

Analysis of the various parameters with respect to the Employee benefits and HR policies for the Growth of SME's

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Introduction:

Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

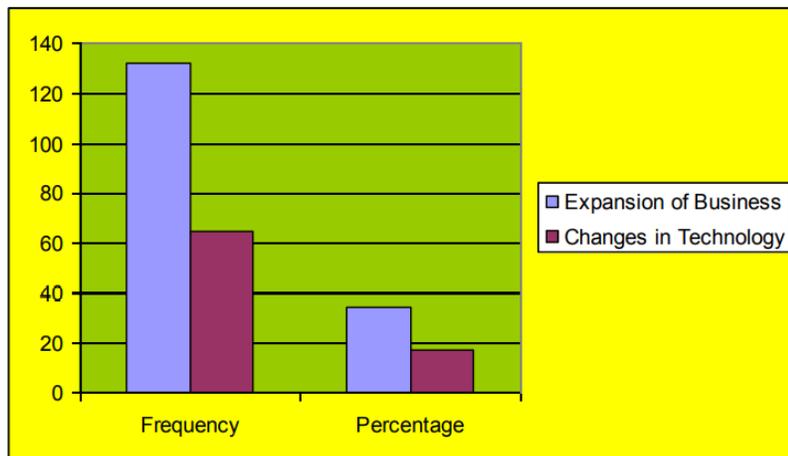
Introduction:

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the

socio-economic development of the country. Recognizing the significant contribution of this sector in economic growth and also in employment generation in our country, Government of India has taken good number of initiatives to develop the sector such as erstwhile definition of ‘Small Scale Industries’ was enlarged by increasing investment ceiling in plants & machineries from Rupees One crore and trading activities have taken in the ambit of MSMEs by enactment of Micro, Small & Medium Enterprises Development (MSMED) Act from 2nd October 2006. MSME sector is the second largest employment provider in our country and it is good vehicle to achieve inclusive and distributed growth.

Human Resource Planning:

Every company needs to have an HR strategy in place. The respondents were given three options as to why HR planning was necessary, and their responses were analysed as follows.



Human resource planning

External Communication of Employees

Managers were asked to rate the effectiveness of the external communication process on a scale ranging from 0% (no external communication process) to 100% (there is an external

communication process) (faultless functioning of the process). In this survey, the managers of small and medium-sized enterprises gave external communication an average approval rating of 52%. That small and medium-sized businesses (SMEs) rarely use all the theoretical components of external communication in their operations is further supported by this data as well. There were four categories of responses: bad (0–20%), average (21%–40%), above-average (41-40%), and outstanding (61%-100%).

CSR Activities:

It's debatable whether small and medium-sized business owners should include all of their activities in social and employment policies. The interest of a company in facilitating educational courses, vocational training, and lifelong learning for its employees, according to ISO 26000, adds considerably to the assertion of the company's interests.

CSR activities and Percentage of companies engaged

Engagement of companies in CSR activities	Engagement of companies (%)
Donations, volunteer work, sponsorship	62.70
Minimisation of environmental impact of business	43.23
Super-standard employment policy	13.20
Other activities	20.79
No CSR activities	17.16

Employees stability in the organisation

Size of enterprises	Indicator is monitored	Indicator is not monitored	Not specified
Micro-enterprises (%)	43.9	40.3	15.8
Small enterprises (%)	70.5	24.8	4.7
Medium-sized enterprises (%)	75.3	19.1	5.6

Employees benefits

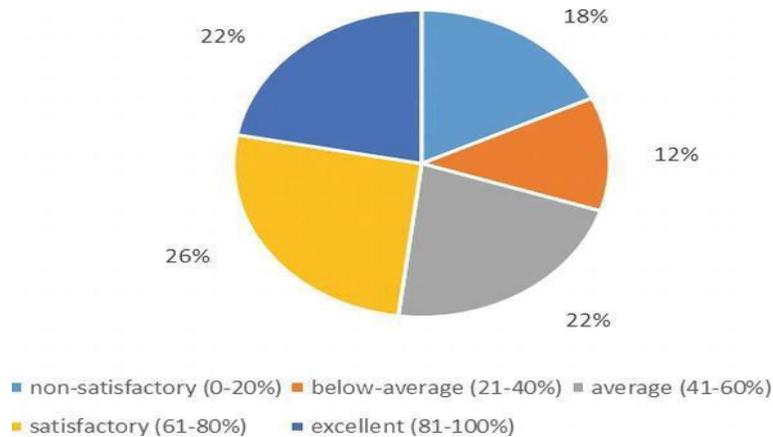
Employee motivation is defined as the enthusiasm, energy level, commitment and the amount of creativity that an employee brings to the organization on a daily basis.

Motivation is derived from the Latin word, “MOVERE” which literally means movement. All the definitions that you would read in books or in dictionary relate to the fact that motivation is behaviour and one needs to channelize this behaviour in order to achieve desired goals and results.

Ranking	Micro-enterprises	Small enterprises	Medium-sized
1.	Catering	Catering	Catering
2.	Discounts	Pension schemes	Pension schemes
3.	Unspecified bonuses	Unspecified bonuses	Vacation
4.	Telephone use	Sports and culture	Unspecified bonuses
5.	Sports and culture	Telephone use	Education
6.	Pension schemes	Christmas contributions	Sports and culture
7.	Christmas contributions	Vacation	Bonus at anniversary
8.	Clothing	Automobile use	Insurance
9.	Vacation	Performance rewards	Performance rewards
10.	Performance rewards	Education	Telephone use
11.	Automobile use	Discounts	Discounts
12.	Insurance	Enterprise products	Automobile use

Evaluation of the process of external media communication in SMEs

Small business managers were the least satisfied with their organization's external communication procedure, according to an assessment” of the organisations polled.



Conclusion:

In this world of growing technologies everything has been computerized. SME also play an important role in the Indian economy. The structure of organization play an important role in the growth of the organization. The systematic rules and regulations which they follow will have an impact on the growth of the organization. With the large number of work opportunities the Human workforce has increased. Thus there is a need of a system which can handle the data of such a large number of employees. The parameters namely HR resource and Planning, CSR Activities with respect to the involvement of Employee and organization, Benifits provided to the Employee are considered and studied and analyzed carefully from the samples collected.

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