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A study on HRD practices in small scale industries (with special reference to Davangere district)

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ABSTRACT

A study of Human Resource made in SSIs located in Davangere district. India, The outcome of the study indicates that efficient management of the human resource is a crucial factor and determining the growth and development. This is particularly true in case of SSI where owners are forced to have a close and more personal association with their employees to develop a strategic plan for SSI located in Davangere district. In this study recommendation of activity elimination, activities reduction and sharing are suggested. Further move support from the Top executive management to create a special department for HRM and the resource to allocated to increase the efficient implementation of HR practices in small scale industries and along with term success of new era of business.

Keywords— *Small scale industries, HR practices, Workforce, Strategic plan*

1. INTRODUCTION

Human Resources Development is a framework for the expansion of human capital within an organization. Human Resources Development is a combination of Training and Education that ensures the continual improvement and growth of both the individual and the organization. Human Resources Development is the structure that allows for individual development, potentially satisfying the organization's goals. The development of the individual and the organization. The Human Resources Development framework views employees, as an asset to the enterprise whose value will be enhanced by development, Human Resources Development can be in- room group training, tertiary or vocational courses or mentoring and coaching by senior employees with the aim for the desired outcome that will develop the individual's performance. A successful Human Resources Development program will prepare the individual to undertake a higher level of work. Human Resources Development is the framework that focuses on the organization's competencies at the first stage, training and then developing the employee, through education, to satisfy the organization's long-term needs and the individuals' career goals and employee value to their present and future employers. The people within an organization are its human resource. Human Resources Development from a business perspective is not entirely focused on the individual's growth and development. "Development occurs to enhance the organization's value, not solely for individual improvement. Individual education and development is a tool and a means to an end, not the end goal itself". Human resource is a term with which many organizations describe the combination of traditionally administrative personnel functions with performance, Employee Relations and resource planning. The field draws upon concepts developed in industrial or Organizational context. The original usage derives from political economy and economics, where it was traditionally administrative personnel functions with performance, Employee Relations and resource planning. The field draws upon concepts developed in industrial or Organizational Psychology. Human resources have at least two related interpretations depending on the context. The original usage derives from political economy and economics, where it was traditionally called labour, one of four factors of production. The more common usage within corporations and businesses refers to the individuals within the firm and to the portion of the firm's organization that deals with hiring, firing, training and other personnel issues. This article addresses both definitions.

The objective of human resources is to maximize the return on investment form the organization's human capital and minimize financial risk. It is the responsibility of human resource managers to conduct these activities in an effective. Legal, fair, and consistent manner.

1.1 Human resource issues

The followings are the important issues of human resources

- Selection
- Training and Development

- Performance Evaluation and Management
- Promotions
- Redundancy
- Industrial and Employee Relations
- Record keeping of all personal data
- Compensation, pensions, bonuses etc. in liaison with payroll

2. NEED FOR THE STUDY

In any activity human resource is the most important resource which plays a very significant role as it manages and controls all other resources like land can be bought or acquired, capital can be generated, organization can be built up but not without human resource in view of this particularly from the industrial activity, human resources ranks the top most priority and importance to human resources ranks the top most priority and importance to human resource cannot be discounted or compromised.

Small scale industry being labour oriented industries entirely depends upon human resource which can administer and control the entire industrial activity, therefore, better the human resource development practices, implementation higher the productivity and vice versa. Small –scale industry sector the most influenced industry by HR has the following specific needs in the industry.

- The small-scale industry has a dearth (scarcity) of human resources and as a result, productivity is low.
- There is a need to provide a congenial working atmosphere for employees, which can be done only through human resource.
- On account of lack of proper integration of employee-employer relationship in the industry, there is a dare need for HRD.
- HRD is also required to promote a sense of belonging, commitment and other human virtues and values among the employees.
- HR applications in industry result in efficiency and effectiveness among the employees.

Therefore, a need was felt by the researcher to go into the details about “Human Resource Development Practices in small scale industries in Davangere District.”

3. OBJECTIVES OF THE STUDY

The central purpose of the current study is to project and report on the human resource practices implemented by the small scale industries in Davangere District.

The important objectives of the study are as follows:

- To examine the HRD practices in the selected small-scale industries in the light of the responses of the selected respondent employers.
- To know the effectiveness of HRD practices in building a congenial atmosphere in selected small- scale industries.
- To offer valuable suggestions on the basis of findings.

4. RESEARCH HYPOTHESIS

The study has examined the following hypothesis statistically.

H1: There is a significant relationship between the HRD practices in the selected SSI and selected respondent employers.

H2: There is significant effectiveness of HRD practices in building a congenial atmosphere in selected SSIs.

H3: There is a valuable suggestion on the basis of findings.

5. SCOPE OF THE STUDY

The scope of the study is confined to the boundaries of Davangere District. The study covers the evolution of the selected HRD practices in the small-scale industry in the study area. This research study was carried out in Davangere District of Karnataka state taking into consideration the views and responses of small scale industries employers. The study covers the analysis of human resource development etc. it will be useful for the concerned sample in their exercise of policy framing, procedure and guidelines for the welfare of the employees.

6. METHODOLOGY OF THE STUDY

The study is based on both primary and secondary data. The researcher relied upon the primary data and information to a very large extent. The primary data is collected by personally administering comprehensive and structured questionnaires. The information is collected from 22 selected SSIs units. The primary data has been collected with the help of questionnaires. Statistical tools like percentages have been used to analyze and interpret the data.

7. DATA ANALYSIS AND INTERPRETATION

The following tables give information regarding HRD PRACTICES followed by selected small scale industries.

Table 1: Procedure to recruit and select employees

S. no.	Procedure	No. of Units	Percentage
1.	Written Test	Nil	Nil
2.	Direct Interview	18	82
3.	No Procedure	4	18
Total		22	100

To find the right man at the right job the scientific method of Recruit and selection should be followed.

Field survey:

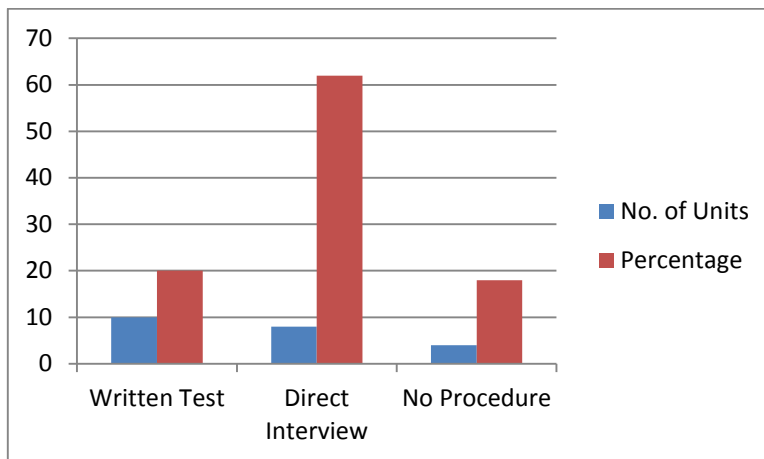


Fig. 1: Procedure to recruit and select employees

The above figure shows that written test is not conducted by any unit. 82 % through direct interview and 18 % of employees without any procedure.

Table 2: Training method

S. no.	Training method	No. of units	Percentage
1.	On the job training	18	82
2.	Off the job training	3	14
3.	Any other types	1	4
Total		22	100

To select the most suitable persons for various categories of jobs, it became necessary to arrange for their training. Training helps to increase their knowledge, skills, and ability of the worker to perform the job.

Field survey:

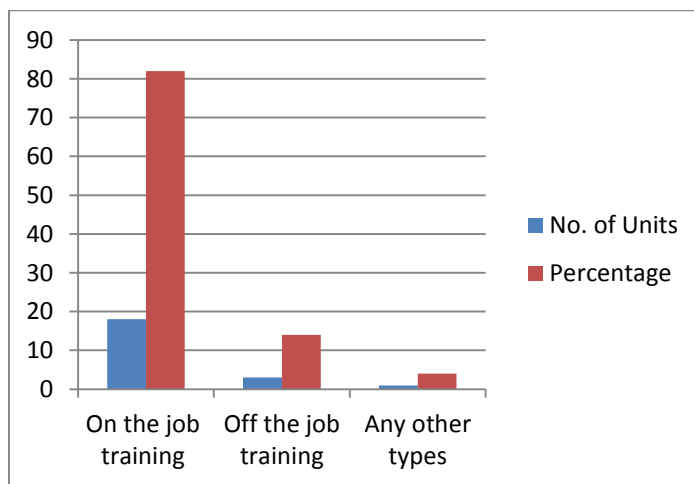


Fig. 2: Training method

The above figure shows that 82% of employees are getting on the job training 14% of employees are getting off the job training 4% is getting other types of training.

Table 3: Performance appraisal of employees

S. no.	Response	No. of units	Percentage
1.	Annual Increments	12	55
2.	Reward and punishment	6	27
3.	Career Planning	1	4
4.	Placement	3	14
Total		22	100

A good personnel policy must make adequate provisions for rectifying the mistakes in placement, promotions and transfers. For these reasons, it becomes necessary for the management to devise some system to evaluate the performance of the employees. Performance appraisal should be made to identify the efficient workers, which help the organization to make the promotion and Transfer policies and shoulder the responsibilities of the persons.

Field survey:

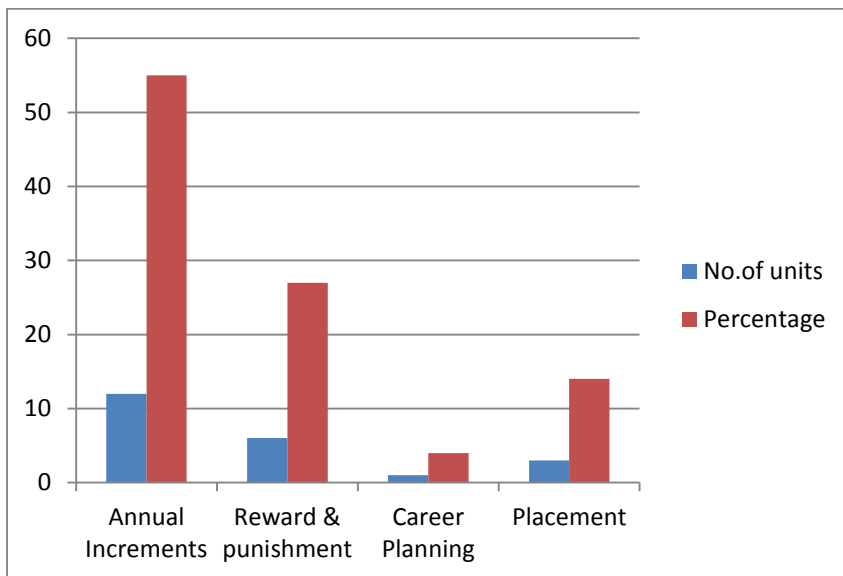


Fig. 3: Performance appraisal of employees

The above figure shows that the performance appraisal of employees is considered on the basis of the following factors. Here 55% is considered on the basis of annual increment, 27 rewards and punishment 4% on career planning and only 14% are considered for placement.

Table 4: Method of wage payment

S. no.	Method of wage payment	No. of units	Percentage
1.	Time – rate system	10	46
2.	Piece – rate system	8	36
3.	Combination of both	4	18
Total		22	100

Wages are compensation. This includes basic wages, allowances, bonuses etc on the employer's point of view, wages from that part of the cost of production which is attributed as compensation paid to labour wages are paid in the form of time rate or piece rate to the workers who are directly involved in the production or commercial activities.

Field survey:

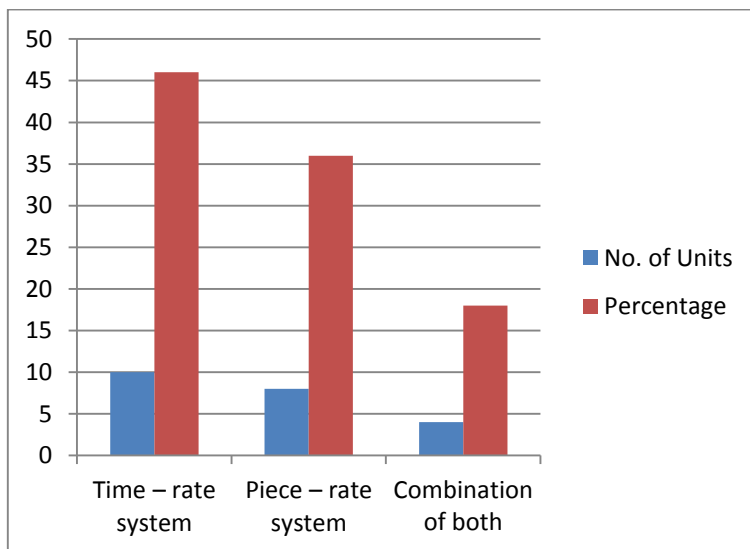


Fig. 4: Method of wage payment

The above figure shows that 46% of units are following a time- rate system, 36% of units are following piece rate system and 18% of units are following the combination of both so here the more per cent belongs to Time rate system.

Table 5: Welfare measures of employees

S. no.	Welfare Measures	No. of units	Percentage
1.	P.F. Gratuity	6	27
2.	Education and other facilities	4	18
3.	No welfare measures	12	55
Total		22	100

Welfare measures include P.F., gratuity, job security, education and other facilities etc. The above table shows that 27% of units are giving P.F. gratuity, 18% of the unit's education and other facilities and 55% of units are not providing any welfare measures.

Table 6: Facilities given to employees

S. no.	Measures	No. of Units	Percentage
1.	Financial assistance	5	23
2.	Medical assistance	4	18
3.	Educational facilities to children of workers	4	18
4.	Accommodation facilities	3	14
5.	None	6	27
Total		22	100

Field survey:

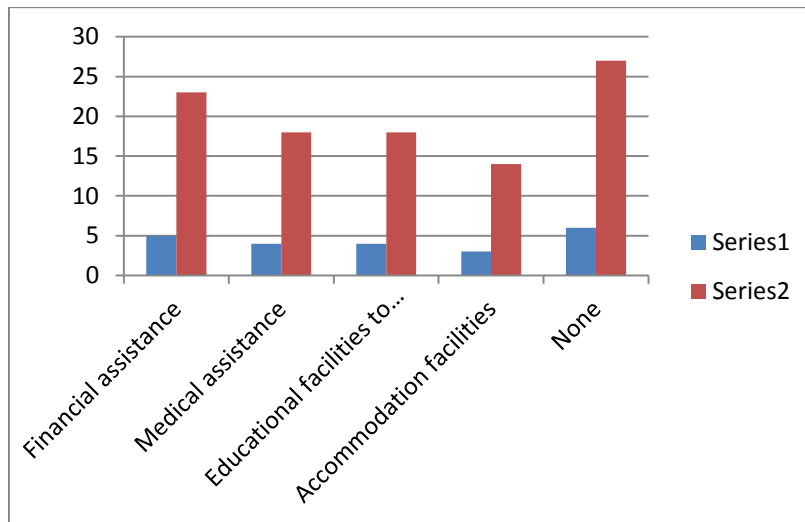


Fig. 5: Facilities given to employees

The above table shows that 23% of units are giving financial assistance, 18% of units giving medical assistance 18% of units giving educational facilities to children of worker 14% of units giving Accommodation facilities and 27 % employees are not giving any facilities.

8. FINDINGS

A study of HRD in small scale industries in Davangere district reveals the following findings:

- It is observed that the proper procedure for recruitment is not followed in small scale industries. 84% SSIs manpower are appointed through direct interview and 16% SSIs are not following any procedure.
- Small- scale units are not having any separate training department: on the job training is followed in most of the SSIs. 82% selected SSIs are providing on the job training 14% units are providing off the job training facility and 4% units are providing other type of training.
- Sources of manpower are through existing workers because 82% of units out of 22 samples prefer this source. This is a good source. This is a good source because existing workers are encouraged and motivated. It helps to maintain a good relationship between employer Management and workers.
- It is found that only 18% of selected SSIs are following man power planning and 82% of units are not following Man power planning.
- It is found that only 24% of selected SSIs are following promotion policy.
- For the promotion and transfers, the performance appraisal is must and But, in selected small scale units 73% are following Performance appraisal method.
- In selected small-scale units 44% are following piece rate system and only 20%are following combination of both. But daily wage workers are more in number no incentives are given to the workers only cash rewards are given.

9. SUGGESTIONS

- It is suggested that scientific Recruitment and Selection methods should be followed to get skilled and efficient workers to the organization.
- It is found that training is neglected part in the small scale industries so, for the continuous improvement external training facilities that are off the job training facilities should be given to the employees.
- Managers and Supervisors should not be recruited through direct sources because it leads to personal bias only unskilled labourers can be recruited through this type of resource. So it is suggested that they have followed a proper selection procedure.
- Manpower planning is a must to obtain a required number of workers to the organization. So SSIs units should have effective manpower planning.

- Workers are not satisfied with the promotion policy because of the monotones work promotion policy is necessary to shoulder the responsibility. So it is suggested that all SSIs must and should follow the promotional policy.
- It is found that some of the SSIs are not following performance appraisal methods so, it is suggested that they have to follow piece wage systems.
- In selected small scale units Majority of the samples are following Time rate system, but it is not a suitable method for remunerating the workers so, it is suggested that they have to follow piece wage systems.
- It is suggested that for encouraging the workers all SSIs must and should give a bonus to their employees.

10. CONCLUSION

Finally, it is suggested that for the growth and the development of small scale industries HRD should be developed. The well-trained manpower must be provided to the small scale units, to satisfy the workers better facilities and remuneration should be given: motivated work force helps the management to maintain a good relationship between management and workers. It helps to reduce industries lockouts, strikes etc. and leads to industrial peace

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