



THE CONTRIBUTION OF HRD IN RURAL AREAS OF MSME SECTOR FOR JOB CREATION WITH SPECIAL REFERENCE TO THE STATE OF ASSAM

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ABSTRACT

HRD is an important component for the success of any organization. It is the major function of HRM and it also serves to improve the productivity of the people in their areas of work whether these are in formal or informal settings. Nadler (1994), defined HRD as a planned continuous effort by management to improve employee capacity levels and organizational performance through training education development programme. India with 300 million people still living below poverty line needs measures to uplift the status of these people. The Indian MSME sector has been instrumental in the generation of employment opportunities in the local and less educated strata of the society, particularly the poor. The MSME is considered as a vibrant and dynamic sector of the Indian economy. Keeping in view the importance of MSME sector in employment generation, a study has been undertaken in this area and also focus has been given to the development of human resources in rural India to evaluate the current scenario of contribution of MSME sector for job creation with special reference to the state of Assam.

KEYWORDS: HRD, MSME, Productivity, Employment Opportunities, Assam

INTRODUCTION

Human Resource Development is defined as the policies and programs that support for equitable opportunities. It is necessary for continuing acquisition and application of skill and knowledge which is beneficial to individual organization and equally beneficial to the community of larger environment of which they are part.

Rural development is an important issue pertaining to economic development, especially of developing countries, throughout the world. It is concerned with the overall development of rural areas to improve the quality of life of rural people. The ministry of Rural development, a branch of the government of India, is entrusted with the task of accelerating the socio economic development of rural India. Its focus is on health, education, drinking water, housing and roads. Despite good progress over the past few generations, billions of people still live in acute poverty and suffer with grossly inadequate access to the resources-education, health services, infrastructure, land and credit to give a chance for better life. According to World Development Report of 1980, the development of any country depends upon the quality of human capital and human development activities undertaken.

Definitions of HRD

HRD (Human Resources Development) has been defined by various scholars in various ways. Some of the important definitions of HRD (Human Resources Development) are as follows:

According to Leonard Nadler, "Human resource development is a series of organised activities, conducted within a specialised time and designed to produce behavioural changes."

In the words of Prof. T.V. Rao, "HRD is a process by which the employees of an organisation are helped in a continuous and planned way to (i) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles; (ii) develop their journal capabilities as individual and discover and exploit their own inner potential for their own and /or organisational development purposes; (iii) develop an organisational culture in which superior-subordinate relationship, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees."

According to M.M. Khan, "Human resource development is the across of increasing knowledge, capabilities and positive work attitudes of all people working at all levels in a business undertaking."

The Indian Backdrop

Poverty is a multifaceted concept and has been one of the persisting social evils haunting the rural masses of India especially in the rural areas. Ever since Independence, a number of policies were made and adopted for the upliftment of rural population of the country. Now, the emphasis has been shifted from the development of employment opportunities to generation of self-employment and empowerment. The GOI

has taken up the task of developing rural India, through various implications and schemes, which includes the development of MSMEs in India.

MSME

Worldwide the micro, small and medium enterprises have been accepted as the engine to economic growth for promoting equitable development.

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises is as under: Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:

A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh;

A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore;

A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs.5 crore but does not exceed Rs.10 crore.

In case of the above enterprises, investment in plant and machinery is the original cost excluding land and building and the items specified by the Ministry of Small Scale Industries.

Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006 are specified below.

A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10 lakh;

A small enterprise is an enterprise where the investment in equipment is more than Rs.10 lakh but does not exceed Rs. 2 crore;

A medium enterprise is an enterprise where the investment in equipment is more than Rs. 2 crore but does not exceed Rs. 5 crore.

Place of MSME in Assam

Table:1
State-wise distribution of estimated number of MSMEs in NE region (NSS 73rd round)

Sl. No	STATE	ESTIMATED NUMBER OF ENTERPRISES (in lakh)			
		Micro	Small	Medium	MSME
1	Assam	12.10	0.04	0.00	12.14
2	Arunachal Pradesh	0.22	0.00	0.00	0.23
3	Manipur	1.80	0.00	0.00	1.80
4	Meghalaya	1.12	0.00	0.00	1.12
5	Mizoram	0.35	0.00	0.00	0.35
6	Nagaland	0.91	0.00	0.00	0.91
7	Sikkim	0.26	0.00	0.00	0.26
8	Tripura	2.10	0.01	0.00	2.11

The study reveals that there is a total of 12.14 MSMEs in Assam according to MSME, Annual Report, 2017-18, contributing to micro enterprises to the largest to 12.10 lakh.

OBJECTIVES OF THE STUDY

The study aims to

- Explore the contribution of HRD in Rural areas of MSME sector for job creation.
- Estimate the contribution of MSME in employment generation of Assam.
- Suggest policy measures for strengthening the MSMEs of Assam.

METHODOLOGY

The study is based on secondary sources of data collected from different sources such as books, referred journal, Annual Report, newspapers, internet, etc.

Role of HRD in MSMEs

HRD holds the key for economic development through enabling people to become more productive.

The success of the organization today and tomorrow is being seen more and more dependent on the effectiveness of HRD. Although there is a lack of literature and empirical research in this area, several studies in the past decade and recent years emphasized the importance of HRD for the survival and success of the SMEs.

ARTICLE from KNN (knowledge & news network), 17/11/2018, 1; 30 pm

MSMEs need to understand the importance of Human resource: Expert

New Delhi, Nov 17 (KNN) The best strategy for MSMEs to grow in market like India is to understand the importance of Human Resource (HR), said Marcos Segador Arrebola country Manager of GI Group India.

He further added that it is true that MSMEs focus more on day to day business operations and neglects human resource management.

Table:2
State -wise estimated number of employees (NSS 73rd Round)

Sl. No.	STATE	EMPLOYMENT (IN LAKHS)		
		Female	Male	Total
1	Assam	1.78	16.37	18.15
2	Arunachal Pradesh	0.11	0.29	0.41
3	Manipur	1.40	1.52	2.92
4	Meghalaya	0.72	1.19	1.91
5	Mizoram	0.28	0.34	0.62
6	Nagaland	0.59	1.18	1.77
7	Sikkim	0.14	0.31	0.45
8	Tripura	0.44	2.51	2.95

The study reveals that there are 16.37 lakhs male employed in MSMEs and female less than 25% than male with a total of 18,15 contributing to it.

RECENT SCENARIO OF HUMAN RESOURCE DEVELOPMENT IN INDIA

More and more employers are assessing the value returned from each dollar spent on employees. They are targeting specific programs and practice to the employees that value them the most and becoming more important than ever. Determining what matter most to employees and aligning expenditures with priorities is a strategic challenges for HRD function. Employee change continuously due, in part, to change changes in personal preference but also in part to the chum that occurs as employees leave and new ones enter the Organization. However, it is neither cost effective nor practical to satisfy every employee. Therefore, understanding employees and issues they face holds the key to the function to respond quickly.

Liberalization has resulted in sudden and increased levels of competition for Indian Organizations from multinational firms, globalization and internalization of domestic businesses, concerns for total quality management, incentives to export, demographic changes in the employee profile, retaining and redeployment of workforce, focus on performance appraisal and career management. Thus, with liberalization there is an increasing pressure on Organizations in India to change from indigenous, costly, suboptimal levels of technology to performance based, competitive and higher technology provision.

The scenario of Human Resource Development in India is characterized by

1. Lack of adoption of innovative HRD practice in unionized Organization due to lack of co-operative attitude among trade unionists.
2. Larger Organizations have been able to adopt HRD practice fully due to various costs, resources and expertise involved. Sparrow and Budhwar (1997) in their study of 137 fully owned Indian Organizations with more than 200 employees, located in North, central and Western Indian states within six manufacturing sectors of food processing, plastics, steel, textiles, pharmaceuticals and footwear suggest that they are still not geared to adopt HRD programmes.
3. Organizations with foreign participation have more extensive and early implementation of HRD programmes and practices than public and family owned Organizations. This is because international consultants propound those HRD strategies such as training, performance appraisal, career management; reward mechanisms, etc., are key to improvement.

4. Organizations with stronger leadership have been able to implement HRD programmes and practices. This is because most of the Indian Organizations seem to rhetoric believe such as 'change is constant', 'only quality ensures survival', 'products, not people are paramount' and 'information is everything', etc. the main challenges before the chief executives are seen to be to create flexible systems, to develop a culture of excellence, to facilitate teamwork and empower employees, and to speed up and decentralize data flows.
5. Indian Organization which are trying to be competitive by involving the services of international management consultants, have been found to favour HRD programmes and practices. This is because international consultants propound those HRD strategies such as training, performance appraisal, career management; reward mechanism, etc. are key to improvement.
6. Lack of professionally managed HRD departments. This has resulted in lack of a strategic role in terms of ability to identify, develop and manage support resources for adoption of HRD programmes and practices. This is primarily due to non-possession of current knowledge base and ability to research new developments via methods of benchmarking and networking.

Hence, it is the institution pressures that have influenced the adoption of HRD programmes and practices in the post liberalization scenario in India However; the HRD scenario in India is not so grim.

GROWTH PROSPECTS

Assam's economic development has been falling behind the rest of the country with the gap widening at an alarming rate. While India's economic growth picked up after the initiation of economic reforms in early 1990s to about 6 per cent, Assam missed this opportunity again. All evidences point towards long run stagnancy in growth rate in gross state domestic product at around 3.5 per cent per annum. This stagnancy of Assam is a worrisome feature not only for the state but also for the nation's overall development process. While overall growth rate is slow, Assam has more egalitarian distribution compared to other states. Despite this, Assam is the only state where poverty did not show a declining trend over a long period. Higher growth then becomes a necessary condition for poverty alleviation in a situation where scope for inequality reduction is limited. Quicker economic progress would also help to control insurgency since economic scarcity generates more social tension and fuels insurgency.

The poor growth meant fewer new jobs with rising educated unemployment. Governments in the past have followed the easy way out to increase government and public sector employment. Thus labor-employing activities under public sector like electricity and water supply grew rapidly in the 1980s. The situation today is such that 90 per cent of Assam's tax and non-tax revenue inclusive of its share in central taxes and non-plan grants in 1997-98 went for maintaining the government servant, past and present, that is, for wages, salaries and pensions (NIPFP (1998), State Fiscal Studies: Assam P.40).

Review of Literature

Dantawala (1973) seems to consider underutilization of human resources to be the chief cause of poverty. This view is shared by many studies. Neb, D.P. (1997)¹⁰ had said that HRD in the organizational context is the process of organizing and enhancing the physical, mental and emotional capabilities of individuals for productive work. It is essentially a process of helping people to acquire competencies and to increase their knowledge, skills and capabilities for better performance and higher productivity. The people who spend a greater part of their working lives making their organization work better is to be the sole objective of any good HRD policy. To be able to survive and grow, cooperative organizations will have to manage and master the change properly. If they cannot do, they could end up like dinosaurs and become extinct. Thus, they have only one option: either be beneficiary or the victim of the change A study undertaken by D. Rajasekhar, K.G. Gayathri Devi and Sachidananda Satapathy (2007) on Good Governance and poverty Alleviation revealed that although the programme is good it has suffered due to many problems. Inadequate functional assignment, lack of infrastructure in the rural areas and noncooperation of government agencies are the major causes for slow progress of the SGSY scheme. The study suggests that the people should follow the good governance principles and decentralization for income earning through employment generation. Adhyapok (1999) in his study on "Rural Employment Programmes in Assam" observed that poverty alleviation, employment and income generation of the rural people through rural, development programmes might be regarded as strategic policy for the development of the rural economy. This study suggested that selection of beneficiaries under self-employment and wage employment schemes were to be 62 done in a planned way by the rural development programmes implementing agencies at the grass root level. It must be noted that, those who assisted under one or all of these programmes did manage to cross the poverty line. Implementation of these programmes should be within the broader framework of a growing economy with special thrust for poverty alleviation and income and employment generation to the disadvantaged class.

Government Initiatives

Following are the key features of the budget with respect to the MSME sector.

MSME Credit Guarantee Scheme

Emphasizing the role of the micro, small and medium enterprises in the region's economic growth, Himanta Biswa Sarma, Finance Minister of Assam during his budget speech said that the MSME sector is on the priority list of his office.

"Despite huge potential, it has been seen that it is not easy for MSMEs to secure loans from major banks because they are usually unable to provide necessary collaterals. At

the same time, the risk perception of the lending agencies has to be addressed too so that loans may be given to MSMEs without fear of NPA", he said.

The Minister proposed in addition to the 20% reservation for local MSME products in all Government tenders and 25% preferential pricing that the state cabinet recently approved, he presented a new scheme called 'MSME Credit Guarantee Scheme', wherein an amount of Rs. 100 crore will be parked in a Credit Guarantee fund, which will act as a guarantee in case of failure of a project.

The guarantee will cover up to 50% of the loan amount taken from scheduled commercial banks & RRBs for loans up to Rs.50 Lakh. Both existing and new MSMEs can avail the benefit.

Responding to the announced provision, Joshi said that this comes as a very good initiative of the government. Though the initial corpus looks small, but it is likely to increase and bear favourable results, he added.

Skill Development Schemes

Joshi said that the government has taken into consideration the Prebudget memorandum sent by different organizations and therefore skill development schemes introduced by the government is to impact positive for the state.

Joshi further said that considering that the budget is a maiden one post GST, it balances well between the needs of the industry as well as other stakeholders of the region. (KNN/DA)

Human Resource Development and Employment (HRD & E) sector is one of the important sectors in the North Eastern Council, Secretariat. The sector deals with Education, Sports, Social Welfare, Skill Development and Training. HRD & E sector have the following major schemes:- Infrastructure development of Educational Institutes in NE Region.

Financial support to students of NER

Development of sports & youth Activities in NER.

Development & promotion of Education and Social sector.

Various Government initiatives also include:

Swarnajayanti Gram Swarozgar Yojana (SGSY) - It was the major programme for self-employment of the rural poor. It was started in 1999 and its allied programmes were TRYSEM, SITRA and GKY. Its basic objective is to bring the assisted poor families above the poverty line by providing them income generating assets through bank Credit and Government Subsidy.

SAKSHAM- a youth employment initiative for skill development and livelihood promotion.-It helps and support youth, especially young girls from disadvantaged families. Communities.

Mahatma Gandhi National Rural Employment Guarantee act (MGNREGA)- It serves the objective of generating productive assets and skills which ultimately have arose in boosting the rural economy,empowering rural women,protecting the environment,reducing rural urban migration.

NABARD (National Bank for Agriculture and rural development)-It is an apex Development Bank which supports all other allied economic activities in rural areas to promote integrated and sustainable rural development.

NGO (Non-governmental organization) - It is created by the legal persons that operates independently from any government. Here,the management is in the hands of persons who have formed it.

CONCLUSION

It is evident from the research studies, that MSMEs worldwide are consistently offering a growth rate even during the time of crisis. The developing countries should try to strengthen their human resources. India specially a labour abundant country will be able to develop such a stronger base without much difficulty. The developed countries are already having skilled and educated human resources. But the problem with the developing countries is that they are not developed and are trying hard to improve their working skills and knowledge.

Various governmental organizations as well as NGOs (non-governmental organizations) are working in this area of concern. The Ministry of Micro, Small and Medium Industries has already designed a number of programmes, which aim to extend training and skill development facilities to the needful entrepreneurs in various areas. They can take advantage of these programmes and can establish their own units which will provide them with an opportunity for self-development and integrated economic development.

The study also reveals that MSMEs of Assam can be improved by the comprehensive support of institutional agencies or government. There should be adequate supply of credits, raw materials, marketing facilities, infrastructure facilities, technological support, exemption from tax and motivation of new generation of entrepreneurs are also very important. As the country's overall development is not possible if this major workforce is not developed.

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