



Hrd Practices in Ssi Units and Its Impact: An Empirical Study in Tuticorin District

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Citation: A. Jeya Mohana, et al. (2023), Hrd Practices in Ssi Units and Its Impact: An Empirical Study In Tuticorin District, *Educational Administration: Theory and Practice*, 29(4), 4803-4807
Doi: 10.53555/kuey.v29i4.9710

ARTICLE INFO

ABSTRACT

Human Resource Development (HRD) plays a crucial role in enhancing organizational performance, reducing production costs, and fostering employee commitment and retention. This study examines the implementation of HRD practices in Small-Scale Industries (SSI) and their impact on employee performance, with a focus on small and micro units in the Tuticorin district. A descriptive research approach was employed, with a sample size of 370 units selected through snowball sampling. The study finds that small units implement HRD practices at a higher rate than micro units, with strategic HRD practices and HRD processes being the most emphasized components. Employee performance, measured through key indicators such as self-confidence, goal setting, and time management, is significantly influenced by HRD practices. Regression analysis reveals that HRD process, activities, contents, functions, and basic HRD practices positively impact employee performance, with a stronger influence observed in small units compared to micro units. The findings highlight the importance of HRD in improving workforce efficiency and organizational productivity. Enhancing HRD strategies can lead to better employee engagement and industrial growth, especially in SSI units. The study suggests that businesses should invest in comprehensive HRD initiatives to achieve long-term competitive advantages.

Keywords: Human Resource Development, Small-Scale Industries, Employee Performance, HRD Practices, Organizational Productivity

INTRODUCTION

The management and organizational development are a tool for increasing organizational competitive advantage in the context of human resource management (Olives, et al., 2007). The human resource development assists organizations to achieve social, environmental and economic goals (McGuire, 2010). Investment in HRD by organizations contribute or organizational and individual performances such as high performance (Sandberg, 2000), high quality of individual and organizational problem solving (Schroder, 1989), higher organizational commitment (Illes, et al., 1990), and enhanced organizational retention (Robertson, et al., 1991).

Management and organizational development are tools for increasing organizational competitive advantage in the context of human resource management (Olives et al., 2007). Human resource development helps organizations achieve social, environmental, and economic goals (McGuire, 2010). Spending money on human resource development (HRD) helps both the company and the employees do better. For example, HRD can lead to high performance (Sandberg, 2000), better problem-solving for both individuals and the company (Schroder, 1989), more commitment to the company (Illes et al., 1990), and better employee retention (Robertson et al., 1991).

HUMAN RESOURCE DEVELOPMENT IN INDIA

After 2000, the corporate and big industries realized the importance of HRD at their organization to retain the talented employees at their (Joseph and Singh, 2000). The organization has expanded its focus to the development of human resources, aiming to boost individual productivity and boost overall organizational productivity.

It is grown to the development of human resources in the organization in order to increase their productivity and achieve higher organizational productivity. During 2010, the concept of HRD is extended to all industries in India wherever it is needed (Deepa et al., 2019).

STATEMENT OF THE PROBLEM

The primary source of the industrial development is resting on the human resource development is resting on the human resource development since it reduces cost of production and increases the productivity simultaneously (Alkalha, 2012). The lack of recognition on the abovesaid statement among the industrialist is one problem (Durkovic, 2009). The declining quality of human resources at cheaper price incur higher cost to the organization but these processes are highly implicit. Hence, the present study has made an attempt to expose these aspects in order to increase the industrial development in local area especially SSI units.

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OBJECTIVES OF THE STUDY

The objectives the study is confined to:

- i) To exhibit the profile of the employees in selected SSI units;
- ii) To analyse the level of implementation HRD at SSI units.
- iii) To evaluate the impact of HRD practices at SSI units.

RESEARCH METHODOLOGY

This research work is in the form of 'Descriptive' study in which the researcher tried to study the existing perceptions of the employees regarding the implementation of HRD practices and its impact at SSI units. The total registered small and micro units in Tuticorin district are 1932 and 3019 units respectively. The sample

size of the present study is determined with the help of $n = \frac{N}{Ne^2 + 1}$. (Bartlett, et al., 2001). The

determination of sample size is 370 units. The allotted sample size to small and micro units are 144 and 226 units respectively. The samples are identified and selected with the help of the programme officers of DIC, Tuticorin. Hence, the applied sampling procedure of the study is snow ball sampling. The interview schedule was used to collect the primary data from the representative of SSI units.

RESULTS AND DISCUSSION

Rate of Implementation of HRD Practices in SSI Units

The rate of implementation of HRD practices in SSI units are examined by the mean score of each component of HRD practices namely HRD process, HRD activities, contents of HRD, HRD functions, basic HRD practices, critical HRD practices and strategic HRD practices. The weighted average analysis provides an estimate of the overall HRD practices.

The overall HRD practices are estimated by the weighted average analysis. The mean score of the seven components of HRD and overall HRD practices at small and micro units have been estimated separately along with its 't' statistics and its statistical significance. The results are given in Table.

TABLE - Rate of Implementation of HRD Practices in SSI Units

Sl. No.	Components of HRD Practices	Mean Score in units		t' value	p' values	No. of variables in
		Small	Micro			
1.	HRD Process	3.0420	2.2012	2.9145	0.0000	22
2.	HRD activities	2.6346	2.1739	2.6503	0.0309	53
3.	Contents of HRD	2.8748	2.2438	2.7193	0.0242	18
4.	HRD functions	2.7559	2.1709	2.6979	0.0296	10
5.	Basic HRD practices	2.9439	2.2004	2.7245	0.0201	15
6.	Critical HRD Practices	3.0160	2.3308	2.7088	0.0293	8
7.	Strategic HRD practices	3.2652	2.6886	2.6873	0.0341	10
	Overall HRD practices	2.8442	2.2373	2.7038	0.0247	136

*Significant at five per cent level.

The highly implemented components of HRD at small units are strategic HRD practices and HRD process with the mean of 3.2652 and 3.0420 respectively. At the micro units, these are strategic HRD practices are contents of HRD with the mean of 2.6886 and 2.2438 respectively. The significant difference among the small and micro units have been noticed in the implementation of all seven components of HRD since it's 't' values are significant at five per cent level. The overall higher implementation of HRD is seen in small units compared to micro units since it's mean scores are 2.8442 and 2.2373 respectively.

Employee Performance (EP) in SSI Units

The employee performance is one of the important roles of HRD at SSI units. The level of employee performance at SSI units is measured with the help of ten variables. The representatives are asked to rate these variables at five-point scale. The mean score of each variable in EP at small and micro units have been estimated separately along with its 't' value and 'p' value. These are given in Table.

TABLE - Employee Performance (EP) in SSI Units

Sl. No.	Variables in EP	Mean Score in units		t' values	p' values
		Small	Micro		
1.	Clear understanding in goal setting	2.8224	2.2066	2.8184	0.0000
2.	Fair knowledge on standards in work	2.9089	2.3117	2.7033	0.0189
3.	Focus on quality	2.9979	2.3908	2.6979	0.0244
4.	Deserve to be active	3.1144	2.3086	2.8704	0.0000
5.	Deserve to manage	3.2086	2.2117	3.2145	0.0000
6.	Self confidence	3.4117	2.5841	3.0411	0.0000
7.	Evaluation of performance	2.9969	2.2491	2.7148	0.0179
8.	Transparency in evaluation	2.9092	2.2864	2.7441	0.0214
9.	Feedback on performance	3.1177	2.5045	2.6886	0.0341
10.	Completion of work on time	3.0899	2.5114	2.3989	0.0408

The highly rated variables in EP at small units are self confidence and deserve to manage with the mean of 3.4117 and 3.2086 respectively. At the micro units, these two variables are self confidence and completion of work on time with the mean of 2.5841 and 2.5144 respectively. The significant difference among the small and micro units have been noticed in the case of all ten variables in employee's performance since its 't' value are significant at five per cent level.

Influence of HRD Practices on Employee Performance at SSI Units

The expected outcome of the implementation of HRD practices in SSI units is increase in employee performance. The enriched performance due to the implementation of HRD practices are evaluated with the help of multiple regression analysis. The included independent variables are the score on the rate of implementation of HRD practices whereas the included dependent variable is the level of work engagement at SSI units. The impact of HRD practices on employee performance at small, micro units and also for pooled data have been estimation separately. The results are presented in Table.

TABLE – Impact of HRD Practices on employee’s Performance in SSI Units

Sl. No.	HRD Practices	Regression co-efficients in units		
		Small Units	Micro Units	Pooled Data
1.	HRD Process	0.2703*	0.1749*	0.2443*
2.	HRD activities	0.1974*	0.1242*	0.1649*
3.	HRD Contents	0.1441*	0.1011	0.1217*
4.	HRD functions	0.1886*	0.0996	0.1518*
5.	Basic HRD Practices	0.2117*	0.1646*	0.1843*
6.	Critical HRD practices	0.1088	0.0337	0.0744
7.	Strategic HRD practices	0.1141	0.1024	0.1049
	Content	2.0173	1.3969	1.7799
	R ²	0.8143	0.7842	0.8279
	F-statistics	21.4244*	17.3949*	24.0899*

*Significant at five per cent level.

At the small units, the implementation of HRD process, activities, contents, functions and basic HRD practices have a significant impact on the level of employee performance since it’s regression co-efficients are significant at five per cent level. A unit increase in the above said aspects result in an increase in the level of employee’s performance by 0.2703, 0.1974, 0.1441, 0.1886 and 0.2117 units respectively. The changes in the implementation of HRD practices explain the changes in the level of employees’ performance at small units to an extent of 81.43 per cent since it’s R² is 0.8143.

At the micro units, a unit increase in the implementation of HRD process, activities and basic HRD practices result in an increase in the level of work engagement by 0.1749, 0.1242 and 0.1646 units respectively. The changes in the rate of implementation of HRD practices explain the changes in the level of employee performance to an extent of 78.42 per cent since it’s R² is 0.7842.

The analysis of pooled data reveals the significant contribution made by the HRD process, activities, contents, functions and basic HRD practices in the determination of employee’s performance at SSI units. A unit increase in the abovesaid aspects result in an increase in the level of employee performance by 0.2443, 0.1649, 0.1217, 0.1518 and 0.1843 units respectively. The changes in the rate of implementation of HRD practices explain the changes in the level of employee performance to an extent of 82.79 since it’s R² is 0.8279.

SUMMARY OF FINDINGS AND CONCLUSION

The highly implemented components of HRD practices by small units are strategic HRD practices and HRD process where as in micro units, these two components are strategic HRD practices and contents of HRD. The significant difference among the small and micro units have been noticed in the case of implementation of all seven components of HRD practices. Small units implement HRD practices at a higher rate than micro units. The higher rate of implementation of HRD practices is noticed in small units compared to micro units. The highly rated of employee performance variables in small units are self confidence and deserve to manage whereas in micro units, these variables agriculture self confidence and completion of work on time. Regarding the rating of variables in employee performance, the significant difference among the small and micro units have been noticed.

The significantly influencing HRD practices on the employee performance at small units are HRD process, activities, contents, functions, and basic HRD practices whereas at micro units, these are HRD process, activities, and basic HRD practices. The higher impacts are seen in small units compared to micro units. The first two HRD practices influence the employees’ performance in SSI units are HRD process and basic HRD practices.

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