

TRAINING AND WORKFORCE DEVELOPMENT IN SMALL, MEDIUM ENTERPRISES (SMES): MYTH OR REALITY

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I. INTRODUCTION

In challenging conventional wisdom about the role of SMEs in the training and development of the Indian workforce, we argue that their contribution is more significant than might be suggested by an uncritical reading of the statistical and research evidence. Existing survey-based measures of training activity do not take sufficient account of the informal, flexible nature of much workforce development that takes place in small organisations. Furthermore, the nature of work practices within many small organisations makes it difficult for them to use off-site external provision and the formal qualification frameworks that form the core 'official' measures of skill acquisition and associated performance measurement systems used by providers and policy makers.

II. LITERATURE REVIEW

Kesab Das 2008, Gujarat Institute of Development Research, India in his paper SMEs IN INDIA: ISSUES AND POSSIBILITIES IN TIMES OF GLOBALISATION explained through the brief case of the garment sector some of the concerns (including terms of employment) regarding linking with global production networks. A case has been made for proper implementation and following up of numerous schemes, as also to develop policy-sensitive database for both SMEs as well as clusters. The challenge to policy lies in broad-basing benefits to SMEs across space and sector and also keeping the decent employment generation role of SMEs in focus. Paul L. Robertson, (Professor of Management at the School of Management, Marketing and Employment Relations, University of Wollongong, Wollongong, Australia) in his paper titled The role of training and skilled labour in the success of SMEs in developing economies and found that If SMEs are to attract business as original equipment manufacturers or component suppliers for MNCs, they generally need to possess access to skills before they can get contracts. As SMEs often lack the knowledge and resources to engage in training programs, however, their success in upgrading themselves technologically may depend crucially

on subsidized educational and training infrastructure provided by their governments. Deborah Knowles, (Westminster Business School, University of Westminster, London, UK), Terry Mughan, (The Centre for International Business Research, Ashcroft International Business School, Anglia Ruskin University, Cambridge, UK), Lester Lloyd-Reason, (The Centre for International Business Research, Ashcroft International Business School, Anglia Ruskin University, Cambridge, UK) in their paper Foreign language use among decision-makers of successfully internationalized SMEs: Questioning the language-training paradigm discusses the implications of the findings for policy-makers responsible for training and trainers themselves. The evidence supports the view that government subsidies focusing on language training might be better directed at a more varied range of activities to develop international orientation. Dolly Bhasin, SPH Consultants stated that the key to human resource development lies in streamlining the supply side of the human resources, i.e. improve the quality and standards of SME education. Also discuss the roles of training room and training centres in developing SMEs.

III. PROBLEM STATEMENT

It is true that employers, providers and policy makers are, by and large, behaving rationally in response to the economic, labour market and target regimes within which they are working. Clearly, there is scope for large numbers of SMEs to improve their practices in relation to workforce development in ways that will enhance their own business performance, the prospects of their employees and the competitiveness of the Indian economy.

- We set out in this study some elements of a suggested approach to workforce development policy that recognizes and builds on the realities facing SMEs and their employees, rather than trying to encourage them to adopt models that are appropriate mainly for larger organisations.
- This project seeks to identify ways to overcome the barriers to workforce development in small and medium-sized enterprises (SMEs). The pool of SME workers requiring further education and

training is significant. However, SMEs often find it difficult to support formal learning activities due to their low critical mass. Small enterprises are more inclined to participate in knowledge intensive activities as a way of learning new operational techniques and procedures that will help them to be more innovative and creative. These competence building activities are largely performed in-house, are interactive and can involve external resources from other companies or organisations. The dynamics of these alternative ways of learning and upgrading skills are largely unknown.

- This current project seeks to bring clarification on the way they are performed and their impact on the

innovativeness and competitiveness of micro, small and medium enterprises and its workforce (both for high-skilled and low-skilled employees).

SMEs are chosen because SME sector of India is considered as the backbone of economy contributing to 45% of the industrial output, 40% of India's exports, employing 60 million people, create 1.3 million jobs every year and produce more than 8000 quality products for the Indian and international markets. With approximately 30 million SMEs in India, 12 million people expected to join the workforce in next 3 years and the sector growing at a rate of 8% per year, Government of India is taking different measures so as to increase their competitiveness in the international market.

IV. SAMPLING

Population of interest is SMEs in Haryana .Random sampling is to be done as chances are there that we don't get proper response. Division of SMEs in Haryana into clusters .Following table will elucidate them:

S.No.	Cluster	Region
1.	Textile Cluster	Panipat
2.	Light Engineering Goods Cluster	Faridabad
3.	Auto Parts Cluster	Gurgaon
4.	Scientific Instruments Cluster	Ambala
5.	Metal Industries Cluster	Jagadhri
6.	Agricultural Implements Cluster	Karnal
7.	Pharmaceutical cluster	Sonepat
8.	Agri Chemical and Industrial Chemical cluster	Bahadurgarh

List of SME Clusters in Haryana (identified by UNIDO)

S. No.	State	District	Location	Product
1	Haryana	Ambala	Ambala	Mixies & Grinders
2	Haryana	Ambala	Ambala	Scientific Instruments
3	Haryana	Bhiwani	Bhiwani	Powerloom
4	Haryana	Bhiwani	Bhiwani	Stone Crushing
5	Haryana	Faridabad	Faridabad	Auto Components
6	Haryana	Faridabad	Faridabad	Engineering Cluster
7	Haryana	Faridabad	Faridabad	Stone Crushing
8	Haryana	Gurgaon	Gurgaon	Auto Components
9	Haryana	Gurgaon	Gurgaon	Electronic Goods
10	Haryana	Gurgaon	Gurgaon	Electrical Engineering

11	Haryana	Gurgaon	Gurgaon	Readymade Garments
12	Haryana	Gurgaon	Gurgaon	Mechanical Engineering Equipment
13	Haryana	Kaithal	Kaithal	Rice Mills
14	Haryana	Karnal	Karnal	Agricultural Implements
15	Haryana	Karnal, Kurukshetra, Panipat	Karnal, Kurukshetra, Panipat	Rice Mills
16	Haryana	Panchkula	Pinjore	Engineering Equipment
17	Haryana	Panchkula	Panchkula	Stone Crushing
18	Haryana	Panipat	Panipat	Powerloom
19	Haryana	Panipat	Panipat	Shoddy Yarn
20	Haryana	Panipat	Samalkha	Foundry
21	Haryana	Panipat	Panipat	Cotton Spinning
22	Haryana	Rohtak	Rohtak	Nuts/ Bolts
23	Haryana	Yamuna Nagar	Yamuna Nagar	Plywood/Board/Blackboard
24	Haryana	Yamunanagar	Jagadhri	Utensils

V. DATA GATHERING

A perception survey will be conducted to measure variables using structured questionnaire. Questionnaire will be sent to all SMEs via post. Measurement will use Likert Scale. In addition, interviews will also be conducted at selected SMEs to solicit views from selected respondents especially owners in the SMEs. Rest of the data will be gathered from records of Government of Haryana, CII reports, SMEs' files, records and other documents. Secondary data will be obtained from relevant industrial policy, relevant research and seminar papers, annual reports, statistical abstract, magazines, newspapers

and journals.

VI. PLAN OF ANALYSIS

The analysis consists of descriptive analysis of the results of the survey and training and development programmes and various policies related to training and development of workforce. It also includes looking at various factors that contribute and limits the implication of these programmes and policy on workforce development.



VII. VARIABLES THAT AFFECT THE TRAINING AND SKILL DEVELOPMENT

VIII. LIMITATIONS OF STUDY

This study is limited to:

- Training and development related to SMEs only.
- SMEs of Haryana only.
- The research has no implication on large size organisations and SMEs outside Haryana.
- The scale and diversity of the SME sector
- Differing labour market contexts and employment practices
- The key role of the SME owner-manager
- The 'rationality of informality' in many SMEs
- The costs and benefits to SMEs of external provision
- The role of business growth in skills decisions

X. FINDINGS OF THE STUDY

Finding research will add to our knowledge of training and workforce development in context to SMEs and how special policies can be formulated to meet the changing needs of them.

- More detailed understanding of the process of training and workforce development within SMEs, drawing out examples of 'what works' for different types of organisations operating in different circumstances. Not only are there differences in skills acquisition between 'larger' and 'smaller' firms, there are also significant variations at the micro level in, for example, firms of the same size operating in the same sector and geographic location. Policy-makers and providers need to gain a greater appreciation of the drivers of skill demand in SMEs, and the realities facing SME owner-managers that lead them to adopt approaches that do not necessarily fit well into existing modes of provision, qualification regimes and performance measures.
- Within this context to improve our understanding of, and give a greater voice to, the employees of SMEs, the vast majority of whom do not belong to trade unions. For example, it is often assumed – explicitly or implicitly – that many employees in SMEs would like to gain qualifications but may not have the opportunity because of the apparently limited training activities funded or provided by their employers. It would be useful to learn more about the extent to which there are mismatches between the attitudes of SME employers and employees towards training and qualifications.

1. Education and training providers.
2. Type of SME
3. Policy makers

IX. SCOPE OF THE STUDY

- The study will take all the SMEs of Haryana as the setting.
- It will take into account the training programmes adopted.
- The significance of SMEs to the skills policy agenda.
- Expand the range of targets and performance measures to reflect the realities of the situation facing most SMEs. For example, measures, and associated questions in surveys, should try to draw out the extent and nature of informal development activity and the numbers of people involved. This might include, for example, amending questionnaires used in national surveys to ensure that informal skill development activities are reported.

XI. CONCLUSION:

This research is the first step of an endeavour to embark on a comprehensive study on SMEs training and development programmes and their actual contribution to workforce development. It is important to see the extent of adoption and policies to be now formulated to further influence the workforce. It is hoped that the output of study will be beneficial to all parties concerned while at the same time contribute to the knowledge enhancement in the academic world.

XII. FUTURE SCOPE OF THE STUDY

The scope of study can be further increased by taking SMEs of whole country or even taking country wise. This can help us to first develop our nation's workforce and gradually world's workforce. This will not only help our country to improve production and prosper at industrial level but also at globalized level.

XIII. REFERENCES

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