

# HR Issues Towards Managing MSMEs Operating in India During Globalization Trends (with Special Reference to HR Outsourcing): An Extended Review

*Tweena Pandey, Faculty of Management and Business Studies, Uttarakhand University, Dehradun, Uttarakhand, India*

*Abhishek Singh Chauhan, Faculty of Management and Business Studies, Uttarakhand University, Dehradun, Uttarakhand, India*

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## ABSTRACT

*If you have never entered the world of subcontracting it seems a puzzling blend of products, rigid selling and in the past has carried a bad reputation. Today, when grooming with different parameters of economies is becoming harder for every industrialist day by day, it is for sure that this disaster of cost-knitting is affecting one of the upcoming sectors of present commercial age and that is SMEs. If one talks about Medium and Small Enterprises, one can simply say that they also act as feeder to the large scale enterprises, which are into support production activities for the big enterprises. As it is known that they have a small gestation period (processing period), i.e. stalk in- product out, which further acts fast profit generation to the domestic scale of production as compared to large enterprises. But still if one focuses upon its competency mainly in comparison to the globalized standards, nevertheless one stands far behind, irrespective of availability of sufficient resources. Here the big question arises that in what terms and why? This review is an attempt to navigate some upcoming disasters in concern with managing the workforce employed in these small and medium enterprises, especially with respect to manage the cost incurred over the human capital- "A key capital for strengthening the enterprise's credentials".*

*Keywords:* Competitive Environment, Globalization, HR Issues, HR Outsourcing, MSME

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## 1. INTRODUCTION

For instance, it is being observed that majority of human capital involving companies of western or developed countries have adopted the effective and updated measures to overcome and resolve the problems in relation with “Managing Human Capital”, especially in terms of those for functioning in Medium and Small Enterprises.

If we talk about Small and Medium Enterprises (SMEs), we can quote that they simply constitutes to the Small or Medium Sized Micro Organizations, that are initially run by a small team of partners, may be comprised of some category of Family Business, Domestic or Household Industry or as such. But no matter that these organizations are easily manageable as the beginners’ organization, but if we review the status of required expansion of the concerned organization or an enterprise with the respective efficiency modules or set targets, over a consistent duration of the concerned business-life- cycle, we will observe that even for the purpose of consistent expansion of business in concern with these SMEs, parallelly there occurs a need to elevate the staff and considerably, that grounds the need to extort the Personnel Resources, and then to manage, administer and develop them accordingly, providing them the appropriate training and expertise as per the nature of business (product based/ service based) concerned.

As Human Resources (HR) unit is a decisive constituent of staff member’s well-being in any industry, no matter how small. HR responsibilities include payroll, reimbursements, appointing, dismissal, appraisals, enrichments and keeping up to date with levy and employee regulations. Any kind of mess in concern with these sensitive issues may trouble the entrepreneur causing unwanted legal problems and in turn, it may also cause severe dissatisfaction among its employees too. But if we talk about small and medium enterprises, often they don’t have sufficient staff or the financial resources to take care of all micro tasks and responsibilities of Human Resources. But yes of course, they cannot deny that they necessitate the expert

unit to switch these issues obligatorily. Due to this reason, such SMEs are seeking assistance with the outsourced HR entities, which are competently taking care of internal and external issues of the concerned staff member of these enterprises.

## 2. AIM AND OBJECTIVE OF STUDY (REVIEW NEED)

The motive of this research is:

1. Primarily to observe the existing trends of functioning and managing the workforce, especially with respect to the up- shooting Small and Medium Enterprises (SMEs) in present corporate earth;
2. Secondly, it is an attempt to extract and report some possible alternatives for these Medium Sized Firms, to think beyond the common hemispheres of average functioning of its staff concerned (whatever the reason be, beside there being an average performer);
3. This study is also an attempt to draw the attention of the concerned employers towards the other possible alternatives of staffing process, and the one among those trend which upcoming to the heights of popularity is “HR- Outsourcing”, which is positively being considered to be the one of the productive attempt for reducing the capital budget/ cost of especially the SMEs operating in today’s business world.

Thus, not only from the Employee’s perspective, by opening the doors of more probable opportunities of employment, the re- observations reported via this paper will also lay down the grounds (as the possible alternatives of hiring and budget- lowering) from the Employer’s perspective as well.

These grounds will provide the possible measures to the organizations and employees to deal with the issues of Management of Human Capital in Small and Medium Enterprises.

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