

## **Importance of HRM and its Policies in the Performance of Small and Medium Enterprises (Msmes) in Telangana.**

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### **Abstract**

Human Resource Management is the process of developing, applying and evaluating policies, procedures, methods and programs relating to the individual in the organization. Human resource management includes Human Resource Planning, recruiting, selection, training and development, compensation, performance management and employee development. Effective human resource practices relate to company performance by contributing to employee and customer satisfaction, innovation, productivity, and development of a favorable reputation of the firm in the industry. In this paper the study of SMES by considering the samples of Medchal District Telangana is studied and carried out for the purpose of understanding the HR and its policies and impact on SME's.

### **Human Resource Management System (HRMS):**

Human Resource Management System (HRMS) has become one of most vital information systems in the market. The purpose of this study is to develop an effective and efficient HRM system for ease in HR functionality and their contribution in employee management and all businesses processes of the personnel functions and this is intended to enhance workforce planning through HRMS recruitment, training & development subsystems and succession planning subsystem as perceived by senior HR Managers in their management functions. It includes definition of various levels of hierarchy in an organization, the salary structure pertaining to every element in this hierarchy, the description of every department functioning in the organization and the overall employee database which integrates elements in all the aforementioned.

This system would allow the database administrator to have access to the entire employee database, in regards with viewing, edit employees' details, add new employees,

transfer/terminate/promote employees. Each employee in the database is assigned with a position which can be easily added and edited when need arises.

Moreover employees will also be easily transferred between positions without having to retype back their information in the database. Most of all, the employer will have the opportunity to assign tasks to employees and assess their progress in order to keep track of employee performance.

The Human Resource Management System is a case of Public Service Board. According to (Hendrickson, 2003), HRMS is an integrated systems used to gather, store and analyze information regarding an organization's human resource. It is an online System that lets you keep track of all your employees and information about them. Digital Campus Services was established with perpetual succession and a seal capable of suing and being sued in its own name. The system I intend to design will acquire, store, analyze, retrieve and utilize information to ensure that the job placement is rightfully done, with the right skills at the right time and help in managing employees efficiently without having to retype back their information in the database.

The best way to understand Strategic Human Resources Management is by comparing it to non-strategic Human Resources Management, or simply put, human resource management. Human Resource Management (HRM) focuses on recruiting and hiring the best employees and providing them with the compensation, benefits, training and development that they need to be successful within an organization. However, Strategic Human Resource Management takes this one step further by doing all of these things, but doing them with a specific goal in mind that works in conjunction with the goals of the other organizational departments. Plus, it ensures that all objectives are aligned with the mission, vision, values, and goals of the organization of which they are a part.

Human resources management includes a variety of activities , and among them is deciding what staffing needs an organization has and whether to use independent contractors or hire employees to fill these needs , recruiting and training the best employees , ensuring they are high performers , dealing with performance issues and ensuring the personnel and management practices

conforms to various regulations. Activities also include managing their approach to employee benefits and compensation, employee record and personnel policies.

HRM practices have shown to be valuable to any company's success. Thus to be successful in a global market place, the challenge for all businesses regardless of size is to invest in human resources. They need to select and retain talented employees, undertake employee training and development programs and dismantle traditional bureaucratic structures that limit employee's ability to be innovative and creative.

## **DATA COLLECTION& ANALYSIS**

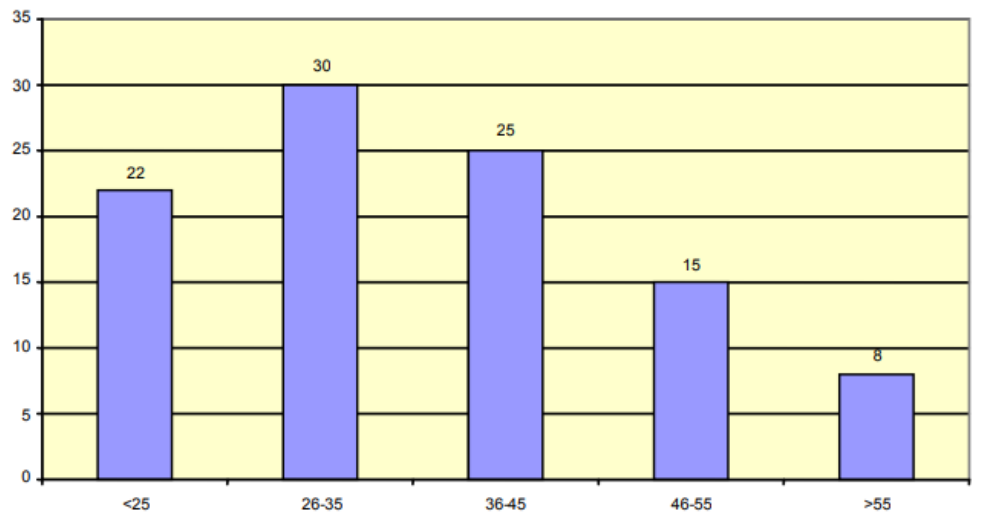
The objectives of this study require the use of both primary and secondary data. In order to collect primary data, a field survey was done using a sample strategy of "two stage purposive sampling with the selection of industries and industrial units in the second stage". The Medchal district's breathing cottage and small-scale industries provide useful information. As a result, the district headquarters was surveyed from the air. It was planned to meet and speak with the folks who run the small manufacturing units in cottages and other small businesses. As a result, 120 units at random were chosen to serve as representative samples. Because of the relative strength of the existing industrial units, all eight districts have been included in this study. Care has been taken to include as many trades and activities as feasible in these groups in order to present results for each and every category. A Sample size: 381 HR professionals are considered and Data is collected and analyzed.

## **DEMOGRAPHY OF PARTICIPANTS**

The Age of the Respondents' play a significant impact on their attitude and the resulting repercussions. Segmenting employees based on how they view the company's culture is seen as a relevant demographic variable. People were asked to identify their age range: under 25, 26-35,

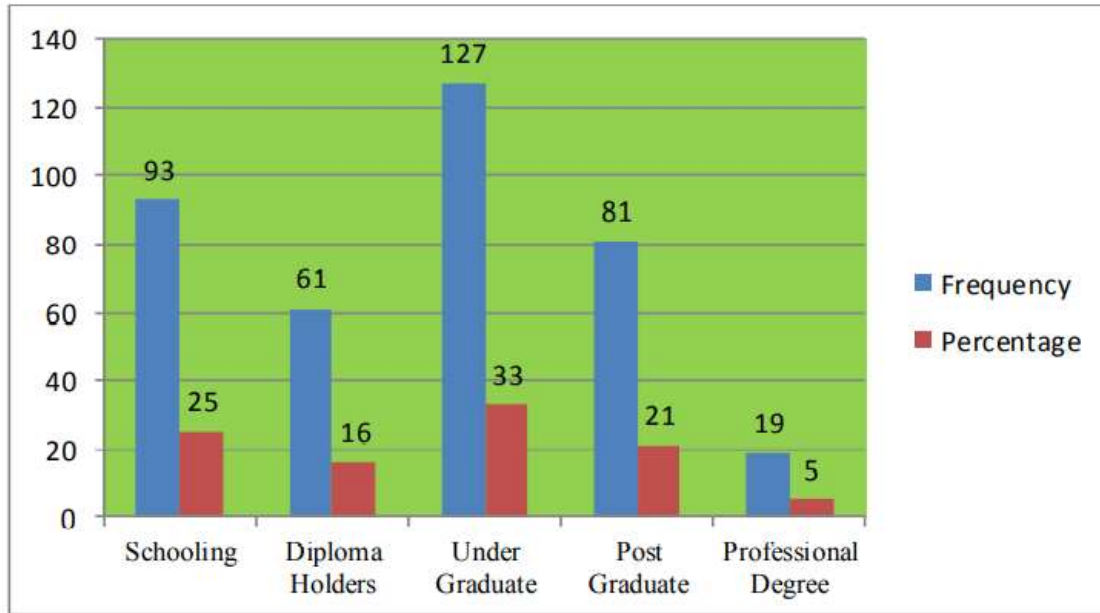
36-45, 46-55, and over 55. Only 30 percent of employees are aged 36 to 45 (22 percent under 25), with 8 percent over 55, and 15 percent aged 46 to 55 (the graph below displays these percentages). This suggests that the employees in the 26-35 age range make up the majority of the sample.

**Figure 1 Age of participants**



### **Educational Background**

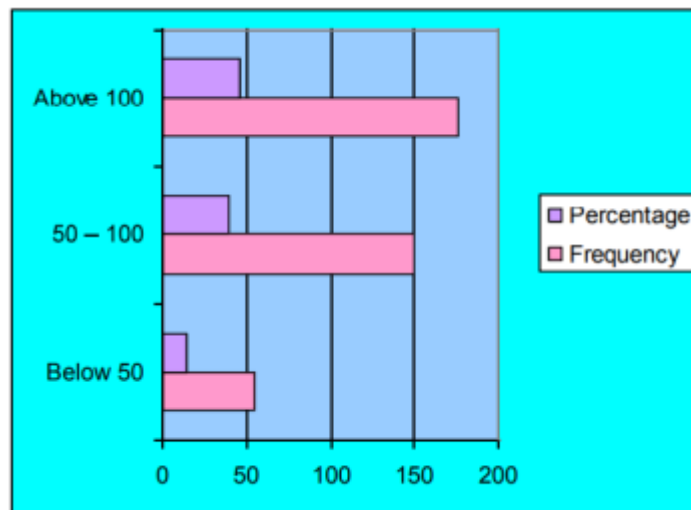
An HR professional's education is a strong tool for assessing the impact of their actions on an organisation. The majority of those who took part in the study had a bachelor's degree or higher. 30 percent of respondents are undergrads, while 25 percent have a high school education or less. Twenty-five were educated to the point of post-graduate status and the remaining sixteen percent had diplomas.



**Figure 2 Educational background of respondents**

**Size of the Organization:**

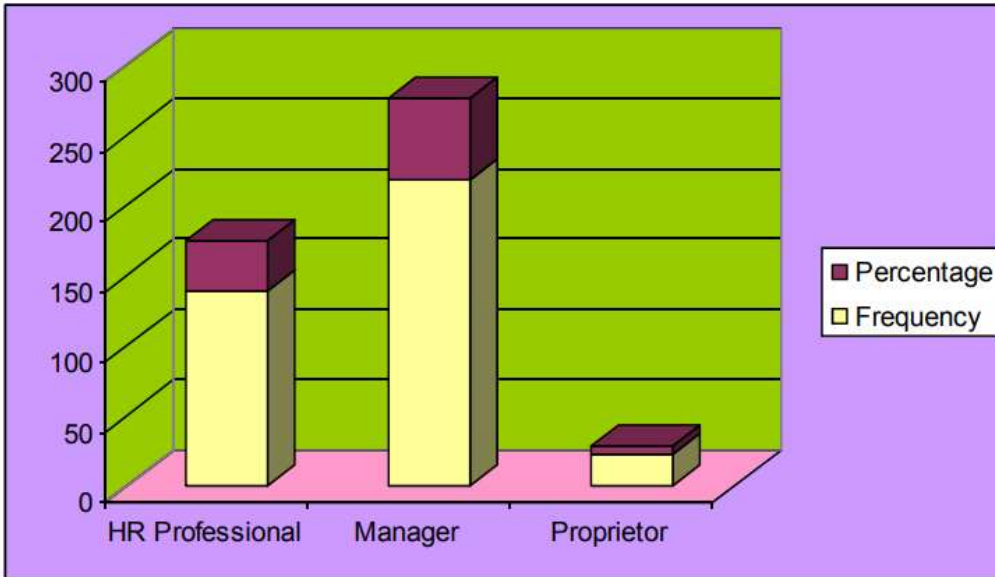
The strength of an organization's workforce says a lot about what kind of work an HR professional will be doing.



**Figure 3 Size of the organisation in terms of number of employees**

**Designation of the Respondents:**

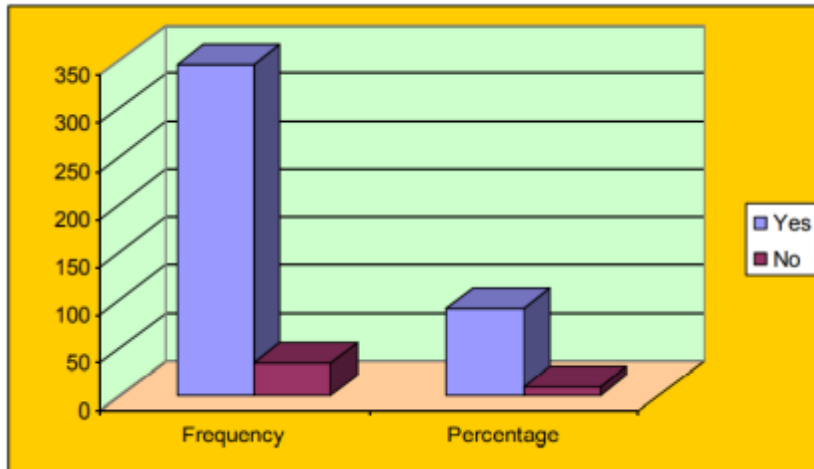
A specific emphasis is placed on HR practise following globalisation, and most companies are enlisting the help of HR experts. From the below chart, it is found that most respondents were HR managers, followed by HR professionals, and the least, proprietors managed human resources himself.



**Figure 4 Title of HR respondents**

#### HR Policy Stated

Pre-independent and for a long period after independence, there were no official HR policies. Following globalization, most traditional firms had to restructure their organisation to stay relevant in the market that was competing against foreign organisations. Today, most employees have a formal stated HR policy document, in our case, 90% respondents said they had a HR policy in place.



**Figure 5 Regarding stated HR policy**

**Conclusion:**

In this Paper the Importance of HRM and policies related to the HR for running the organization smoothly are studied. The Medchal District of Telangana is taken into consideration and the related secondary data of HR policies and other factors which affect the growth of the organization are taken into consideration and studied effectively.

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