

IMPACT OF ADOPTION OF HUMAN RESOURCE MANAGEMENT ON THE PERFORMANCE OF SMALL-SCALE INDUSTRIES IN THOOTHUKUDI DISTRICT OF TAMILNADU

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Abstract

The S.S.I. sector has acquired a prominent place in the socio-economic development of our country. The current paper deals with the impact of adopting strategic human resource management on the performance of small-scale industries in the Thoothukudi district of Tamilnadu.

The objectives of this study are

- 1) To study the socio-economic outline of the sample workers in small-scale industries.
- 2) To know the procedure to recruit and select employees
- 3) To analyse the performance appraisal of workers and welfare measures of workers
- 4) To find out the adoption of strategic human resource management on the performance of small-scale industries and
- 5) To examine the intensity of human resource management practices and the intrinsic job satisfaction of workers

Primary and secondary data are used in the research. The averages, standard deviation, t-test, and chi-square test inspect the difference between workers' socio-economic status and their perception of human resource management practices. The secondary data was composed with the help of e-books, magazines, newspapers, research articles, research journals, e-journals etc. The study demonstrates that the adoption of strategic human resource management on the performance of small-scale industries is significantly correlated with socio-economic variables, such as age, sex, marital status, and income per month, with a P-value of 5% or lower. Therefore, the null hypothesis for these variables was rejected. Adopting strategic human resource management does not significantly impact the performance of small-scale enterprises due to the nature of employment, family size, or educational level.

Keywords: Human resource practices, small scale enterprises, performance appraisal, remuneration.

INTRODUCTION

Human resource is widely regarded as one of the most crucial factors in economic progress. This study aims to understand better how small and medium-sized businesses conduct their operations. The global growth competition of recent times influences Small and medium-sized enterprises to constantly raise their performance if they want to confront the competitors to make small and medium-sized enterprises invest in human resource practices. Small and medium-sized enterprises dominate the industrial landscape, contributing to over 55% of gross domestic product (G.D.P.) and 65% of total employment in high countries.

Small and medium-sized enterprises (S.M.E.s) form an increasingly important feature of the global economy, constituting more than 99% of all enterprises in many countries (Van der Heijden, 2002). Small enterprises have been in vogue in manufacturing endeavours even before the dawn of the Industrial Revolution (Lal, 1998).

The current research focuses on how the human resources function may help employees grow incompetence while supporting the organisation's strategic goals (Zhu W. et al. 2006). It used to be that matching a person's knowledge, skills, and abilities to job requirements was the only way (Bruystegem, Woestyne, Dewetticnck, 2008).

It should be renowned, however, that Human resource strategies designed for large corporations may not necessarily apply to small and locally owned businesses in Africa because many small and locally owned businesses in Africa face a major challenge of survival due to external pressures, forcing them to overlook internal operations in favour of overall performance (Kamoche 1997).

In S.M.E.s, therefore, Human resource practices are expected to match the characteristics of employees to the values and culture of the organisation to build an entrepreneurial climate in which employees are stimulated and motivated to identify competitive ideas. (Bruystegem, Woestyne, Dewetticnck, 2008).

The practice of H.R.M. in Africa has been based on procedural and administrative tasks such as salary and benefits, employee relations, absenteeism, and grievances (Taylor, 1992). However, there is a growing awareness to formulate and pursue Human resource activities such as recruitment, selection, rewarding, performance management, training, and development in line with firms' mission and strategic objectives (Kamoche, 1997). This article focuses on strategic

human resource management and small-scale industry performance in Tamilnadu's Thoothukudi area.

OBJECTIVES OF THE STUDY

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5. To examine the intensity of human resource management practices and the intrinsic job satisfaction of workers.

METHODOLOGY

The present study is carried out in the Thoothukudi district of Tamilnadu, and 50 workers in small-scale industries such as dry flower, garnet, frozen sea food, salt, and safety matches industries were selected using a simple random sampling method. Primary and secondary data are used in the research. The researcher relied upon the primary data and information to an exceptionally considerable extent. The primary data is collected by personally administering comprehensive and structured questionnaires. The averages, standard deviation, t-test, and chi-square test inspect the difference between workers' socio-economic status and their perception of human resource management practices. E-books, periodicals, newspapers, research articles, research journals, e-journals, etc., were used to gather secondary data. Personal interviews were conducted in the field from May to September 2021.

LITERATURE REVIEW

Gilbert and Jones (two thousand) found that Human resource practices in small businesses are informal, ad-hoc and opportunistic; nevertheless, they are effective. However, little research addressed the nature and significance of these differences.

When it comes to employment management, Storey (1992) defines human resource management as the strategic deployment of highly committed and capable employees, using an integrated array of cultural, structural, and personnel techniques to achieve competitive advantage.

Armstrong (1999) stated that human resources are the most valuable assets or essential resources. Whatever the organisation's size, human resource practices must be taken into consideration, and

organisations striving to thrive in a volatile environment must concentrate on the human resources that have the most potential to secure organisational survival.

Storey (1985), on the other hand, discusses the difficulty of defining S.M.E.s as dangers based on their size, which varies from sector to sector.

DATA ANALYSIS AND INTERPRETATION

The following tables give information regarding H.R.D. Practices followed by selected small-scale industries such as dry flower, garnet, frozen sea food, salt, and safety matches industries.

TABLE 1
SEX-WISE CLASSIFICATION OF THE RESPONDENTS

SI No	Sex	No of Respondents	Percentage
1	Male	16	32.00
2	Female	34	68.00
	Total	50	100.00

Source: Primary data.

Table 1 shows that 32.00 percent of the total respondents are men, while 68.00 percent are women. As a result, most responders in the research area are female.

TABLE 2
AGE-WISE CLASSIFICATION OF THE RESPONDENTS

Sl. No.	Age (in years)	No. of Respondents	Percentage
1.	Below 30	18	36.00
2.	30 – 40	14	28.00
3.	40 – 50	10	20.00
4.	50 and above	8	16.00
	Total	50	100.00

Source: Primary Data

Table 2 shows that the respondents' most important age groups are those under 30 and between 30 and 40. They account for 36.00 percent of the total and 28.00 percent of the total. It is followed by 40–50 years and over 50 years, which account for 20.00 percent, and 16.00 percent of the population, respectively. According to the findings, the bulk of the respondents in the research area are under the age of 30 years old. The mean age of the respondents was 36.6 years.

TABLE 3
LEVEL OF EDUCATION OF THE RESPONDENTS

SI No	Educational Level	No of Respondents	Percentage
1	Primary	8	16.00
2	Secondary	19	38.00
3	Higher Secondary	15	30.00
4	Collegiate	6	12.00
5	Technical/Professional	2	4.00
	Total	50	100.00

Source: Primary data.

The respondents' educational levels are depicted in Table 3. Primary, secondary, higher secondary, collegiate, technical, and professional education and technical and professional education respondents make up 16.00, 38.00, 30.00, 12.00, and 4.00 percent of the total, respectively. According to the findings, most respondents in the research area have only an elementary education.

TABLE 4
TYPE OF FAMILY OF THE RESPONDENTS

SI No	Type of Family	No of Respondents	Percentage
1	Nuclear Family	39	78.00
2	Joint Family	11	22.00
	Total	50	100.00

Source: Primary data.

Table 4 indicates that 39 (78.00%) of the 50 respondents belonged to the nuclear family system. The remaining 11 (22.00%) belonged to the joint family system. The research reveals a steady fall in the joint family arrangement even in the research area.

TABLE 5
MARITAL STATUS OF THE RESPONDENTS

SI No	Marital status	No of Respondents	Percentage
1	Married	40	80.00
2	Unmarried	8	16.00
3	Widow/Widower	2	4.00
	Total	50	100.00

Source: Primary data.

Table 5 shows that out of 50 respondents, a maximum of 40 (80.00%) are married, while 8 (16.00%) are single, and 2 (4.00%) are widowed.

TABLE 6
FAMILY SIZE OF THE RESPONDENTS

SI No	Family Size	No of Respondents	Percentage
1	Below Three	14	28.00
2	Three to Four	22	44.00
3	Four to Five	9	18.00
4	Above Five	5	10.00
	Total	50	100.00

Source: Primary data.

A maximum of 22 (44.00%) of respondents have a family of 3–4 persons, with 14 (28.00%) having a family size of less than 3, 9 (18.00%) having a family size of 4-5, and 5 (10.00%) having a family size of 5 or more. Table 6 shows that most of them had a family size of three to four individuals. The average family size was calculated to be 3.6.

TABLE 7
MONTHLY PERSONAL INCOME OF THE SAMPLE RESPONDENTS

SI No	Monthly Personal Income	No of Respondents	Percentage
1	Below Rs.10000	5	10.00
2	Rs. 10000-20000	9	18.00
3	Rs. 20000-30000	18	36.00
4	Rs .30000-40000	15	30.00
5	Above Rs. 40000	3	6.00
	Total	50	100.00

Source: Primary data.

According to Table 7, 5 (10.00 percent) of the 50 respondents have a monthly personal income of less than Rs. 10,000, 9 (18.00 percent), 18 (36.00 percent), 15 (30.00 percent), and 3 (6.00 percent) of the respondents have a monthly personal income of between Rs.10000 and 20000, Rs.20000 – 30000, Rs.30000-40000, and 40000 and above respectively. The average monthly personal income came to Rs.25400.00 per month.

TABLE 8
NATURE OF EMPLOYMENT

Sl. No.	Nature of Employment	No. of Respondents	Percentage
1.	Permanent	39	78.00
2.	Temporary	11	22.00
	Total	50	100.00

Source: Primary Data

More than two-thirds of the workforce (78 percent) is short-term, whereas only 22 percent is permanent.

TABLE 9
JOB EXPERIENCE

Sl. No.	Job Experience	No. of Respondents	Percentage
1.	Up to 10 years	14	28.00
2.	11 - 20 years	26	52.00
3.	Above 21 years	10	20.00
	Total	50	100.00

Source: Primary Data.

The above table presents the distribution of the respondents according to the level of job experience in their employment. It shows that 14(28%) respondents have experience of up to 10 years in their job, 26 (52%) respondents have a job experience of 11-20 years, and 10 (20.00%) respondents have a job experience of above 21 years.

TABLE 10
PROCEDURE TO RECRUIT AND SELECT EMPLOYEES

Sl. No.	Procedure to recruit	No. of Respondents	Percentage
1.	Written Test	4	8.00
2.	Direct Interview	26	52.00
3.	Practical work	11	22.00
4.	No Procedure	9	18.00
	Total	50	100.00

Source: Primary Data.

The above table reveals that 8% of the respondents through written tests. Fifty-two percent through the direct interview, 22% of the respondents were selected through practical experiment, and 18 % were workers without any procedure.

TABLE 11
PERFORMANCE APPRAISAL OF EMPLOYEES

Sl. No.	Performance appraisal	No. of Respondents	Percentage
1.	Annual Increments	32	64.00
2.	Reward and punishment	12	24.00
3.	Career Planning	4	8.00
4.	Placement	2	4.00
	Total	50	100.00

Source: Primary Data.

The above table shows that the performance appraisal of workers is considered based on the following factors. Here 64% is considered based on annual increment, twenty-four rewards and punishment 8% on career planning and only 4% are considered for placement.

TABLE 12
WELFARE MEASURES OF WORKERS

Sl. No.	Welfare measures	No. of Respondents	Percentage
1.	P.F. Gratuity	32	64.00
2.	Financial assistance	28	56.00
3.	Medical assistance	30	60.00
4.	Educational facilities for children of workers	22	44.00
5.	Accommodation facilities	14	28.00
6.	Availing Leave Facility	44	88.00
7.	No welfare measures	8	16.00

Source: Primary Data.

*Multiple responses

The above table shows that 64% of workers are giving P.F. gratuity, 56% of workers are giving financial assistance, 60% of workers giving medical assistance, 44% of workers giving educational facilities to children of workers, 28% of workers giving accommodation facilities, 88% of workers availing leave facility and 16% of workers are not providing any welfare measures.

TABLE 13

The effect of socio-economic characteristics on the adoption of strategic human resource management on the performance of small-scale industries using the chi-square test

Socio-Economic variables	Chi-Square values	P Values	Significance
Age	11.12	0.010*	Significant
Sex	17.53	0.001*	Significant
Nature of Employment	22.01	0.253	Not Significant
Family Size	10.58	0.218	Not Significant
Marital Status	12.93	0.001*	Significant
Educational Qualification	26.38	0.284	Not Significant
Monthly Income	6.31	0.001*	Significant

* Significant level of 5 per cent.

According to the data shown in the table above, a P-value of 5% or below indicates a strong association between small-business success and strategic human resource management practices, such as employee age, marital status, and monthly income. A negative result was obtained by ruling out the null hypothesis for these variables. A small business's ability to implement strategic human resource management is unaffected by industry size, family composition, or educational attainment. These variables have been accepted as the null hypothesis, which indicates the hypothesis has been rejected.

TABLE 14

A meaningful relationship between the intensity of human resource management practices and the intrinsic job satisfaction of workers based on sex

Sex	N	Mean	S. D	't' Value	Interpretation
Male	16	14.69	10.31	0.3011	Not Significant
Female	34	12.02	6.17		

Source: Computed from Primary Data

In order to find out the critical difference between the intensity of human resource management practices and the intrinsic job satisfaction of workers based on sex, the 't' value calculated and the calculated 't' value was found to be 0.3011, which is lower than the table value 1.97 which is significant at 0.05 level. Consequently, the null hypothesis is accepted and concluded that there is no significant difference between the intensity of human resource management practices and the intrinsic job satisfaction of workers between sexes.

CONCLUSION

Finally, it is suggested that for the growth and development of small-scale industries. A well-trained workforce must be provided to the small-scale units, to satisfy the workers, better facilities and remuneration should be given: a motivated workforce helps the management 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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