

EFFECTIVE COMMUNICATION BETWEEN MANAGEMENT AND EMPLOYEES IN MICRO-SMALL, AND MEDIUM-SIZED ENTERPRISES: MAHARASHTRA IS A STATE IN INDIA

Surabhi Pal¹, Dr. Surendra Kumar Bhogal²
¹Research Scholar, ²Dean
School of Commerce & Management,
^{1,2}Venkateshwara Open University, Itanagar

Abstract-

Strategic management is the current direction of management types. It is applied in all kinds of businesses, including small and medium-sized enterprises. However, the use of its principles is limited in SMEs. The limits are caused by the size of these enterprises related to a greater focus on operational management in Maharashtra. For SMEs, cumulating of functions is also typical; oral communication is more common than written, etc. Despite those limitations, implementation of strategic principles in the management of SMEs can increase their competitiveness, reduce costs, improve decision-making, facilitate the introduction of employee motivation, shorten delivery times, provide better customer care, etc.

The research discusses whether and to what extent SMEs implement the principles of strategic management and whether its use is effective. The basic principle of strategic management is the formulation and selection of a strategy. Most of the SMEs in the sample formulated a strategy. However, a written strategy was designed mostly by enterprises with more than 25 employees; enterprises with fewer employees designed a written strategy only exceptionally. Classified by the type of activity, a strategy is seen less frequently in wood-work enterprises. On the other hand, enterprises operating in trade and services, including transport, designed a strategy, or even a written strategy, the most often.

Keywords: Strategic Management, Competitiveness, Transport, SMEs, Reduce Costs, Decision-Making



1. Introduction

The success of a corporation's strategic human capital and its aptitude for innovation has been a vital subject in business competition. The competitive advantage of a corporation could be developed by a corporation's ability to organize its human resources and to innovate. Recently, there has been an increase in the number of HR and innovation studies that have emerged to examine and identify the factors which have triggered and led to an organization's innovation in Indian organizations.

The term innovation can be defined as the process of altering an organization's dominant business model, defining or redefining positions within the market, and initiating or enhancing products and processes. Humans have been principal contributors to innovation in corporations. Human's capacity to use innovation has been necessary to stimulate processes and systems in innovation. Indeed, innovation would have never taken place if humans did not exist. It has been found that, when the capabilities of individuals and corporations are employed constructively to establish changes, small or large innovations will be exhibited. The definition of innovation adopted by this research was: the use of communication and information technology by MSMEs, in the performance of their daily business activities.

Innovation has been seen as a strategic tool to grow and enhance a corporation's institutional, organizational, managerial, technological (software (applications used in business) and hardware (technical equipment)) and social capabilities, skills, and knowledge on organizational systems. The term includes the capabilities of future and current management teams.

The growth of MSMEs has been the current national tower of strength in the face of globalization, which has become more and more prominent recently. MSMEs have been compelled to adjust to their surroundings as a result of present-day trends gravitating towards digital, social, and mobile technologies.

This present study intends to determine the types of innovation developed by MSMEs. It will examine the level of innovation adopted by MSMEs, specifically with regards to the use of communication and information technology. Moreover, this study will attempt to determine the



role that strategic human resources play in helping to realize the use of innovation in MSMEs and the development of future innovation.

Management and employees share a closer relationship. And it has several advantages too, as Rajiv Oza, director HR, Dr. Reddy's Laboratories says, "HR will play an essential role in attracting and retaining talent to work in SMEs. For those who would like to fold their sleeves and manage dynamics very near to the market will enjoy their career in SMEs. HR plays multiple roles in the SME sector.

In my view, the role has more canvas, which covers various functions like HR, personnel, IR, Corp Communication, PR, and so on. Most of the SME operates in an environment of cut-throat competition with limited resources. The core role of HR is to be a thought partner to the Promoters and Business leaders; manage growth or stagnancy with limited resources; balance growing needs of employees with that of the organization's ability to provide them." But as the organization expands, it becomes difficult to maintain this kind of relationship. The research makes an attempt to study the management and efficient use of human resources in SMEs in India during the period of economic reforms in the country, respectively, making these reforms, which enabled significant changes in the structure of the economy, where SMEs operate as an essential pillar.

2. Safety Management Practices In Small And Medium Enterprises In India

Small and medium enterprises (SMEs) are essential to practically all economies on the planet, particularly in developing nations. In developing nations, SMEs constitute the fair size range, which clarifies their strategic significance, and their yield share can be more prominent than or not as much as its employment share. The size and significance of the SME sector fluctuate from nation to nation; the most recent couple of decades have seen an expanding acknowledgment of the job it plays in industrial nations because of which the number of SMEs is expanding. SMEs alone add to 7% of India's gross domestic product (GDP).

They constitute 90% of the industrial units in the nation and add to about 35% of India's exports. The SME sector of India is considered as the backbone of the economy adding to the industrial



yield (45%), exports (40%), offering employment to around 60 million individuals, creating 1.3 million jobs each year and producing more than 8,000 products for the Indian and universal markets. Numerous factors are responsible for the growth of Indian SMEs, including financing to SMEs, the new technology and different trade directories, and trade portals.

In 2013 the total number of enterprises in the MSME sector was assessed to be 36.2 million, of which 1.6 million were in the registered sector and 34.6 million enterprises in the unregistered sector, with total employment of 80.5 million. Uttar Pradesh is the leading territory of India as far as enterprises (4.4 million) and employment (9.2 million). In the MSME sector of India, rustic zone and urban regions have 20.0 million and 16.2 million working enterprises individually. 31.79% of the enterprises are occupied with manufacturing, while 68.21% of the enterprises are occupied with the administrations.

In this quickly globalizing world, safety performance is a key issue for the ventures to turn into a world-class competitor. Occupational accidents may prompt changeless inabilities or passing as well as financial misfortunes or both. Occupational accidents can be reduced through effective safeguard gauges by hazard appraisal, good housekeeping, training, and better personal protective equipment (PPE). The demeanor of the workers should be reoriented by receiving best practices, good housekeeping, and changes in work culture and work practices. Occupational accidents are basic in India, as in numerous other developing nations.

Prediction of different sorts of accidents helps managers to detail organizational policies for improving safety performance. In the organizational setting, technology advancement might be connected to performance and growth through improvements in efficiency, productivity, better safety through legitimate human factor plan, environmental quality, and so on. Technological innovations in SMEs are conceivable in the structure of products, processes, supply chains, and so on. In contrast to the sorted out sectors, SMEs are not furnished with refined technology, structured environment, or safety and wellbeing practices. Regularly in an SME, workers need to work in unfavorable working conditions.

3. Human Resource Management Within SMEs

The importance of human resources has received much attention in recent years. At a macro level, endogenous growth theories suggest that the accumulation of human capital constitutes the main engine of macro-economic growth in Maharashtra. At a micro level, the resource-based theory points to the human capital of employees as a significant source for sustained competitive advantage for individual firms in India.

Due to the increasing importance of human capital, which, to a small extent, is related to developments in information and communication technologies, current western economies are described as knowledge-based economies. The increased importance of human capital is apparent at both the demand and the supply side of the labor market. However, an adequate supply of and demand for highly qualified labor is in itself not enough to guarantee economic progress; for each firm, the quantity of and demand for labor and human capital must be matched. Companies in the knowledge-based economy are challenged to meet their demand for highly trained employees in labor markets characterized by a shortage of qualified labor. Human resources are becoming more critical, and therefore also the management of these resources. At the same time, the knowledge-based economy is characterized by an increasing share of small and medium-sized enterprises or SMEs in Maharashtra.

Generally speaking, small firms pay less attention to human resource management or HRM than their larger counterparts do. Thus, while on the one hand, the rise of the knowledge-based economy increases the importance of human resource management, the increase of the SME sector, which employees roughly half of all employees, is associated with a decrease in HRM practices. Does the combination of these developments pose a threat to the success of knowledge-based economies? Our current understanding of HRM practices within SMEs is as yet insufficient to provide an answer to this question.

The recognition of the importance of human capital has led to an increasing flow of research on the management of human resources. At the same time, the increased awareness of the pivotal role of SMEs in modern economies is accompanied by an abundant flow of scientific research on

entrepreneurship and small business economics. The overlap between these strands of research is, however, limited, as is our current understanding of HRM practices within SMEs. Human resource management is about the management of an organization's workforce. Managing a workforce, first of all, requires the presence of a workforce, which calls for activities in the fields of recruitment, selection, appraisal, and compensation.

4. Managing Safety In Small And Medium Enterprises

This special issue of Safety Science focuses on 'Managing safety in small and medium enterprises (SMEs)'. This research, which also acts as an editorial, describes the origins of the special issue and provides a background and summary of current knowledge. It also includes a commentary on The research's in the special issue and an outline of key additional sources of information on 'Managing Safety in SMEs.

- **Origin of these special issues**

The special issue is underpinned by an ergonomics/human factors approach (www.iea.cc) that aims to simultaneously enhance both the work environment for people within SMEs and the business performance of SMEs. These dual concepts were initially captured in a conference on Understanding Small Enterprises held in Denmark in 2009 (USE2009), and again in the next meeting in 2013.

The different foci of the two USE conferences reflect a progression in the study of managing safety in SMEs. The first conference focused on 'understanding the issues (for practice),' while the second focused on 'putting understanding into action,' with a theme of 'healthy work in a healthy business'. The specific topics addressed in the two conferences can be found on the conference web site: www.useconference.com. The progression is particularly reflected in the keynote topic titles, as well as in a wider perspective in the sessions, round table discussions, and workshops. These themes are reflected in this particular issue. Some of The researchs in this special issue have their origins in presentations at USE2013. Others were independent submissions to the journal. Thus, this special issue reflects a growing interest in the relevance of ergonomics/ human factors and occupational health and safety (OHS) focus on SMEs. It also

exemplifies the integration of academic, research, and practitioner foci in addressing the management of safety in SMEs.

Policy and legislation on OHS and the work environment have been, and still is, mainly based on large enterprises. There are many reasons for this, not least that they still employ a high proportion of employees – generally more than a third of the employees nationally – and have the resources to influence, interact and contribute to policy development and research. Thus research on which legislation is built – if it indeed it – is seldom based on research in SMEs, since they do not have the resources (human, time, and money) to contribute.

Performance-based regulation or reflexive regulation of OHS was first implemented in some western countries in the 1970s. This set out procedural requirements supporting self-regulation in which employers and workers had to formulate and implement health and safety policies and procedures to manage health and safety risks. Since then, the industrial structure in most developed countries has changed dramatically. This has been characterized by larger organizations downsizing and outsourcing operations and services, implementing more flexible employment or contractual engagement of contractor's often small enterprises. This has contributed to an increase in the number of SMEs.

5. Conclusion

MSMEs structure a vital piece of the Indian economy. The significant sources of finance utilized by the MSMEs, and we locate that the greater part of the MSMEs utilizes their own capital. The MSMEs face a situation because of extreme competition from huge industries because of withdrawal of endowment, lack of infrastructure, against dumping policy, challenges on product standardization, total quality management, and so forth.

There has been an unmistakable change in the frame of mind of the govt from protection to the promotion of MSMEs. The co-productive table shows that capital investment is more impacting than a number of employees in the MSMEs sector. This research was done to contemplate the basic considered the MSMEs sector generate greater employment with the help of capital investments. In this way, business people need to focus on these factors to improve their

performance. There are several factors sway on MSMEs performance has made noteworthy commitment to set up the MSMEs sector and create rustic industrialization is undeniably fit to expand on the quality of our traditional skills and knowledge by the utilization of technology. It is generally an excellent and healthy sign towards the progress and flourishing of Maharashtra.

According to the survey, observations, and interviews, the following are recommendations for managers, which, if applied, could lead to enhanced relationships with their employees.

- Respecting is playing vital role with your employees. In order to succeed with your employees, managers should build a road map and create a handbook for all tasks in their departments.
- Employees must feel comfortable expressing their thoughts and ideas to achieve optimum performance in all tasks.
- Managers should use direct and indirect communication with their employees.
- Managers should create motivational and rewarding systems for their employees. Good job receives certain rewards and bad job others.

In addition, we have recommendations for employees, which, if applied, can lead to excellent results in their careers

- Employees must communicate with their managers to learn, explore, and to apply.
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- Employees must continue doing their best work.
- The best thing in life is to be a learner.

Ultimately, we have recommendations for organization, which, if applied, can lead to optimum outcomes and achieve its strategic goals.

- Organizations must provide appropriate facilities for both managers and employees as well as to create an excellent work environment
- Organizations must create a rewarding system to motivate employees and managers.

- Organizations must have succession plan for all key position to build a right career path for employees and managers.
- Organizations must encourage employees and managers to learn and share what they learned between them.

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