resources methods, such as selection, recruiting, performance appraisal, training, and remuneration. Given the various obstacles that small-scale enterprises face, this study recommends a professional approach to a variety of human resource management issues. It concludes that some of the best practices are used by human resources management to overcome the problems of small-scale industries.

Keywords: Human resource management, Best practices, Small scale industries, Professional management.

Introduction

Smaller businesses employ more people per unit of capital because they are more labour-intensive than larger businesses. Effective labour force management is required given this potential for employment prospects. The majority of small-scale industries believe that only large companies should practise professional human resource management. Since these sectors employ relatively small numbers of people, they might not feel the need to adopt professional practises across the human resource spectrum. Effective human resource management, according to Marlow and Patton (1993), is essential to the survival of small and medium-sized businesses. A highly skilled, highly motivated workforce is essential for small enterprises to be able to compete in the modern business climate, according to Hodge and Kuratho (2001).

Human Resource Management

The task of managing the workforce in an industry is known as human resource management. Recruitment, performance management, organisational development, safety, wellness, benefits, employee engagement, communication, administration, training, and staff reduction are just a few of the human resources-related topics it covers. A strategic and all-encompassing approach to managing people and corporate cultures, human resource management also helps to increase effectiveness, meet industry goals, and improve performance. Human resource management, according to Michael Armstrong, can be summed up as a strategy approach to recruiting, inspiring, developing, and managing the human resources of an industry. It is committed to establishing programmes and fostering an environment that represent and uphold the company's basic values and promote success (Armstrong, 2006). According to Jahn, a human resources department might not exist in small businesses with fewer than 100 employees. As a result, the owner will be in charge of managing human resources (Jahn, 1999). Despite the fact that people are the key to an industry's success, owners of small businesses need to focus more on human resource management. Small industry owners thought that since their companies were small, they could handle the employees in the company by themselves. Human resource management is a strategic method of managing personnel that is essential for all businesses to succeed, including smaller ones.

Small-Scale Industry

Because to their contributions to all areas of the experience, small-scale companies have always been seen as essential to the sustainable growth of collaboration between industrialised nations and the expanding economies of Indians. The small-scale industrial sector is the greatest employer in India and the ethical foundation of practically all of the continent's financial systems. In contrast to the more developed countries, the capacity and productivity of small-scale industries have generally been quite low in most Third World countries, and the sector's relative contribution to overall output and exports has decreased over time. Many difficulties experienced by small-scale enterprises have been identified as contributing to their poor performance. These difficulties include, among others, a lack of funding, bad infrastructure, conflicting government regulations, a lack of industrial expertise, and poor management techniques. Small-scale industries have a modest labour concentration, which results in greater opportunities for overhaul per working unit of capital. This establishes the need for efficient labour force management by creating the employment opportunity condition. The trained management of human resources under its umbrella would ensure a plethora of advantages for both the business and the human resources, including increasing productivity, preventing accidents, developing sound earnings of guiding principle in practical training of growing morale and profession satisfaction, checking labour turnover and absenteeism, managing labour indiscipline, managing accusations effectively, etc. Even in industrialised and highly developed nations like Tamil Nadu, Andhra Pradesh, and Kerala, small-scale enterprises are crucial for revenue production, job creation, GDP, and the sale of exports. Small-scale businesses are ones whose capital is provided by the owner or through other channels, such as corporations or finance organisations created specifically for this purpose, etc. These industries typically employ power-driven machinery and cutting-edge manufacturing techniques, employ labour at a wage, and manufacture goods for a larger market. Such an industry can be run with less resources and produce considerably better results in terms of profits.

On the other hand, cottage industries, also known as domestic industries, are managed by people with private property and with the assistance of family members and are pursued as full-time or part-time careers. The equipment used is straightforward, and the capital expenditure is little. These industries typically utilise resources, raw materials, and native talents that are readily available locally. Each manufacturing facility's output is typically sold

on the local market. India's economic planning has given small scale industries, including historic cottage and village industries and contemporary small businesses, a significant role for both ideological and financial reasons. Mrs. Indira Gandhi, our late prime minister, once said, "Small weighing machine industries offer many opportunities; besides adding in the direction of production, they become wider the industrial base. They enable the process of modernization as well as entrepreneurship to increase to more regions and layers of society". The development of Indian villages by making them financially viable from the beginning to the end of small village industrial units was firmly supported by Mahatma Gandhi.

External and Internal Issues

Small-scale industries typically face two main types of issues: internal issues and external issues. Internal issues aren't caused by outside influences; they typically arise during or after industry activity and can be managed internally. On the other hand, external problems are caused by outside forces and are out of a single unit's control. Examples of external surface issues include the lack of appropriate power, effective communication, and other infrastructure facilities. Organizational structure, production, allocation, management, training, etc. are all internal issues at the same time. The majority of internal issues and external issues pose a serious danger to the efficient operation of small-scale industries.

The following list of small-scale industrial units' internal issues:

- The majority of small-scale industries are externally branded as sole proprietorships. The owners arrived with inflated egos, exclusive ideas, and a restriction on delegation.
- The development of the units is mostly impacted by the owners' attitude, audacity, and spirit, which are influenced by their needs as individuals and as a family.
- There must be a greater demand for professionalism, preparedness, and everyday interactions.
- There is no sound justification, sound career plan, or physically compelling motive; the importance of short-term gain is placed above quality, even at the expense of it. Pay weighing machines are typically lower, and job safety keeping and goodwill are lacking.

- In many situations, business exposures and ideas are outdated and insufficient, laws and standards are not followed, and acquaintances in the product and advertising industries are subpar, so trade is limited to the local level.

The following are some of the warning signals that small-scale industries are in trouble:

- Insufficient financial assistance and investment promotion.
- Insufficient quality assurance, market expansion, testing, scientific research, and development facilities.
- Insufficient skill development, training, and free enterprise development
- A lack of effective counselling and consulting services.
- Insufficiency in both applications and knowledge expansion.
- A lack of adequate transportation development.

Notwithstanding these issues, small scale and cottage industrial units continue to exist thanks to the owners' efforts, but they are still in the early stages of development mostly because the proper corporate strategy and teamwork are not being applied.

Many strategies employed by human resource management to address issues

Compensation for Policies

It is the responsibility of human resource management to coordinate optimal compensation security with the workforce. In particular, because of rising benefit expenses, compensation costs have increased significantly in recent years.

Healthy working relationship

Many times employers of small-scale industries need to maintain appropriate associations with every staff member. Due to their unfavourable attitudes, they have yet to make their constructive contributions to the organisation available. This is important in the present day for enhancing an industrial link between workers and employers or capitalists.

Employee career development

Employees are carefully planned temporary employees for prestigious positions where every employee believes there is no room for professional growth and quits. Thus, the management's labour turnover must take the required actions in order to stop taking advantage of such situations inside such meetings. Although charitable permanent

employment protection to them may boost labour's efficiency, employers must regard a certain degree of career-oriented growth for workers as a fighting fit.

Preserving greater communication with employees and unions

The company's initial direct interaction with the middle of its employees is always essential to the smooth and horizontal operation of businesses.

Human resource management within the company is becoming more formal as the industry grows and the number of employees rises. The organisation had to switch from informal to completely proper human resource management due to limited resources, including cash and people resources. It gradually changes as a firm grows. Both informal and formal human resource management is applied in a company depending upon the situation. It is difficult for the company to change the pattern of human resource management. Therefore, small-scale industries proceed gradually to change and transform human resource management best practices step by step during the firm growth.

Conclusions

The purpose of this learning was to take into account the factors that would determine whether human resource management was a problem. This is a different perspective on human resource management in smaller businesses because it is assumed that it is an issue in many research. This is a contentious issue that is further complicated by the fact that we do not have sufficient knowledge of how human resource management is practised in smaller businesses, "small scale industries have been treated as second class populace by authors in the human resource management literature for in addition long", or will you please repeat that? We are aware that the theory and practise of human resource management, which is frequently related to large, well-resourced businesses, might make the put into practise more readily healthy. Also, the exploration of human resource management in a smaller company typically takes place against the backdrop of expansion, maybe in terms of fast growth or organisational life cycles. But, research suggests that the vast bulk of any economy will never experience growth and that growth is merely a desire for select less crucial firm owner-managers (Storey 1994). This resulted in a limited awareness of the potential causes and solutions of human resource management problems.

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