



An Empirical Study of HRM in Rural Micro Enterprises

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Abstract

The Indian human resource is primarily based on rural areas. Furthermore, more than 65% of total population in India is under 35 years (Census, 2011). This signifies the large potential that the country possesses in terms of human resources. Furthermore, it is understood that the since most of the country's resources are concentrated on rural areas especially in micro enterprises. It can utilize them in an efficient manner, which lead to improve performance of micro enterprises ultimately nation. Therefore, herewith researcher tried to enlighten on the correlation between human resources potential with relation to performance of micro enterprises. Hence, researcher has specified human resources potential entitled "An Empirical Study of HRM in Rural Micro Enterprises", with reference to Kolhapur district.

Key Word: Micro Enterprise, HRM, Skill Development, Rural Development, etc.

Introduction:

Micro-enterprises have limited investment requirements in most cases and are a relatively accessible source of livelihood for people in the Tier 2 and 3 as well as rural areas. Micro entrepreneurs are driven by not just the purpose of earning a better livelihood but also harnessing an opportunity they identified – a challenge at scale, for which they can provide solutions. India's micro entrepreneurs are thus taking the lead in bringing about an upward change and playing a vital role in the country's economic development. The micro enterprise leads to economic development of rural area. It has been concluded that the micro enterprises are more beneficial in rural area to develop the various aspects such as human resource, marketing, self-employment, development, market development, attract foreign investment, etc. and ultimately the economic development. Its contribution to gross domestic product, taxes and duties, employment and jobs creation. It is clear that, micro enterprises are small in nature but very much contributory to the economic development. Therefore, it is stated that the Government and other stakeholders shall pay due attention to micro enterprises development not in policies but also in practice. It is also stated that there is significant correlation between the role of micro enterprises in economic development in selected study areas and nation too. The Indian human resource is primarily based on rural areas. Furthermore,

more than 65% of total population in India is under 35 years (Census, 2011). This signifies the large potential that the country possesses in terms of human resources. Furthermore, it is understood that the since most of the country's resources are concentrated on rural areas especially in micro enterprises. It can utilize them in an efficient manner, which lead to improve performance of micro enterprises ultimately nation. Therefore, herewith researcher tried to enlighten on the correlation between human resources potential with relation to performance of micro enterprises. Hence, researcher has specified human resources potential entitled "*An Empirical Study of HRM in Rural Micro Enterprises*", with reference to Kolhapur district.

Scope of the Study:

The present study tried to know business profile of selected micro enterprises and its empirical study of HRM in rural micro enterprises with special reference to Kolhapur districts.

Objectives of the Study:

1. To know business profile of selected micro enterprises.
2. To empirical study of HRM in rural micro enterprises in selected study area.

Hypothesis of the Study:

"Human Resources Management plays an important role in Micro Enterprises in selected study areas"

Methodology of the Study:

The present study main aim is to understand the human resources management in micro enterprise with special reference to Kolhapur districts. Hence, researcher has selected 266 sample respondents from Kolhapur districts. Therefore, researcher has used stratified random sampling methods for the selection of the sample respondents. Furthermore, researcher has collected primary data and it's analyzed with uses of appropriate statistical tools and techniques and drawn the results.

Profile of the Organisation:

It helps to understand the hows to organisational factors are significantly affected on the growth and development of rural regional entrepreneurship with reference Kolhapur district. It is understood that the organizational factors show the performance of Micro Enterprises with reference to Kolhapur district. It is also noted that selected study areas have plentiful business opportunities as well as selected business are playing a significant role creating regional rural entrepreneurship development with reference to Kolhapur district. It is also stated that these fulfill the organization's goal or objective, based on resource efficiency and effectiveness. The organization is affected by the organization's non-human and human resources (i.e., individuals, groups, culture, values, attitudes, and norms), its infrastructure, its supply chain (upstream and downstream), and the interactions with its stakeholders (internal, inter-connecting, and external). Thus, this paper tried to understand the role of micro enterprises to boost rural economic development with special reference to Kolhapur district.

Data Analysis:

It is also noted that the today, Human Resource Management (HRM) functions, practices and procedures are increasingly becoming important, considering the growth of the

knowledge-based economy. The researcher tried to enlighten on the correlation between human resources potential with relation to performance of micro enterprises. Hence, researcher has specified human resources potential entitled “*An Empirical Study of HRM in Rural Micro Enterprises*”, with reference to Kolhapur district. Hence researcher tried to analyzed the employment in micro enterprises, potential of human resources and employment opportunities as follows;

Table No. 1.1 Number of Employee in Micro Enterprises

Sr.	Particular	Kolhapur District	
		N	%
1	Up to 10	172	64
2	11 to 20	70	26
3	21-30	11	04
4	31-40	08	03
5	41-50	02	01
6	Above 51	03	02
Total		266	100
Mean			14
SD			08
CV			55.54

(Sources: Field Work, Note: N = Number of Respondents)

Table No. 1.1 reveals the number of employees in micro enterprises in selected sample area such as Kolhapur, Sangli, Satara and Sindhudurg districts respectively. This variable has been set by researcher to understand the number of employees involved in the micro enterprises which helps to describe the exact involvement of employees in micro enterprises. In Kolhapur district majority of 172 (64%) respondents are said up to 10 employees are required, followed by 26% are said 11 to 20, and least 4%, 3%, 2% and 1% are said 21 to 30, 31 to 40, above 51 and 41 to 50 employees respectively. Furthermore, it is noted that mean average value of number of employees in selected micro enterprises is 14, SD value is 08 and CV of number of employees shows high variation in Kolhapur respectively. It is shown that in micro enterprise has close relationship between working force i.e. human resources and employers. Thus, in selected micro enterprises have lesser number of employees, i.e. up to 10 employees which leads to harmonious and close working relationship in micro enterprise.

Table No. 1.2 Rating to Regarding Human Resources Potential:

Sr.	Human Resources Potential	N	Mean	t - Stat	t - table	P - value	Result
a	Education:	263	3.980989	57.10297	1.96906	0	P < 0.05 Reject Ho at 5% L.O.S.
b	Communication:	229	4.340611	83.99518	1.97042 3	0	P < 0.05 Reject Ho at 5% L.O.S.
c	Experience:	255	3.992157	62.06401	1.96934 8	0	P < 0.05 Reject Ho at 5% L.O.S.
d	Skill and Competencies:	259	4.108108	67.57357	1.96920 1	0	P < 0.05 Reject Ho at 5% L.O.S.
e	Initiatives:	194	4.278351	80.80258	1.97233 2	0	P < 0.05 Reject Ho at 5% L.O.S.
F	Responsibility:	188	4.292553	88.39202	1.97273 1	0	P < 0.05 Reject Ho at 5% L.O.S.
g	Participation and	216	4.203704	83.0304	1.97105	0	P < 0.05 Reject Ho at 5% L.O.S.

	Involvement:				9		
h	Absenteeism:	205	4.078049	71.31466	1.97166 1	0	P < 0.05 Reject Ho at 5% L.O.S.
i	Technical Skill:	219	4.004566	58.07607	1.97090 6	0	P < 0.05 Reject Ho at 5% L.O.S.
j	Performance:	193	4.435233	107.1921	1.97239 6	0	P < 0.05 Reject Ho at 5% L.O.S.
k	Productivity:	227	4.321586	88.07126	1.97051 6	0	P < 0.05 Reject Ho at 5% L.O.S.
l	Any others	53	4.264151	40.66655	2.00664 7	0	P < 0.05 Reject Ho at 5% L.O.S.

(Sources: Field Work, Note: 5=Excellent, 4= Very Good, 3= Good, 2= Average, 1=Not Good and in the bracket figures shows the percentage of the respective responses)

Table No. 1.2 shows the descriptive and standard statistics result i.e. mean and simple t-test. Hence, the researcher has used simple t-test for analyzing the likert scale data. It show the potential of human resources in selected study areas. **Therefore, it is found that mean score of the enlisted attributes was high. Furthermore, the simple t-test shows the overall results i.e. p-value less than the significance level (i.e. $p < 0.05$). It means enlisted attributes are shows that the potential human resources management in selected study areas. It is stated that the potential human resources significantly contributed in selected micro enterprises Hence, it is stated that null hypothesis (H_0) was rejected at 5% L.O.S.**

Table No. 1.3 Micro Enterprise Leads to Employment and Self Employment

Sr.	Particular	Kolhapur District	
		N	%
1	Yes	163	62
2	To some extent	65	24
3	No	22	08
4	Can't say	17	06
Total		266	100
z cal			11.57
Z tab			1.64
P value			0.00

(Sources: Field Work, Note: N = Number of Respondents)

Table 1.3 it is reviewed that the role of micro enterprises in employment and self-employment generation. In Kolhapur district majority 62% of respondents are agreed that micro enterprises have significant role in employment and self-employment generation, followed by 24% are said to some extent, 08% do not agreed and least 06% are could not express their view. **Moreover, it is noted that proportion z test value i.e. 11.57 which is higher than z table value i.e. 1.64 ($Z_{cal} > Z_{tab}$) and p value is less than significant level. This shows that a micro enterprise have significant role in employment and self-employment generation.** It is observed that the majority of the micro enterprises belong to agriculture and agro based enterprises, where a greater number of people depend on it. It is also noted that selected study areas agriculture and its allied activities have wide business potential and prospect to reach local market in global market. Moreover, it has business opportunities such as cashew nut processing

units, jackfruits product, mango product, forest products specially kokum etc. this data shows that the selected study areas have geographical significance and wide potential for the employment and self-employment generation. Hence, it is concluded that, micro enterprises are the only alternative solution to eradicate the poverty through employment and self-employment opportunities in selected district. Therefore, there is a need of promote entrepreneurship and establish more industrial undertaking for this purpose, micro enterprises are very suitable and reliable to the industrial as well as rural development.

Conclusion:

It is understood that the micro units grow can present tremendous value for a developing country like India. There is a need for an entrepreneurial ecosystem which is conducive to their growth further enabled by technology and tailor-made reforms for them to create gainful employment opportunities. Micro units can not only drive job creation but also employ people with varying levels of skills and education. Even the participation of women in the labor force can receive a major boost with micro enterprises. It has been interpreted that the HRM practice is a very important component for employee development and industrial relations and its can be possible with support of Government Scheme and initiatives. With the right investment, tools, and support, micro-entrepreneurs hold the key to job creation, flipping gender indices, and boosting the economy. It is also understood that the availability of sufficient and skilled human resources in industrial area is having great potential to the enterprises. It is also noted that the today, Human Resource Management (HRM) functions, practices and procedures are increasingly becoming important, considering the growth of the knowledge-based economy. It is understood that the careful human resources management creates good opportunities to ensure efficiency in the production process of goods and services that guarantee a satisfactory level of living in society. If managed effectively and efficiently, human resources can play an important role in realizing the objectives of the enterprise as an integral source. HRM studies fulfill the need of a businessman to understand the economy, market, organization or any other related area.

It is concluded that without human effort management cannot achieve their goals and objectives in profitable way so, concentrate more on the valuable assets of the enterprises to formulate and practice the suitable and affordable HRM practices to enhance the productivity in sustainable manner. It is stated that, in selected study areas micro enterprises have a deep understanding regarding the difference between the traditional and the conventional approach of talent attraction to execute the much-required change for effective hiring. It is also suggested that the micro enterprises have to focus on recruiting individuals with the appropriate skills, using suitable evaluation procedures that verify the candidate's expertise. It seems that the HR professionals are challenged with the difficult task of understanding the employees in leading and empowering the employees. While some argue that the financial conditions of micro enterprises are difficult and ambiguous, but it is an opportunity for HR transformation that will successfully lead, impact and endure the entrepreneurs to perform well and

develop the micro enterprises. Hence, it is stated that preset hypothesis as “**Human Resources Management plays an important role in Micro Enterprises in selected study areas**” was accepted.

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