

HRM PRACTICES AND MSMEs IN INDIA: A CASE STUDY ON RANGINENI STEELS PVT. LTD. IN BALLARI DISTRICT

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ABSTRACT

The industries output is most important in production oriented firms in globalised business this is basically supported by human resource management practices of the organization, The objective of this study is to examine the HRM Practices adopted by Indian Industry in general and particularly to the study area. Its playing a crucial role in the MSMEs, study focused on effectiveness of the performance appraisal and Training Programme, The purpose of appraisal is to achieve better work performance from employees.. Training program addressing weaknesses most employees have some weaknesses in their workplace skills. It allows you to strengthen those skills that each employee needs to improve. The study is used descriptive survey research design data collected both primary and secondary.

KEYWORDS: HRM Practices, MSMEs, Performance Appraisal, Training Program, MSMEs.

Introduction

The success of the organization depends on the quality of its human resource. The dynamic, competent and motivated human resources is the most important and valuable asset to build every organization and enables to achieve its goals. Hence, the organization's performance is resulting to productivity and which is directly proportionate to the quantity and quality of its human resource. Therefore, an organization should continuously ensure its human resources to remain at high level by effective and efficient management of sound human resource. Now days due to the LPG policy in India, Indian small industries have been sick due to the lack of innovativeness like technology, heavy investment, no support from the government, non availability of raw materials and no sound human resources etc. Human resource plays an important role in the development of an organization. Many organizations faced problems in implementation of good human resource practices particularly in MSME's

Hence, every country has its beautifulness through Small, Micro and Medium Scale Enterprises (MSMEs). Developing a micro, small or medium sized organization is an tough task and keeping it a float against the odds of competition, nurturing productivity, retaining talent and propelling it to the next level requires investment in the human capital. Human capital encompasses the knowledge, skills, abilities, and capabilities of the employees. Managing the human resources of MSMEs is not the same as the large public sector units. A large numbers of smaller and medium units make ups the major part of the industrial segments of a country. The emergence of the MSMEs is the result of the continuous experimentation and the development of the industrious persons paving the way for developmental activities in the industrial world. Earlier, MSMEs were not considered favorably and were looked like skeptical in the reduced role of county economy. The current trend has given way to realize their potentiality in the development of industry as well as economy. With great potential for development, MSMEs today form a stronger to the country's industrial segment.

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Review of Literature

Ahmeti and et. al. (2015) worked on paper entitled "HRM Practices in SMEs in developing countries: Practices in Kosovo". The paper covered the overview of the HR practices and development in SMEs in Kosovo. Research has added value to further SME sector development is specific of knowledge on HRD and enlighten the best practices. Explicitly for HRD of youth, this study used primary data with structured questionnaire was developed and combined with a semi-structured interview with selected companies.

Dr. T. Mangaleswaran (2015) paper entitled "HRM Practices in SMEs", research explored that what is the level of HR, Finance and Marketing practices of SMEs in Hambantota District. The objective of the study to explore the management practices of SMEs in Hambantota District. The SEMs selected randomly. The researcher has been collected data from 19 SMEs holders through interview guidelines. The data collected from the owners or managers of the SMEs via interview. All sample SMEs, used 4P's system as their marketing strategies. The study concluded that SMEs in Hambantota are substantially practicing some of the HRM, Financial Management, and Marketing practices with or without the management knowledge.

Vanamala Mohanreddy (2016) worked on topic entitled "HRM Practices awareness in select SMEs", study is determined the rate of HRM practices play in augmenting the competitive advantage of the firms by augmenting competencies and core competencies of their employees. They are also aware that HRM practices have bearing on organizational performance. Study found that HRM practices such as Human resource planning, Recruitment and selection, Training and development, performance Appraisal, compensation, Incentives and Benefits. It had profound influence on the SKAs (skill, knowledge and attitudes of employees) the study conduct to reengineering the HRM Practices in MSMEs. Finally study is suggested that Top management and employees should be trained art of HRM notions & practices.

Statement of the Problem

The development of the organization is depending on the development of human resources. Growth of the human resource is mainly depends on what kind of HR practices adopted in the firm. Best human resources practices play vital role in growth of the company. One of the big challenges in front of the company is to retain employees. So, best HR practices are important to retain employees. Human resource management (HRM) practices are generally expected to stimulate a firm's innovation performance. Human Resources Management is the organizational function that deal with issues related to people such as Policy, Hiring, Compensation and benefit, Performance Management, Organizational Development, Safety, wellness, benefits, Employee Motivation, Communication, Training and Development and the main aim of the study is to analyze the performance appraisal and training program and also to study the demographic profile of the selected organization in the study area.

Objectives of the Study

- To study the demographic profile of the study area.
- To know the HRM Practices adopted by Indian Industry in general and particularly to Rangineni Steels Pvt. Ltd.
- To analyze the performance appraisal and training program in the study area

HRM Practices in India

- **Role of Human Resources in MSMEs;** Human resource management plays an important role in MESEs, in order to implement a Successful business strategy to face this challenge, organizations, large or small, must ensure that they have the right people capable of delivering the strategy. HR and its different facets also play an important role to address the growth issues that MSMEs face. While the organization plans to follow a successful trajectory, there is a need for both HR and the Promoters to appreciate and agree on change management agenda through change in organization culture. HR has the responsibility to understand business dynamics in MSMEs environment this sector is considered too been engine of growth, especially in a developing country like export earnings? The Indian economy is now the second fastest growing economy of the world. As per the Ministry of Finance, the GDP of India stood at 8.8 percent in the first quarter of 2010-11 (the overall growth of GDP in 2009-10 was 7.2 percent); overall growth in the Index of Industrial Production (IIP) was recorded at 13.8 percent during July 2010 as opposed to 7.2 percent in July 2009. In such a visible growth environment,

tremendous efforts are being made by MSMEs to make their prominent presence felt and to convert their growth plans into reality. In the last two decades, there have been certain spaces where many MSMEs have not grown either by choice or by challenges in capabilities to transform their business. The Small and Medium Scale Enterprises being very volatile in nature take high amount of risk. It is therefore imperative for them to address the uncertainty through reliable and loyal work force which cash holder them in good and bad times.

- **Definitions of Micro, Small & Medium Enterprises:** In accordance with the provision of Micro, small and Medium Enterprises Development (MSMED) Act, 2006 the Micro, small and Medium Enterprises (MSME) are classified in two Classes:
- **Manufacturing Enterprises:** Manufacturing enterprise are those enterprises that are engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The manufacturing enterprises are defined in terms of investment in plant and machinery.
- **Service Enterprises:** Service enterprises are those enterprises that are engaged in providing or rendering of services and are defined in terms of investment in equipment.

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	
Enterprises	Investment in equipments
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

Source; Ministry of MSMEs

Methodology

The following methodology has been used to complete the research paper.

Descriptive research was under taken to study the HRM practices in the sample population of Rangineni Steel Pvt Ltd at Ballari District. The required data for the research has been collected from both Primary and Secondary sources.

Primary Data

The primary source includes field survey from employees of three Rangineni Steel Pvt Ltd of Ballari Taluk of Ballari District and personal interaction with employees of above mentioned Company. Questionnaires were distributed to the respondents for the purpose of gathering needed data.

Secondary Data

The data has been collected from the company's manual, handbooks, the annual report, the employees register, articles, books and journals. These data have provided a reference in completing the study.

Sampling Design

• Details of Population

The study has been conducted on selected Iron and Steel manufacturing unit i.e Rangineni Steel Pvt Ltd in the study area and it consists of around 102 employees.

• Population

All the employees of Rangineni Steel Pvt Ltd are the population of the study.

• Sampling Unit

It represents the total population of employees that consist of 102 employees of Study area, Out of which the 50 sample has been taken for the study.

Sampling Method

Researcher has used convenient non probability sampling technique to select a sample to study the HRM practices in the Rangineni Steel Pvt. Ltd.

Analysis and Interpretation

Demographic Profile of the Rangineni Steel Private Limited

S. No.	Category	Particulars	Frequency	Percentage
1	Gender	Male	40	80
		Female	10	20
		Total	50	100
2	Age	Below 20 Years	08	16
		20-30 Years	24	48
		30-40 Years	14	28
		40 Years above	04	08
		Total	50	100
3	Designation of the respondent	GM	00	00
		Sr. Manager	02	04
		Jr. Manager	06	12
		Sr. Engineer	05	10
		Jr. Incharge	10	20
		Assistants	04	08
		Others	08	16
			15	30
		Total	50	100
4	Educational Qualification	School (1to 10)	02	04
		PUC	08	16
		Graduates	10	20
		PG & Above	05	10
		Diploma & Other	25	50
		Total	50	100
5	Marital Status	Unmarried	20	40
		Married	30	60
		Divorced	00	00
		Total	50	100

Gender

From the table it is clear that the 80% of the respondents are male and remaining 20% of the respondents are female. Majority of the respondents in the study are male employees

Age

Table shows that the 16% of the respondents to belongs to the below 20 years, further 48% of the respondents are belongs to the age group of 20 to 30 years, 28% and 8% of the a respondent belongs to the age group of 30 to 40 years and above 40 years respectively.

Designation of the Respondents

Table portraits, 04% of the respondents are working as Sr. Manager, 4%, 12%, 10%, 20%, 08%, 16%, and 30% of the respondents are working as Jr. Manager, Sr. Engineer, Incharge and Assistants and others respectively.

Educational Qualification

Table shows that 04% of the respondents have completed only school upto 1 to 10 standard, 16% of the respondents completed PUC, 20% of the respondents completed Graduation, 10% of the respondents completed PG and Above and 50% of the respondents completed Diploma and Other education completion.

Marital Status

The above table clarifies that 40% of the respondents are unmarried and 60% of the respondents are married. Here the majority of the respondents are married.

Analysis of Companies performance Appraisal and Training Programme

S. No	Item	N	Min	Max	Mean
Performance Appraisal					
1	Company uses performance based appraisal	50	1	5	4.56
2	Company uses employee's self-ratings on performance.	50	1	5	2.21
3	Superiors in Company frequently discuss performance with subordinates.	50	1	5	4.21
Training Programme					
1	Extensive training programs are provided for employees in the Company.	50	1	5	4.01
2	Employees normally go through various training programs every year.	50	1	5	3.12
3	Company Provides formal training to promote skills to new hires as well as to promoted or existing employees.	50	1	5	4.36

The level of performance appraisal and training programme was collected in form of statements which indicated performance appraisal and training programme which were measured using a 5 scale Likert scale to get the weighted values for each statement. The weighted values were analyzed using descriptive statistics, where their means were computed. On performance appraisal, the study established that Company uses performance based appraisal (4.56). Further followed by Superiors in Company frequently discuss performance with subordinates (mean 4.21) and with lower mean 2.21, respondents reveals that company uses employees self rating on performance.

On training program with highest mean 4.36 employee's feels that company provides formal training to promote skills to new as well as to promoted or existing employees and similarly with mean 4.01 respondents feels that extensive training programs are provided for employees in the company and with above neutral (mean 3.12) employees agree that employees normally go through various training programs every year.

Scope and Limitation

- The study covers Rangineni Steel Pvt Ltd. Study focus on HRM practices with special emphasis on Performance Appraisal and Training Programme.
- A significant limitation of the study can be stated as the 'inability error', which results due to the inability of the respondents to complete the questionnaire.

Findings

- Majority of the employees are male
- Majority of the employee belongs to age group of 20 to 30 years.
- Majority of the respondents in the study area are working as assistants in various departments
- 50% of the respondents in the study area are having diploma & other education Qualification
- 60% of the respondents in the study area are married.
- Majority of the respondents feels performance based appraisal in their company
- Majority of the respondents agree that their supervisors discuss performance with subordinates.
- Majority of the respondents agree that the company provides formal training to promote skills to new hires as well as to promoted or existing employees.

Summary, Conclusion & Findings

HRM Practices playing a very significant role in MSMEs particularly in Rangineni steel pvt limited. performance appraisal, the study established that Company uses performance based appraisal Further followed by Superiors in Company frequently discuss performance with subordinates and with lower mean respondents reveals that company uses employees self rating on performance. On training program with highest mean employee's feels that company provides formal training to promote skills to new as well as to promoted or existing employees and similarly with mean respondents feels that

extensive training programs are provided for employees in the company and with above neutral employees agree that employees normally go through various training programs every year. As employees are satisfied with their work then it implies to the positive results. Performance Appraisal and Training programme process is getting very much importance in MSME organizations. It is very critical thing to evaluate the human resource. It is a systematic procedure that involves many activities. It is an not easy task as organization future is depending on this activity, which are beneficial to the MSME's. It is at safe side but if decision goes wrong it can be dangerous to the organization. So it is an activity for which human resource departments gets very much importance.

Recommendation

Employer should address the issues that improved job performance appraisal and Training Programmes enhance the improved performance among employees of Rangineni Steels Pvt. Ltd.

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