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Effective Employee Developing and Implementing Plans for Small and Medium-Sized Enterprises (SMEs) Sector: A Theoretical Study

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Abstract

The need for qualified, seasoned workers has been growing, and the trend will likely continue in the future, according to trends in the labor market that take into account worker knowledge, talents, and skills. As a result, businesses need to implement a continuous education and advancement strategy to ensure that even older workers, whose number has been increasing in both organizations and the marketplace, can keep their jobs for as long as practicable. The ongoing rise of the national and regional economies is likely to have a substantial impact on medium-sized and small enterprises (SMEs). If SMEs are successful in maintaining and growing, they must successfully navigate the forces of change in the environment. It seems to make sense. However, it still isn't working as well as it should. To guarantee they have an appropriate person in the right position, future leadership, management, and technical abilities to deliver government business, organizations—and, more importantly, leaders and managers—need to manage staff members' succession effectively in this context. Health and different insurance products, as well as retirement savings, are financial items offered as part of employee perks.

Keywords- Employee Development, Small and Medium-Sized Enterprises, Marketplaces, Future Leaderships, Regional Economies, Health Insurance

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Introduction

SME stands for Medium-sized and small businesses (SMBs) are organizations with fewer than a predetermined number of employees. The small and medium-sized enterprise industry is one of the most important, appealing, and incredibly inventive contributions to the modern economy. SMEs employ a variety of people depending on the sector. CEOs of SMEs are typically their founders, owners, and managers. A CEO must strategically allocate their time, energy, and resources to lead the SMEs. CEOs decide whether SMEs will develop successfully or not.

The use of staff age-related strategies is something that all businesses are quite interested in. This is particularly true for medium-sized companies, which also struggle with finding and keeping qualified employees. Determining the general development way of the entire firm as well as the path in which employees will develop inside the organization is the primary responsibility of corporate management (Toke and Kalpande, 2020). The implementation of personnel strategy and policy, which take demographic development into account, will reflect this. Statistical agencies have started improving their collection of data and dissemination in response to the rising demand for reliable, timely, and globally comparable information on SMEs. However, there are currently few international comparisons because of disparate size-class norms and industry classifications. Smaller firms experience higher fluctuation in economic viability, survival, and growth than bigger organizations, which leads to special funding challenges. Lack of collateral often results in higher lending rates and credit restrictions for SMEs. The financial issues that arise differ significantly between new and established enterprises, as well as between those that grow slowly and those that grow quickly (Rizos *et al.*, 2016). The expansion of venture capital financial markets, primarily unregulated markets, has greatly boosted access to entrepreneurial funding for medium- and small-sized businesses, however, there are still big differences between countries.

The demand for reliable information on SMEs that is timely, relevant, and available everywhere is constantly increasing. Even though statistical bureaus have started to collect and distribute essential data, there are still substantial gaps. Due to differences in industry classification, periods used for data collection, size-class definitions, and how underpinning units (firms, establishments) are treated, worldwide comparability has remained inadequate (Gherghina *et al.*, 2020). Only with the collection of small-scale information that enables the tracking of specific businesses or institutions over time can many intriguing topics relating to SMEs be addressed. Since older workers tend to be more seasoned, devoted and have greater levels of meticulousness and work ethic, the large number of older workers may help SME production. But knowledge needs to be continually expanded. The improvement of staff competencies is currently a key issue for all SMEs in an incredibly competitive economy. For businesses that assist in age management, this has even greater significance (Wickramasinghe, 2016). This is because older workers tend to have lower levels of technical understanding, imaginative creative thinking potential, flexibility, openness to fresh information and abilities, and both mental and physical resilience, all of which need to be developed through appropriate on-the-job or off-the-job methods.

Literature Of Review

Matt and Rauch (2020) said that Markets are becoming more and more fiercely competitive thus businesses must assert themselves by creating new products to compete with big businesses.

Consequently, innovation which is focused on developing novel items, is essential for achieving competitive power. Genuine technologies, as well as distinctive marketing and management techniques. Competitive advantage is created and nurtured locally within a nation or region, each with its own distinct economic or cultural characteristics. A competitive region can "ensure both the amount and the quality of jobs," according to the European Commission. The national income (GDP)/habitant is regarded as a suitable representation for this description. It can be broken down into additional parts with accurate economic interpretations.

Ivanisević *et al.* (2019) described that due to their contribution to unemployment and gross domestic product, small and medium-sized businesses (SMEs) are crucial to the socioeconomic growth of every nation on earth. However, academics noted that little study exists on the requirements and difficulties faced by SMEs to remain in the commercial sector. Despite having limited time, financial, and human resources, SMEs want to pursue long-term strategy reforms to become resilient and sustainable in the modern business environment. Many of the businesses in the sample are working to gradually pursue quality accreditations as they attempt to systematize their management processes. Future research on the impact of outside factors on the acceptance of performance management would therefore be interesting.

Islam *et al.* (2020) found that a crucial part of the entire business finance industry is small and medium-sized company lending or SME finance. Cash is provided via the startup finance market in the manner of bank loans, overdrafts and leasing and hire-purchase contracts, stock/corporate bond issues, equity investments made by entrepreneurs, asset-based financing, grants, and government loans. At every level of their development, SME expansion, and survival depend on maintaining access to acceptable financial sources. Even while SME bank funding has essentially recovered during the financial crisis, ongoing problems such as information asymmetries, high transaction costs, and a lack of financial understanding among small business owners continue to exist.

Driouach *et al.*, (2019) illustrated that as EB develops, employee compensation now differs from how it was decades ago. Small and medium-sized businesses can now compete with multinational organizations in providing affordable EB to the staff members they employ. Because minimum wage laws have recently been enforced in some nations, including Malaysia and Thailand, the continual strain on expenses has gotten greater. In addition to the required perks, cafeteria flexibility plans and non-monetary benefits are becoming more popular. Employers and employees could not disregard the tax consequences of EB since it would affect the design or selection of perks.

Baidoun *et al.*, (2018) showed that it is not without challenges coming to an understanding of what a SME is quite difficult. They are "clearly not large," which is the most fundamental characteristic in common. Undoubtedly, not all SMEs are equal equivalent to entrepreneurial

start-up businesses; many only take over or replace preexisting, successful small business models. This means that different HR challenges will arise depending on whether the environment is new or minor. Even in the case of increased conceptual clarity, it would be difficult to provide a thorough definition of what exactly the term "SME" refers to. The most common solution has been to use numbers as the most important size measure.

Jyoti et al., (2017) said that even though it is obvious that there has never been a single system of planning that is universal and thorough for all businesses throughout history—not even during the socialist era—and that different planning systems have existed throughout history, it can be discovered that creating plans solely to satisfy formal requirements does not produce the desired outcomes. The author's goal in this essay was to shed light on the proper management philosophy toward this process, not to evaluate plans as formal procedures in planning systems. It is also clear that creating a planning system that does not require a corporation to implement it is difficult.

Tan et al., (2003) defined that total quality management, also known as TQM, aims to boost the overall effectiveness and responsiveness of company operations. In essence, it coordinates and involves every component of the business, including all divisions, all operations, and every employee at every level. TQM acts as a critical driver for ongoing improvement in a company to improve performance by making sure that top leadership embraces an operational perspective of quality, and emphasizes prevention over inspection. It is determined that for the investigation to close this gap, the establishment of the TQM framework, specifically for smaller businesses, is necessary.

Majumdar and Manohar. (2016) described that most firms in established and emerging nations have small and medium-sized businesses (SMEs), which are an essential part of their economies. Additionally, they are regarded as a significant source of wealth and employment creation in several manufacturing sectors. These businesses are motivated to restructure their manufacturing processes by the industrial environment's competitiveness. Lean Manufacturing (LM) is now widely used across several industries and has demonstrated effective progress toward more productive businesses. But for the LM to be effective, the implementation process must be well-executed, and some Critical Success Factors must be taken into account. These include management commitment and support, training sessions, staff involvement, and so on.

Objective

To determine the effective employee developing and implementing plans for small and medium-sized enterprises (SMEs) sector

Methodology

In the present study 200 people were surveyed to find the effective employee developing and implementing plans for small and medium-sized enterprises (SMEs) sector. A structured questionnaire was prepared and with its help the survey was conducted. A sampling method named convenient sampling method was chosen to collect the primary data. After the completion of fieldwork, the collected data was inspected and calculated by means.

Findings

Table 1 Effective Employee Developing and Implementing Plans for SMEs Sector

S. No.	Statements	Mean Value
1.	Need to implement a continuous education and advancement strategy to ensure that even older workers, can keep their jobs for as long as practicable	3.89
2.	Markets are becoming more and more fiercely competitive thus businesses must assert themselves by creating new products to compete with big businesses	3.97
3.	SMEs can now compete with multinational organizations in providing affordable EB to the staff members they employ	4.13
4.	SMEs can deploy TQM which aims to boost the overall effectiveness and responsiveness of company operations	4.18
5.	Lean Manufacturing (LM) is now widely used across several industries and has demonstrated effective progress toward more productive businesses	3.82
6.	Consequently, innovation which is focused on developing novel items, is essential for achieving competitive power	3.76
7.	Older workers tend to be more seasoned, devoted and have greater levels of meticulousness and work ethic, the large number of older workers may help SME production	4.03
8.	There should low lending rates and less credit restrictions for SMEs so that they do not face any financial challenge	4.10

Table 1 above shows the effective employee development and implementing plans for small and medium-sized enterprises (SMEs) sector. It is found that SMEs can deploy TQM which aims to boost the overall effectiveness and responsiveness of company operations with mean value 4.18, SMEs can now compete with multinational organizations in providing affordable EB to the staff members they employ with mean value 4.13 and there should low lending rates and less credit

restrictions for SMEs so that they do not face any financial challenge with mean value 4.10. The respondent says older workers tend to be more seasoned, devoted and have greater levels of meticulousness and work ethic, the large number of older workers may help SME production with mean value 4.03, markets are becoming more and more fiercely competitive thus businesses must assert themselves by creating new products to compete with big businesses with mean value 3.97 and need to implement a continuous education and advancement strategy to ensure that even older workers, can keep their jobs for as long as practicable with mean value 3.89. The respondent shares that lean manufacturing (LM) is now widely used across several industries and has demonstrated effective progress toward more productive businesses with mean value 3.82 and consequently, innovation which is focused on developing novel items, is essential for achieving competitive power with mean value 3.76.

Conclusion

The MSMEs sector has fared very well, allowing our nation to experience significant industrial growth and create jobs. The industry is, in general, less dependent on capital and has a high labor absorption rate. In India, the number of ill MSMEs has significantly increased during the same period. Future research at the field level will offer solutions to issues with human resource management, production processes, financing, and marketing strategies to assist MSMEs in succeeding and contributing to the nation's sustainable economic development. Small and medium-sized businesses (SMEs) are crucial for economic development in emerging economies and play a significant role in global economies. Consequently, SMEs are thought to be one of the major contributors to GDP growth

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