

Prospects of Creation of Micro Learning Enterprises in the Micro, Small and Medium Enterprises in India

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ABSTRACT

The ruling dispensation has come up with a barrage of schemes to give the MSME sector a fillip and hence it becomes pivotal to preponderate on the prospects for better policy formulation and implementation. The government can explore the vistas of creating neophyte learning organizations that can adapt and adopt. Managerial hierarchy is the greatest challenge and this paper takes an oversight of creation of micro learning organization and the benefits of the MSME to organize it on line with micro learning organizations. Communication is the key to retain control over both the organization and the employees. Competence will come if the sub systems interact with the parent system in a symbiotic way.

Keywords: Micro Learning Organizations, Communication, Symbiotic Interaction and Competence

INTRODUCTION:

Over the last few decades, the growth of Micro, Small and Medium Enterprises in India has been noteworthy but still this growth story could see an escalated trajectory if the government would have drafted a more existentialist policy to manage the sector—to act more as a facilitator and enabler rather than a machinery to always provide aid in dystopian times. The de rigueur habit of the government to bequeath patronages to the sick industries under the MSME sector has taken a heavy toll on the development of the aforesaid sector as the firms are now heavily reliant on the doles to be shelved out and the firms are also assured that if their boat sinks, the government will be readily available to float them to normalcy.

The MSME sector provides the largest share of employment in India, next to agriculture only and hence it becomes cardinal to put this arena in the spotlight. Richard Nixon, the President of the United States of America had once decreed that the American growth story was possible only due to the fillip that was given by the government to the Medium Scale and Micro enterprises which triggered the era of hyper-entrepreneurship, the masses were now became inclusive in the sustainable growth of America.

Processes, designs, machine, methodologies of production, operations, logistics, layout plans, etc all can be easily aped in every form possible but it's the Human Resources that can never be emulated as every individual has his own thought process, motivational aspects and hence managing them

becomes a vital challenge. It's a herculean task before the managers today to effectively gain Individual-Organizational fits so that the goals and objectives of both the individual and the organization are dovetailed together. Effective Management of Human Resources is critical factor for success or failure of an organization (Huselid, Jackson & Schuler 1997; Paauwe, 2004; Schuler and Jackson, 1999). The sector as of today consists of 36 million units providing employment to over 80 million people, product lineage tolls to more than 6000 contributing to 8% to GDP and contributing to 45% to manufacturing output and 40% exports of India. It is glaring to note that Uttar Pradesh itself has more than 3.1 million industrial units. The era of stiff competition demands for the MSME's to do away with "Governmental Patronages" in form of subsidies, doles for sick firms and special packages but must now preponderate on adhocism and improvisation, i.e. to capitalize upon its indigenous skills that have been lore from yore, the peoples skills and processes which when administered in manufacturing or delivering goods and services respectively are sui generic—helping Indian technique to create a uniqueness that could not be emulated

The MSME's have been described as the "invisible workforce" (Curran, 1986) and its consternating to take note of the pertinent issue that Human Resource Management is considered as a wacko machinery, a tool of unnecessary expenditure which adds to the bloated costs of the organization. This atavistic thinking has debarred most of the MSME's in India to function without a dedicated department of Human Resources. Workers problems and qualms are taken for granted and man is considered as a "Rational-Economic Entity" i.e. the only motivation is pelf. The morale building procedure is interred into oblivion. The psychological aspects of self esteem, intrinsic motivation, emotional intelligence, morale building, trust and a batter of such similar are deserted and are considered to be unimportant for the organizational cause.

Although the MSME Sector in India has emerged as a vibrant and dynamic sector in the last five decades, it has taken a quantum leap after the LPG reforms and with the neo leadership at the centre today, it has become pertinent for the MSME to improvise, strategize and innovate in order to gain an edge over its burgeoning competitors. More and more of such enterprises are now struggling to survive due to the immense pressure created by both globalization and mammoth multinational Corporations (Mulhern & Stewart, 2003).

DEFINITION OF MSME's:

CLASSIFICATION	MANUFACTURING ENTREPRISES (Investment limit in plant and machinery)	SERVICE ENTREPRISES (Investment limit in equipment)
MICRO	Rs. 25 Lakh	Rs. 10 Lakh
SMALL	Rs. 5 Crore	Rs. 2 Crore
MEDIUM	Rs. 10 Crore	Rs. 5 Crore

Figure 1: Classification of MSME in India. (Source: MoMSME, GoI)

The amounts of sick MSME's are increasing day by day due to ancient production processes, poor customer satisfaction, less loyalty quotient and breached morale (Pandey, A. P., 2007). As we see in Figure 2 below, Uttar Pradesh, the state of the holy Ganges is boasting of the most number of MSME's in India—whooping 92.36 lakhs worker are employed directly or indirectly. This adds to the gravity of the situation that how important it is to manage such a huge work force by good Human Resource Practices. Till date there are no provisions that are laid down for these workers welfare and the need of the hour is that the government must come out with some policy for their cause. The ruling dispensation at the centre is all effusive of the importance of Indianization of work processes with the Make in India and Made in India programmes, the MSME sector gains an incremental in this tagline. The workload is now on the shoulders of this sector which could help materialize and do justice to the dreams of the other millions of people. Huge potentialities lay ahead where the youth can gain tangible employment and the resources could be optimally utilized for the GDP growth of the nation.

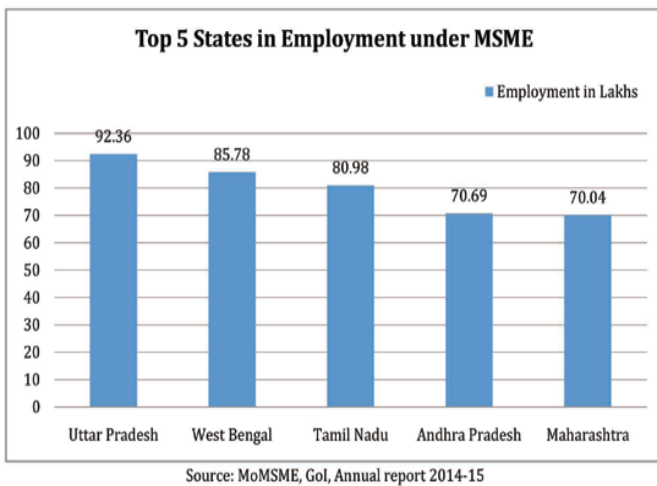


Figure 2: Top five states in which provide employment under MSME Sector. (Source: MoMSME, GoI)

REVIEW OF LITERATURE:

Effective management of Human Resources is critical for the triumph or doom of an organization (Husselid, Jackson & Schuller, 1997). Use of proper Human Resource Management practices are the primary tools for enhancing competence of an individual and in the process of acquiring, developing and retaining people within the organization is quintessential

(Ulrich, D. Lake, 1990). Research has suggested that smaller organizations present a unique opportunity for studying Human Resource Management (Welbourne & Andrews, 1996). An organization is all about its people as the work processes are conducted by men only. Hence, maintaining a cordial milieu of mutual trust is a win win strategy for the organization. Getting amplified contribution from the employees is what organizations strive for but the plight of the Indian MSME sector is that the Human Resource Management strategy is completely evanescent. The Human Resource Department is taken for granted and employees are considered to be chart their own growth path—although the levity for doing so is slender and on the mercy of the proprietor.

The reason that very less is known about the impact of Human Resource Management practices in India is that no one ever paid heed to the humane part of managing organizations and when global researches came up with this new theory of morale building for managing employees, it piqued the theories of employee management and burst the bubble of governmental patronages. The relatively new concept of having a Human Resource Management department in the MSME sector is exhilarating and has opened new vistas for further research. Gradually, the MSME owners are having an epiphany and have started to realize the importance for formally adopting Human Resource Management system and even the creation of competitive advantage and success through people (Bacon et al, 1996).

There is an acute atrophy of identifying and validating Human Resource Practices in small firms and even less research focusing on the liaison between strategy, HR Practices and small firm's performance (Chandler & MC Envoy, 2000). Through the use of strategy based Human Resource policies and practices, firms create a more competent and committed workforce which in turn provides a sustainable competitive advantage (Khera, 2010). A well motivated and highly skilled worker is a determinant of a small firm's ability to retain competence in the contemporary business milieu (Hodgetts & Kuratko, 2001).

A study of 137 Indian Manufacturing firms have been suggestive of the fact that number of variable (i.e. age, size ownership, life cycle stage and HRM strategies of an organization, type of industries and union membership) & the basic four Human Resource management functions of Recruitment and selection, Training and Development, Compensation and Employee Communication have a direct effect on the organization efficiency and also there were four national factors namely culture, institutions and dynamic business milieu which influenced the Human Resource Management practices and policies.

Level of formalization of Human Resource Management in the MSME sector in India reveals that the level of formalization of HRM System was paltry and owner managers played a central role in the Human Resource functions of their enterprises. Compared to Small Enterprises, the level of formalization was found to be higher for the medium scale enterprises (Joshi & Vohra, 2009).

ANALYSIS:

There are many indigenous practices in the MSME sector which could be capitalized upon. Since the era of pre-British plunder, the Indian goods were having a magnum opus share amongst the global royalties and it was the uniqueness in the workers that was the Indian goods possessed a grandeur niche amongst the autocrats and parvenus. The anglophiles couldn't resist the glean of Indian products and in their sheer pursuit of avarice, established factories, created iron law of the land, made free will workers their slave by using their cabal of brute laws and soon as time passed, the indigenous art and culture of India was replaced by monotonous and rote products manufactured by satanic British made factories.

The globalized India demands a change—both on societal and on organizational level. The mindset transformation is mandatory for the worker of today and the organizations of today must graduate to the next level of maturity where they must see their workforces as agents of change rather than soldiers who are meant to be fed and regimented as slave labors. The MSME sector must undergo a metamorphosis and start to function as MICRO LEARNING DYNAMIC ORGANIZATIONS. The suggestions of workers shall become the charter of the organization so that trust starts to spawn. Trust influence and changes processes (Shockey-Zalabac, Ellis & Wonograd, 2000) and the lack of trust leads to poor communication (Owen, 1996).

A worker with greater quantum of knowledge will be able to contribute more but the question to entertain is that could traditional knowledge help the MSME sector gain competitive advantage. The only nostrum to such quandary is to retain the best of everything—adopt, adapt and mitigate.

The government shall act as a cultural lense and try to globalize in such a way that it should not hamper the traditional indigenous practices which have been innately delivered in the Indian workers genealogy meticulously by the ancestors. We must remember that a single machine can do a work akin to a thousand men but not even a billion machines could ever do a single work by one extraordinary man. For example—One may never be able to make the Kashmiri Carpet with a machine but can only be manufactured by a niche quality of people who weave the fabric in a specific way that no one else could. This creates uniqueness and puts such a product into the Veblen category, fetching the worker a hefty price. This scaling up of value chain can only be possible if the government takes pro active steps for such activities and make them immune from the ill reverberations of globalizations. I do not vouch for being luddite but modernization must seek to abate the inequities in a humane way and not slaughter the livelihood per se.

The only way to gain competitive advantage is to address issues of people and their potentialities. The importance of strategic Human Resource Management is pivotal. Effective Human Resource Management is essential especially of the MSME sector where international expansion places additional stress on limited resources and the pool of people which are willing to work.

With the advances in globalization, the capability of doing variegated work with multitasking as skyrocketed the pace of doing a rote work again and again; and this has blasted off a new stream of management for the world. As the agility factor has become quite impressive in the last decade, the labor levity has widened to a great extent. There is an added advantage to this. Its basic economics—as trade becomes more barrier free, workers migration become facile and even the slightest of jade within the psychology will trigger a dying urge to shift on to some other place in search of a better working place and living condition. This gives the worker an ample opportunity to demand escalated wage from his current employer and can also demand extra training in a specific arena in which the worker feels naïveté.

The problem of hierarchy in MSME is a chronic one. Before trotting out the kernel of the flaws in the organizational hierarchy and the way orders flow, we must first turn our gaze to a more conspicuous problem—of what I have termed as the psychological conundrum. As the organization spawns in both size and intensity, there is a humungous influx of workforce. Many employees pose a daunting challenge before the managers to manage such a swarm. What eventually ensues is that some workers tend sink into a feeling of complete renunciation with a perception that they are not being associated with the organizations working order. The psychological contract theory is lays in a debacle and the secessionist tendencies so generated tend to exacerbate. The organization has to ultimately bite the bullet of mis-management in form of strikes, lockout, slowdown, and industrial unrest, non utilization of full potentialities and penultimately trounced profits and production. The organization now seeing the sulk and jade instilled within the work façade now takes a hara-kiri step by designating an assistant to employees. Let's suppose that the worker is feeling an ultimate disconnect and his discomfiture has now become the talk of the town. The organization now being the messianic figure of bona fide of good employees tends to deploy an assistant that would firstly help the employee in his work processes and procedures and secondly motivate the employee by egging on him an assistant—abetting his smug factor. The contribution henceforth shall be hyperbolic but abjectly that is not the case. What happens in veracity is that it leads to overstaffing of employees and organizations under the impression that greater helpers will lead to greater motivational spirit tend to loose on the opportunity costs. A work which could be done by one person now is done by two. That means there is a spike in the marginal workers and slur in the production processes which pile up the slack for the organization. This is a great psychological conundrum that the organizations of contemporary era face irrespective of the fields of operations.

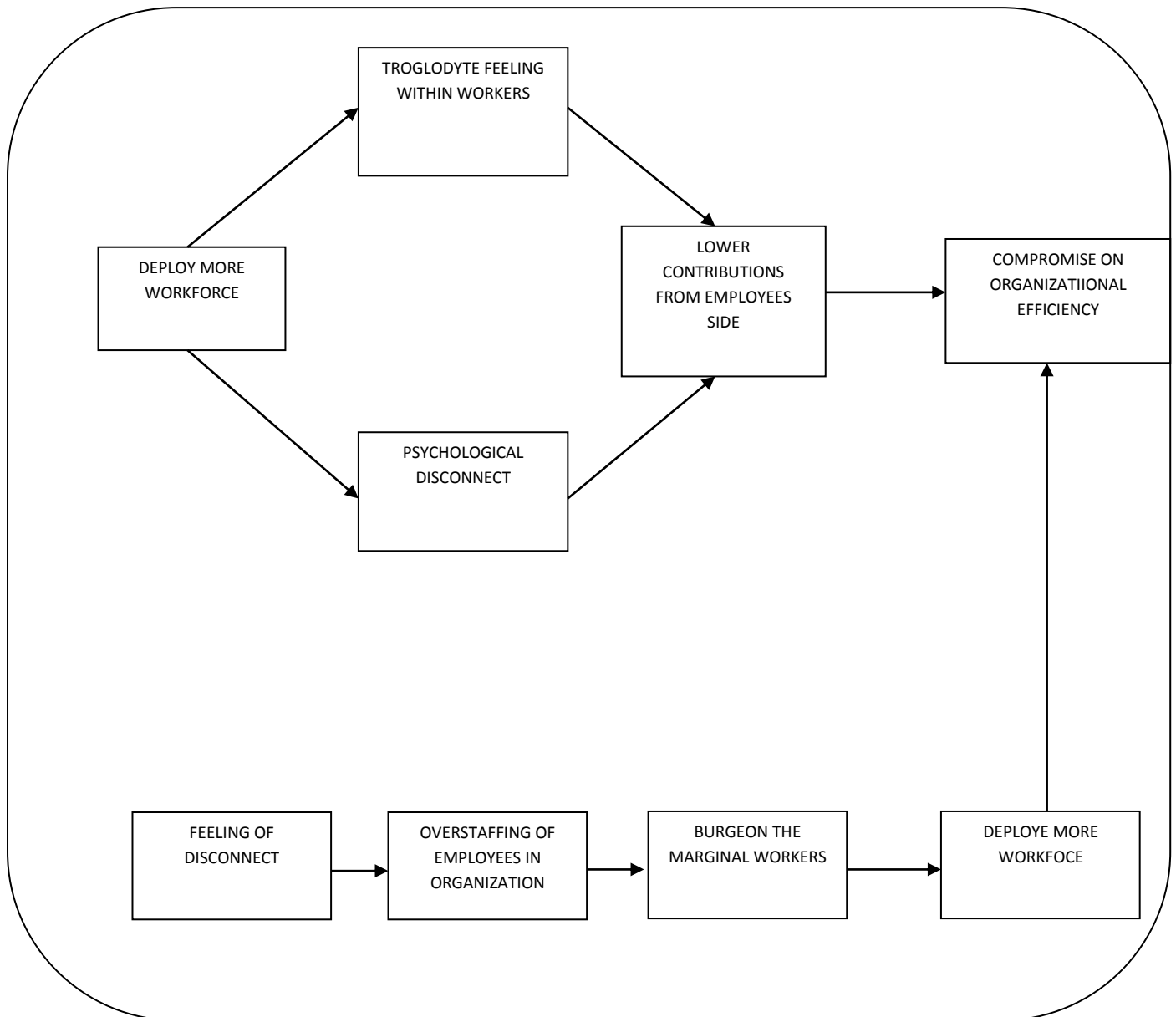
The contemporary age of uber globalization has created a threshold for organizations to create small mission based teams—each delegated with its own responsibilities and credibilities. The organizations shall splinter into small parts which shall each collaborate in its own sui generis way. The sole motifs of each sub system shall be conflated with the goals and objectives of the parent organization. Synergy and symbiosis entail if and only if there is proper coordination

among the sub parts and parent parts. The isomorphism is very pronounced in the kilter of the organization i.e. how the various organisms interact in a specific ecosystem, maintaining balance and creation of sustainability.

Humans are more of apes than earthworms i.e. thinking integration has an upper ante than thinking disunity. This

allegory is effusive of the fact that humans are social animals and hobnobbing is the core of human development. Communication plays an important role in maintaining control of the organization by its employees and vice versa.

CONCEPTUAL NETWORK OF PSYCHOLOGICAL CONUNDRUM



MANAGERIAL IMPLICATIONS

This conceptual paper has opened up vistas for further research in the field of soft psychological management of workers especially in the MSME sector. The organizations have to be dynamic and vibrant in order to avoid entropy and what the need of the hour is in order to gain negentropy. The change within the organization shall be like a flash in the pan

i.e. it must seem that no change has actually happened within the internal façade of the organization although a ginormous change has taken place in the external environment. The resiliency factor shall be very high and in order to achieve this adaptability to change, the research paper delves into the optional nostrums to achieve this change in resiliency.

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