

Responsible Human Resource Management Initiative in Plastic Industries of MSME Sector at Odisha.

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Abstract:

As per the National study of Plastic Industries, the large number of industries belongs to the MSME (Micro, Small Medium Enterprise) Sector. In the similar way the maximum Plastic industries exist in the state of Odisha under the MSME Sector. These industries are mainly focused with the Semi-skilled, Skilled and highly skilled manpower. Again, it is categorised between the Technical Manpower viz. Production, Quality, Maintenance and the non-technical manpower viz. Marketing, Administration, Finance, Store etc. The Challenges faced by the Plastic Industries of Odisha are Gender equality, salary package and the bridge between the technical & non-technical employees, skilled manpower, experience manpower etc. In the above study the researcher has made an extensive study of MSME Sectors on responsible HR initiatives in MSME registered plastic industries of Odisha and which is an essential aspect to manage people at work in the organisation. This initiative of responsible HR will provide better understanding of the people working at plastic industries & growth of the Plastic Industries.

Key word: HR, MSME, Skilled, Technical, Recruitment, Selection, Appraisal.

Introduction:

MSMEs account for more than 90% of total enterprises in the majority of economies around the world. In India, MSMEs employ over 40% of the workforce and contribute significantly to GDP. MSMEs exhibit essential qualities like as agility, cost conscience, trust, centralized decision making, risk-taking abilities, and a culture of doing business through own idea and relationships. MSMEs frequently exhibit a certain level of informality in management practices and procedures as per their organisation diversification, low resources, and lack of professional stratification. Most MSMEs do not place as much focus on human resource management as they should have to pay for the growth and development of their Organisation.

The role of Human Resource Management (HRM) has been an important aspect for the progress of the academic economy. The human resources of any organisation, irrespective of the size whether it is micro, small or medium is an imperative aspect of research. It is the management of human resources which enables for creating opportunity to increase the efficiency in the production and productivity & achieve the organisation objectives. It should be managed effectively and efficiently, because human resources are an integral part in realizing the objectives of the organisation.

This paper makes an attempt to study the responsible human resources initiatives in MSME industries especially Plastic Industries at Odisha which respectively can enable a change in the structure of the Indian economy, where MSMEs operate as an important pillar of growth. As told by many economic experts the present situation of rivalry and modernisation tendencies, the study will show how human resource management and the changing aspects of its growth as a crucial approach in every aspect of organisation growth & development. Such complete transformation will ensure MSMEs to encounters with the situation in their working style as well as march towards growth, the practice of human resources management. This kind of pace, will definitely develop a decent base to create a machinery for the running of the industries in an effective way.

Literature Review:

The purpose of this research is to know about responsible HRM initiatives, working method, cause and effect correlations, outcomes, and achieving objective of organisation. The purpose of the study was to find research on HRM initiatives and functions in the MSME sector.

Prof. Archana Surywanshi (2013), in his study states that there are several challenges in the sector due to modernisation, internationalisation and also proper man power planning is also required to hire good candidate at right time. The human resource has to accept and to adjust with the changing work environment and culture of the organization as required, and to focus on achievement of organisational objective.

Vinisha Panwar (2015) in the article “Role of Human Resources In MSME” states that attract best talents and retain them, different problems of various start-ups have got changed due to talented human resources. The biggest challenge with the emerging enterprises cannot compete with the existing and established industries due to lack of adequate and talented resources. These enterprises should have personnel policies to run the organisation effectively and have clear mandate about the objectives of the organisation which should have known to all the personnel working in the organization.

Georgina (2015) in the article “5 HR Challenge” Faced by Growing Business” states that if there is possibly to outsource HR personnel in the organization is due to lack of adequate talented and limited resources which is highly essential for running of every organisation.

Mousa et al, (2020). The several Human Resource functions including proper man power planning, training & development, wage and salary administration, employer and employee relation, health & safety which is the prerogative of human resource department to maintain the same in an organisation.

Susanto et al, (2022) Basic objective to prioritize the management of human resource is to regulate the utilisation of resources, distribution assigned responsibility, job description and job specification for sustainability and viability of the organisation.

Biekowska et al., (2022) human resource management functions involve staffing, which entails hiring the right number of suitable employees for a company, as well as identifying, procuring, and allocating other resources.

Khancharovna, (2022) Human resource management involves conducting a systematic examination of human resource requirements to make sure that the appropriate amount of personnel with the required capabilities is on hand when needed.

Research Frame Work / Objective of the Study:

The research has several objectives, out of which some has been listed below:

- i. To find out the Human Resources Management system in MSME registered plastic industries at Odisha
- ii. To find out the role of HRM in MSME Plastic Industries at Odisha.
- iii. To evaluate the functions of HRM in MSME

Methodology:

The present research is a qualitative study and the case study is descriptive in nature where the description about various Human Resources practices is which is being followed by different MSME Plastic Industries at Odisha have been collected and give out along with the observation about the importance of Human Resources practices from the workforces and individuals accountable for implementing various Human Resources functions in these industries. The primary data was collected from 12 Plastic Industries of MSME sector in the district of Khurda and Cuttack at Odisha and the outcomes will provide an understanding about the uniformity and advantages of the HR practices among the Plastic Industries of MSME sector at Odisha. It was also proved that HR may be used effectively to assist organizational success through various processes for achieving the organisational objective.

Importance of Human Resource Management for Small Businesses:

It is a tale that only large businesses organisation only needs role of human resource management however human resource management is similarly important for the all type of businesses even small and medium size also. To survive in the present cut throat competition in the market, even the start-up businesses that have started new business as well as medium scale businesses enterprises have now realised the importance of setting up human resource management services in the organisation for better growth and development as well

as to retain the people in the organisation. It is always remembered that the success of every business is due to the fact that due to the hard work of its human resources. In the process of the development, most of the new organisation takes the assistance of dedicated human resource management facilities for hiring employees' as per need is all about managing people at work. To be in line with the people in the organisation, to recruit and retaining skilled employees, measure the performance, to provide a better working atmosphere in the organisation. The small and medium enterprises not able to cope with any type of loss which may hamper for further for growth and development of the organisation.

The Role of Human Resources Management in Small and Medium Enterprises.

Human Resource Management department in an organisation deals with all facets of employment and managing of people working in the organization. Basically, the human resource management practices have a solid theoretical base which has been developed on the basis of science of organizational behaviour and strategic management, and various concepts of industrial relations. The database has been developed with the help of a various studies conducted over the period of time in the areas of management. The various function of Human Resource Management which covers the planning, organising, directing and controlling in an organisation.

The objective of this article is providing an over-all introduction to the practice and concepts of Human Resource Management. This article will define the objective of human resources management, characteristics, mechanisms of HRM arrangements in an organisation, developing concept of HRM as a technique for management of people, the opinions stated in relation to vital executors, the framework in which human resource management works and the scopes which move the human resource policies and practice in an organisation. The author Ronald R Sims says "The key to a continued survival and successful organization is not rational or quantitative approaches, but differs significantly in activities of employees and managers that are based on the support and mutual loyalty. The success of the organization today and tomorrow is being seen more and more dependent on the effectiveness of human resource management" (Sims, 2002, p.1).

Human resource management in current economics which is associated to a business's growth calculated with several organizational parameters like productivity, production, the level of invention, capital share, eco-friendly performances, etc. The role of Human Resource Management in large scale organisation is comparatively acknowledged, particularly when the keenness and supportable wide spread with huge number of personnel. The purpose of large number of researchers are more interested nowadays due to the success of the small, medium enterprises which are contributing more to the nation's economy at large. This study will identify several management suggestions as Organizations must give priority to the Human Resource Management practices in the organisation.

Functions of HRM

The Human Resource department in an organisation has been considered as accountable for implementing various Human Resource role for the effective functioning of the organisation. The HR roles can be well-defined as the way all responsibilities and assignment in regards human resource management in the organisation. The human resource functions comprise all the assignment and responsibilities from the recruitment process, to the training and development, performance management system and employer & employee relation, till the retirement of an employee in the organisation. Several organizational relative factors regulate the need for some precise Human Resource Management practices triggering Human Resource function (primary duty of Human Resource department) to do their role efficiently. However, HR functions depend on some other factors, as Hendry and Pettigrew (1992) explain that “while changes in human resource practice can be conceived as a response to business strategy, the scope of the HRM function to respond effectively is therefore limited by its role and resource”. The responsibility of the Human Resource manager or department to outline their Human Resource function through the Man Power Planning and Job analysis for determining the organisation operation to achieve the objective of the organisation to get continuous modest benefit. According to Fombrunetal (1984) “general” Human Resource Management functions comprises of

- i. Personnel policies: Development of policies with regards to management of people at work in the organisation.
- ii. Engagement: The recruitment, selection and placement process for employment requirements;
- iii. Development: Policies with regards to continuous training and development of employees to develop the skill and abilities.
- iv. Performance Measurement: System to appraise the performance of the employees
- v. Wage and Salary administration: Policy and strategies for effective and better wage & salary system for the employee in the organisation.

These HR functions are essentially executed through various human resource practices in the organizations. The above-mentioned human resource practices are explained based on the survey done through questionnaire method in some of the SME plastic industries at Odisha.

Sample size, Population & data collection

HR Practices in Plastic Industries of MSME Sector at Odisha

The data has been collected from various Plastic Industries of MSME Sector in the district of Khurda and cuttack at Odisha through Questionnaire method applied. Total 16 industries have been covered and 162 respondents responded. As per the input received the summary of profile of sampled organizations is given below and the identities of the firms are being hidden upon the request of respondents.

Table 1-HR Practices implementation in the sampled organizations

SL NO	Human Resource Functions	Method of Application	Rate of recurrence
1	Recruitment and Selection	Vacancy advertisement	Generally
		Publication of vacancy on website	Sometimes
		Advertisement in social media	Sometimes
		Individual references against vacancy	Most of the times
		Technical test and HR round of interviews to fill the vacancy	Generally,
		Skills based excellence is being chosen over required qualification	Frequently
2	Training and development	Skill and trade-based training programmes	Sometimes
		Technical skills	Most of the times
		Additional professional expertise	Generally
		Training on trade-based skills every year	Sometimes
3	Performance Appraisal Policy	Presence of performance appraisal policy	Sometimes
		Parameter of performance appraisal	Sometimes
		Existence of any particular machinery of performance appraisal in the organisation	Generally,
		Importance of Technical performance measurement system in the organisation	Generally,
		Significance of appraising other behavioural performance appraisal system in the organisation	Sometimes
4	Wage and Salary Administration System	Payment as per time wage rate	Generally,
		Payment on weekly basis to workers	Most of the times
		Payment on monthly basis to other employees	Most of the times
		Payment made to daily wage workers through cash payment	Most of the times
		The salary payment made to employees in their bank	Generally,

		account	
		All the employees paid salary within seven days of month	Generally,
5	Existence of Standing Order Procedure and employee discipline	Existence of standing order and personnel policy in the organisation	Generally
		Applicability of the rules in practice	Most of the times
		Compliance of various Labour Laws	Most of the times
6	Communication and Motivation	Through informal channels	Sometimes
		Through formal channels	Most of the times
		External communication through formal channels	Most of the times
		Internal communication through informal channels	Sometimes
		Monetary rewards	Sometimes
		Recognition of performance of employees	Most of the times
		The performance of the employees is being recognised by displaying the achievement in putting the information on the notice board and in common area.	Most of the times
7	Employee Retaining	Superannuation age 60 years to 65 years	Generally,
		No age of retirement	Sometimes
		Senior officials were open to employees for retaining them	Sometimes
		Additional assignments were allocated to employees for future retention	Most of the times
8	Industrial Relations	The relation between employer and employee is cordial.	Most of the times
		Work pressure among workers	Most of the times
		Existence of any trade unions	Sometimes
		Sincerity to follow the Labour laws rules and its	Most of the

		implementation	times
9	People management Practices	Open work culture	Generally
		Open door policy	
		Flat organization	Most of the times
		High Job security	Most of the times
		Employee's involvement in decision making as they are considered as family	Sometimes

Source: Scholar's development for the study

Observed significance of HRM

The summary of view about importance of human resource functions at SMEs from answerable individuals is collected and summarised as below:

Recruitment & Selection

Whereas while responding to the questionnaire about importance of recruitment and selection at SMEs, the respondents stated that it is relatively important and said that engagement here is a practice of both in formal and informal way it is being conducted. At present-day situation it will be better to have through prescribed channel only. The procedure of hiring through informal system will get locality persons, who will work for beyond working hours if essential and can be used for multitasking of work. As per the view of respondent the formal procedure may involve financial expenditure which have an impact and burden, simultaneously recruiting outsider may involve risk of retaining good people.

It has been seen that sometimes hiring and retaining a good candidate is a tough task, particularly when they have requirement of skilled people. The respondent has also confessed that requirement of technical skill in different branch which unable to cope up with the market trend. As these industries didn't get the potential or hands on experience candidates easily, they are hiring the candidates who are not having basic knowledge.

Training & Development

As per the statement of respondents that training and development has a significant impact on employees' skill and abilities however MSMEs not able to afford it frequently. The cost incurred in imparting training

may not straightly noticeable immediately but the ability to understand the requirement of in which the management interest and involvement in these activities is inadequate. In spite of that the mindset of employees towards the training is also very much interesting. As per the current market scenario upgradation of skills of the employees is highly essential and the respondents has agreed there is in need of training need identification for the employees of different category.

Performance Appraisal Policy

Most of the respondents has said that there is absence of crystal-clear performance appraisal system in their organizations. It is evident that it is an important aspect of Human Resources function to maintain a balanced and justifiable recognition of the work done by the employees. There is necessity of policy to be adopted in this regards and reward and recognition should be there, no informal method has to be adopted.

Wage and Salary Administration

Respondent has clarified that there is need of proper wage and salary administration which will increase the faith of employees on management. It is greatest significant function of Human Resource department and combination of both formal and informal practices are being followed. The staffs are sometimes during need asking for salary advance or loan in terms of advance and the management is also kind enough to do so. Few of these enterprises have practice of nonfinancial reward or recognition as best employee to motivate the employee. It has also seen that there is follow up of minimum wages in most of the category with absence of different variables. It seems that salary packages are not in similar with organised sectors which requires a system in this regard.

Employee Discipline

The discipline of employee in sampled industries is being taken care with the help of prescribed rules and regulations as per various labour laws. Most of the employees believe that discipline in any organization ensures high productivity and efficiency by creating harmony and cordial relation among the employees. There is need of appropriate information and knowledge about the guidelines and rules among the employees, so that employees will also conscious about various rules and regulation, policies etc. The utmost general problems of indiscipline are that in regards to the attendance in official duty. The organisation has to strictly follow the code of conduct and in the situation of any major indiscipline the management has to penalise the delinquent employees as per policy.

Communication & Motivation

The respondents revealed that communication and motivation correlated practices are vital for any organization, regardless of their size. Maximum employees are acquainted with the local language however they are able to conversation in other language also. The communication between workforces is found good in nature because of a cordial relation is found due to conducive work culture. The organisation requires a formal communication process in every sphere of communication.

Employee retention

The respondents stated that they do not have any problem in retaining its retired employees. There are some policies in regards to retain the retired employees and the management which got renewed for reemployment on retention on every 12 months. To retain the retired employees based on performance is being adopted in most of the enterprises.

Employee relations

There exist a good employer and employees' relation in the enterprise however most of the people engaged are workers or daily wage earners. The management does not allow for any kind of trade unionism at place of work, therefore for trade union in the organizations the mindset of the respondents was not quite favourable. The respondent also does not encourage trade unions in their industries. The respondents also stated that need of trade union is required if their grievances are unattended by the employer, however the work culture has been a conducive where there is least necessary of any unionism. The respondents from this enterprise stated that the labour laws are being implemented in their organization and the industries following all the statutory law. It has also been seen that management avoid retaining any of employees with them who have violent in nature and can encourage other employees for union activities. Therefore, it is supposed that evident of informal set up is at these SMEs in terms of employer and employee relation practices.

People Management Practices

These enterprises have some homegrown systems in which they think it as a as unique man management practices. Work culture is very undeveloped and the employees are open to meet any level of officials directly without any hesitation due to this the top official also known to a lower level of employees directly without any hierarchy which a base for good relationship in the organisation. The respondents have also stated that there are few practices which are moderately casual in nature which creates an interconnected group in the organizations. This type of exceptional method is good for development of interpersonal relations which is sign for prosperous for the organizations. Some employees have said that employees feel themselves as partner in the organization and thus they dedicatedly work for the organisation. Employees are called for decision making process and allow them to have a work life balance between personal and professional life. It looks like that there is separate HR practice tendency relatively than Human Resource systems for among the organizations.

Future Prospects of HRM in SMEs

It has been seen that it is only the large organisation where HR department were existing but nowadays even the MSMEs are letting for HR functions completely in the industries. The necessity for planned Human Resources practices is well recognized by maximum MSMEs nowadays, and even prepared to implement the Human Resource department/ functions into their enterprises. The biggest challenge with the MSMEs that they face lack of capitals and proficiency essential to implement Human Resource Management functions.

The clarification will be can either subcontract the Human Resource Management function for a short span till required proficiency is gained, or secondly bring about from the existing resources for implementing Human Resource Management by imparting training. If it is under subcontract, it involves financial expenditure, the management will be able to focus on business strategy instead of directly involving in routine Human Resource practices. The SMEs can opt for identify the right talent within the organization get the training for identified talent utilise the resources for the said function & practices. The management should follow employee appointment practices so that employee retaining will improve. Hiring of retired personnel who are ready to with the organisation which can be beneficial with their expertise in the relevant field. The organisation should develop a culture of accepting various challenges and opportunity which will foster the organisational growth and development. Decreasing the chain of command workforces can feel as a shareholder of the organization and maintain work-life balance.

Scope for Further Study

On the basis of study, the further research may be carried out on the practices of informal Human Resources practices in small, medium scale enterprises along with apprehension and significances of the functions. However, the further study in the field can also be conducted in respect to different small and medium sector enterprises in different units apart from Plastic industries in different state. Further, a conclusion has to derive that the enterprise should have accountable for proper Human Resource practices at SMEs and their effect, which will develop a good working atmosphere in the industries.

Result / conclusion

The first and second objective of the study has to explore different Human Resource systems in Plastic Industries of MSME and the same was done during data collected from 12 Plastic industries of MSME Sector in the district of Khurda and Cuttack at Odisha it has been seen that maximum of the industries don't have recognized Human Resource department. The respondent for the method is administered through the senior most personnel and person responsible doing human resources function in the organisation and in some industries, it is the Managing Director, Factory Manager has replied & interviewed. The last objective of the study in which the view about the application of different Human Resource functions asked to Managing Director, Factory Manager and person accountable for Human Resource activities, in the beginning they were not very open though after discussion these officials/respondents flexibly spoke about the significance of Human Resource practices in these MSMEs and able to understand the use human resource management is one of the most important determinants of organizational performance. The whole success of MSMEs basically relies upon the interest, capability, assets, skill and obligation of a sole individual (proprietor) around whom the enterprise rotates.

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