

SMALL SCALE INDUSTRIES: LABOUR PROBLEMS AND MEASURES

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Abstract : Indian economy is balanced on agriculture and industry like an equilibrium of vehicle with two wheels. Indian economy is known as mixed economy where nearly 58% population depend on small scale industries like food processing industry, oil processing industry, refinery production, etc.

Employee termed as an asset as well as resource of an enterprise. Human resource management is very much important in every business practice to survive and succeed in competition. Human resource management helps to make optimum utilization of the human resources in the enterprise. It also helps to avoid wastage of human resources. Every success result in business is because of human resource management which take cares about the right person are in the right place at right job.

The objective of this paper is to highlights on the labour problems affects the performance of the industry. It reduces the productivity and profitability.

Human resource management is the key to overcome from these problems. It is the only solution that can tackle the situation properly. It uses different tactics to solve the problem of industrial labour and make the firm healthy in all means.

Key words: Human Resource Management, small scale industries, firm.

INTRODUCTION

Small scale industry:

Indian economy is balanced on agriculture and industry like equilibrium of vehicle with two wheels. However agriculture and industry are two sides of one coin where country can achieve overall development.

Indian economy is known as mixed economy where nearly 58% population depend on agriculture and agro based industries like food processing industry, oil processing industry, refinery production, etc. are the part of small industries.

According to an atmosphere of Indian economy and nature of economy where small scale industries play a pivotal role in generating employment, production of basic goods and services, enhancing market and increasing in national income of the country therefore it is said that small scale industries are a backbone of Indian economy.

There is no any fixed definition for SSI but right from industrial policy 1964 up to 1991 there has been drastic changes in the definition of SSI.

1. According to I.P. 1964, "SSI refers to such a small enterprises which requires an investment in capital from 25 lakh up to 60 lakh."

2. According to I.P. 1991, "SSI are such a type of industries whose investment of capital and tools limits from 50 lakh up to 1 crore."

3. Currently small scale industries refer to such a units of industries which require capital investment from minimum 2 crore up to maximum 4 crore.

OBJECTIVES:

- 1.To study the problem of labours faced by small scale industry.
- 2.To study the role of Human Resource Management in small scale industries to overcome labour problems.

Research Methodology:

This Study is based on available Secondary source and Literatures.

Hypothesis:

Human resource management in SSI will provide a path to achieve business goal.

Expected Contributions:

This study will helpful to small scale industries for managing the human resources in the competitive word. Proper utilization of human resources will ensure the success of business.

Problem of labours faced by small scale industries:-

1.Absenteeism and attrition:-

Continuous absenteeism and attrition are the major problems of labour who work in SSI that ultimately influences negatively on the production of firm. The basic reason of this is due to unhygienic condition at work, lack of incentives, worst atmosphere at work place and dis-satisfaction with a pay-scale. Every labour is used to quit from earlier industry that brings a continuous trend of turnover of labour which brings adverse effect on the production and further progress of SSI unit.

2.Untrained and unqualified intake of labour force:-

Training is a perfect guideline for particular labour of particular firm. If the worker is untrained, it may affect the overall production activities of the firm.

In India small scale industries are mostly located at rural area and operated on small fund/capital. However SSI units are unable to conduct and provide a proper training to their employees as it becomes obstacle for employers and employees of SSI.

More than 50% workers in SSI are termed as non-skilled workers who work without training that ultimately caused lower productivity, less-output and unnecessary expenses of firm. Some of the SSI's are making provisions to provide training facilities to the labour but the labour resist towards its.

3.Low productivity:-

It is said that practical knowledge is better than theoretical knowledge here in SSI. There is no proper performance appraisal system of workers to find out the potentialities of the workers as well as requirement of training to the workers, those who do not work much efficiently. Due to lack of proper knowledge of particular work, the labours of SSI units can not enhance their efficiency. That is why productivity as per labour of SSI is much lower than the productivity of trained labour of large scale industries. Meanwhile it ultimately affects on the total production and productivity of SSI units. Therefore many SSI units are much closed to shut down process.

4.Unionization:-

This is a root problem of SSI which is existed due to continuous unionization of labours. Many SSI units are broken down or shifted from one place to another just because of labour unionization.

Unionization refers to a unity of labour which is made for particular period of time to satisfy some requirements on the ground of collective bargaining against employers. If employers do not look after or pay attention to employee's demands and requirement then it is forced to labours to go on strike for few days under such unionization.

In short we can say that unionization exists strike and strike bring an adverse effect on firm's

production that increases production cost and industrial sickness.

The nature of Human Resource Management

Human Resources Management is defined as the process of assessing an organization's human resources needs in the light of organizational goals and changing condition and making plans to ensure that a competent, stable workforce is employed. The actual planning process will vary a great deal from organization to organization.

Measures of Human Resource Management to overcome the problems of labours faced by Small Scale Industries:

The success of business depends upon the human resources working in the organization for which HRM play an important role. Human Resource Management involves collecting of information, deciding goals, and making decisions to enable the organization achieve its goals. HRM enables the organization to understand the following:

1. Forecasting the future requirements of demand and supply of employees with different levels of skills and taking corrective measures.

2. Proper and optimum utilization of available manpower.

Human Resource Management enables the authority to understand the quantity and quality of their available staff in an organization and the future requirement. It works on all functional areas of industry and acts as remedies of the problem of labour.

Following are some of the measures used by HRM to overcome the problems of labour:

1. Compensation policies:

HRM is responsible to design proper compensation package to the employees.

Compensation costs have risen sharply in recent years, primarily because of escalating benefit costs.

An organization must contain these spiraling costs if it is to get a proper return on its human resource investment, and thus gain a competitive advantage. When compensation-related costs escalate, the organization must find a way to offset them. In the past, companies passed along these increases in costs to the customer in the form of higher prices. However, most SSI's now find it very difficult to raise prices. Thus, to remain competitive in light of fierce domestic and foreign competition, unfavorable exchange rates, and cheaper foreign labour costs, it is imperative that companies find ways to control labour costs. Unless this can be done, organizations may be forced to implement such adverse actions as pay freezes, outsourcing/offshoring, and/or massive layoffs.

2. Healthy working relationship:

Many times employers of SSI unit do not maintain proper relationship with every worker as well as labour also have not provide their positive contribution to the organization due to their negative attitudes. Therefore, now days this is very important to improve an industrial relationship between labours and employers or capitalist.

Employers should not look at every labour as a commodity, as a part of machines because labour is a living factor having living emotions, liking-disliking, etc. and employees also be positive towards management, therefore, there should be mutual understanding between labours and employers. That will maintain healthy working relationship between both of them so that productivity of firm and efficiency of labour both will appear on same track of progress.

3. Career development of employees :

Workers are considered temporary for his respected post where every labour thinks that there is no professional growth and they quits. Therefore in order to stop such a process of labour's turnover. Employers must establish some career oriented project for labours as well as giving a permanent security of job to him may increase labour's efficiency.

4.Employee safety :

There is no any separate arrangement in SSI unit for the worker's safety as they in danger their life while they work in firm. Therefore employees must rethink on the point of giving safety atmosphere to labours at work place. So that they can work withoutworry. It may bring future benefit for the firm as well as workers to improve healthy industrial relationship between both of them.

5.Job security :

In SSI units all the workers are considered as a temporary basis labour where sometime labour quits one firm and join another. In order to stop all these things human resource management plays an important role in providing job securities at various levels.

When workers are satisfied with permanent job, including hygienic condition, peaceful and healthy atmosphere at work, they can put there 100% or more than their effort to run the firm properly.

6.Proper recruitment policy:

This is one of the important remedial measures with reference to SSI units in India. Sometimes workers are appointed by the SSI without looking educational qualification, corruption and political issues are related with recruitment policy of labours in SSI units.

There should be proper recruitment policy of labour. Educational qualification, intellectual level of labour, skills should be considered before an appointment of labours in the firms. There should be more recruitment of competent manpower.

7.Motivational strategies to overcome low productivity:

Employee motivation has always been a central problem for leaders and managers. Unmotivated employees are likely to spend little or no effort in their jobs, avoid the workplace as much as possible, exit the organization if given the opportunity and produce low quality work. On the other hand, employees who feel motivated to work are likely to be persistent, creative and productive, turning out high quality work that they willingly undertake. There has been a lot of research done on motivation by many scholars, but the behavior of groups of people to try to find out why it is that every employee of a company does not perform at their best has been comparatively unsearched. Many things can be said to answer this question; the reality is that every employee has different ways to become motivated. Employers need to get to know their employees very well and use different tactics to motivate each of them based on their personal wants and needs.

Motivation comes from within us such as thoughts, beliefs, ambitions, and goals. The people who are most interested in motivation studies are managers of people because they may provide insights into why people perform at work as they do, and as a result provide managers with techniques to improve worker productivity.

8.Maintaining better relationship with workers and unions:

Sound and smooth functioning of firms always depends on the basis of relationship of employers with their employees.

Now at present in order to avoid various types of disputes, strikes, entrepreneur or producers should maintain good relationship with workers and unions. But before an implementation of discipline among labours, employers must develop such disciplinary rules and guidelines.

If the relationship between employers and employees get spoil, it will affects on the present and future progress of firm. Hence it is very important to maintain good relationship.

CONCLUSION

Small Scale Industry is the largest employment provider after agriculture. It has great significance in our nation's economy by employment generation and accounting to GDP.

Nowadayslots of SSI are closed and many are on the way of closure due to the poor HR policies. Employees are an asset of any organization. In order to this SSI has to put more concentration on Human Resource for the better development. Human resource management is one of the major areas of small scale industry to increase productivity and profitability of the organization.Human resource management helps

to reduce future uncertainty and to better operate the organization. A human resource management must ensure that there is the right number and structure of people in the right jobs at the right time. This paper came to conclude that small scale industry has to put lot of emphasis on Human Resource Planning (HRP) and Human Resource Development (HRD) to boost employee and get the best efficiency from them, the success and future of small scale industry is depends on the growth and development of Human resource in totality.

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