

Exploring the Human Resource Practices in SMEs in India – A detailed study

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ABSTRACT

Small and Medium Enterprises (SMEs) play a very important role in the economy of a country as it produces a very diverse range of products which we daily use which contribute to the local and global markets and also the national and international value chains. It is forecasted that the future business will be dominated by SMEs with the introduction of newer jobs, innovations and patterns of work. It is often argued that the SME owners are resistant to the legal regulations and they find the administrative decisions too complex. Employees are a strategically important, unavoidable component for a company to achieve its objectives irrespective of the firm's size according to the resource based view of management. A recent study by suggested that the HR efficiency and performance are the most important factors which lead to an organization being unsuccessful. In India, SMEs are found to be following less formal practices compared to larger firms. Most of the SMEs fail to employ these practices because of their inability to develop a proper HRM system, however they may overcome this if they can employ highly skilled employees or tie up with other organizations. Using primary data collected from employees working in different SMEs we are analyzing how the factors are affecting them using factors like workforce skill, training, compensation, unionization and customer base.

Given the rising importance of SME sector as a source of wealth and social benefits to national economy, it is very important to examine the HR practices in small and medium firms which will help in managing the sector more efficiently. The objective of this paper is to explore that factors which limit the Indian SMEs from adopting HR policies and practices.

BIBLIOGRAPHY

Maria Sabastin S. Currently serves as Assistant Professor at the Department of Management, Amrita Vishwa Vidyapeetham, Bengaluru Campus. With the passion for teaching and research he started his career with Amrita School of Business, Bangalore campus, and now he is also pursuing his Ph.D. in the area of Information Technology and Management. His key area of interest is to explore what are the determinants to manage Information Technology in Health Care to increase their efficiency and improve their performance.

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