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## HR Policies And Practices In A Small-Scale Manufacturing Industry

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**Abstract:** This study looks at the HR policies and practices of small-scale businesses, with a focus on how these organizations manage their workforces to promote organizational expansion and enduringness. Small firms often suffer from a lack of resources, financial constraints, and the need for effective HR procedures in order to remain competitive in the market. This research looks at key HR practices, including recruiting, training, performance evaluations, compensation, and employee relations, and assesses how they impact employee satisfaction, productivity, and overall corporate success. Using qualitative and quantitative data collected from a range of small-scale industries, the study illustrates the unique HR practices employed by small enterprises and how they adapt their strategies to match the specific requirements of their operations.

**Index Terms** - Human Resource Management, Small-Scale Manufacturing Industry, HR Policies, Recruitment, Training and Development, Performance Appraisal, Employee Satisfaction, Workforce Productivity, Organizational Growth.

### INTRODUCTION:

Human resource (HR) policies and procedures are essential for small businesses because they help shape the workforce, ensure compliance with labor laws, and foster a healthy work environment. Small businesses, in contrast to huge corporations, frequently have particular difficulties including few resources, disjointed procedures, and tight-knit staff. These features make customized HR solutions necessary to handle hiring, training, employee engagement, performance management, and compliance. What is an HR policy? What does that mean?

A company's human resource management may be organized using HR policies, which are a collection of guidelines. All aspects of human resources are covered by HR policy, including recruiting, training, pay, leave, termination, and work structure. If a company's human resources policy is to be effective and fully contribute to the success of the business, it must guarantee that working circumstances are favorable to the internal growth and development of its varied personnel. But keep Reena Patil & Prasad Kapileshwari (2023) – HR Practices in msme of Udyambag, Belagavi Human resource management has become increasingly important in Micro, Small, and Medium Enterprises (msmes), particularly because these enterprises contribute significantly to employment generation and industrial output in India. A study by Reena Patil and Prasad Kapileshwari found that many msme continue to operate with informal HR systems due to limited financial and managerial resources. The study emphasized that recruitment, employee skill development, and workplace empowerment are critical HR functions that directly influence organizational growth. It also observed that structured training and employee

participation improve productivity and help small industries remain competitive in changing market conditions.

## **RIVIEW OF LITERATURE:**

(DAS.B 2019) Examined the challenges of implementing diversity and inclusion policies in small-scale Indian industries, highlighting structural and cultural barriers. The study recommended awareness and training campaigns to overcome these obstacles. (NAIR 2018) Studied the impact of employee welfare initiatives on retention in small-scale industries, finding that comprehensive welfare programs significantly reduced attrition rates. (LEE 2019) Explored the impact of organizational culture on HR practices in small-scale South Korean enterprises, concluding that a culture of openness, respect, and trust enhances performance, engagement, and retention. (Patel M 2023) Examined the role of HR audits in small-scale Indian businesses, finding that regular audits improved HR practices, ensured labor law compliance, and identified policy gaps, enhancing organizational performance. (Mehta. 2021) Studied the impact of performance appraisal systems on employee motivation in small-scale enterprises, finding that fair and transparent appraisals boosted motivation, productivity, and alignment with company goals.

## **RESEARCH METHODOLOGY:**

**Understanding Organizational Growth:** Small-scale industries contribute significantly to the economic development of many countries. For these enterprises to achieve continuous growth, stability, and long-term sustainability, well-designed human resource policies and practices are essential. Effective HR management improves employee efficiency, increases productivity, and creates a positive work environment that supports organizational objectives.  
**Efficient Utilization of Human Resources:** Small-scale industries often operate under limited financial and operational resources. Studying HR policies helps organizations use their human resources more effectively by ensuring proper recruitment, skill development, and employee retention, which ultimately improves overall efficiency.  
**Addressing Workforce Challenges:** Small enterprises frequently face workforce-related issues such as limited training facilities, low employee motivation, and high employee turnover. An analysis of HR policies provides practical solutions to overcome these challenges by improving employee satisfaction, strengthening engagement, and increasing retention levels.

## **OBJECTIVE OF THE STUDY:**

- To examine the effectiveness of HR practices in small-scale industries for improving recruitment, retention, and employee engagement.
- To develop customized HR frameworks that support competitiveness and long-term growth in small-scale industries.
- To study existing HR practices such as recruitment, selection, training, performance appraisal, compensation, and employee relations.
- To evaluate the impact of HR practices on employee performance, satisfaction, and retention.

## **RESEARCH DESIGN:**

A descriptive research design combining both qualitative and quantitative approaches is adopted for this study. The research focuses on analyzing HR policies and practices in small-scale industries and examining their influence on employee satisfaction and organizational performance. In addition, case-based observations from small industries located in both urban and rural areas are considered to gain a detailed understanding of the challenges faced and the effectiveness of HR practices implemented in these organizations.

## **Population and Sample Size**

The study's target demographic comprises of workers in a variety of small-scale companies. To balance the study's breadth with the time and resources available for data collection and analysis, a sample size of 50 respondents was chosen.

## **Sampling Method**

The basic random sampling approach used in the study ensures that each possible respondent has an equal probability of being chosen. By lowering sample bias, this method produces a representative dataset and raises the results' dependability.

### Data Collection Tool

Data was collected using a Google Form, which is an extremely accessible and user-friendly tool. Twenty structured questions covering important facets of HR policies and practices were included in the questionnaire. These questions include: Demographics: Name, qualification, job title, years of experience, industry area, and department. HR policies include the provision of health and other welfare benefits, official pay policies, and employee perks.

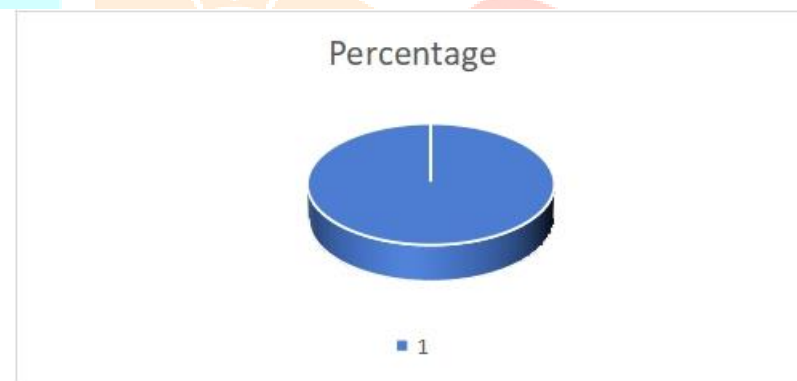
### Data Collection Procedure

The Google Form link was shared via email and professional networking channels to reach possible responses. Respondents were given clear directions on how to complete the questionnaire, guaranteeing accurate and comprehensive replies. Convenience, privacy, and speed in the data collecting procedure were made possible by the online format.

### Data Tabulation and Interpretation

6 Showing the Area of industry of respondent

SR.NO	Area of industry	Frequency	Percentage
1	SIPCOT	50	100%
Total		50	100%

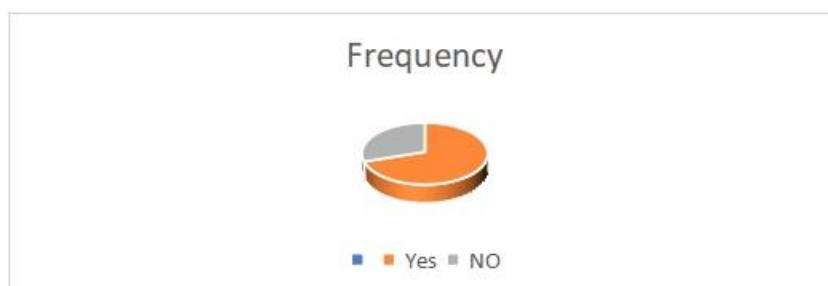


The study surveyed industrial employees within the sipcot area. All respondents (100%) belong to this single industrial zone. A total of 50 participants were included in the sample, representing the entire 100% of the surveyed population.

**Interpretation:** All the respondents belongs to the single industry zone.

Showing the “Do applicants receive a job description as part of the hiring process?”

SR. No	Category	Frequency	Percentage
1	Yes	35	70%
2	NO	15	30%
Total		50	100%

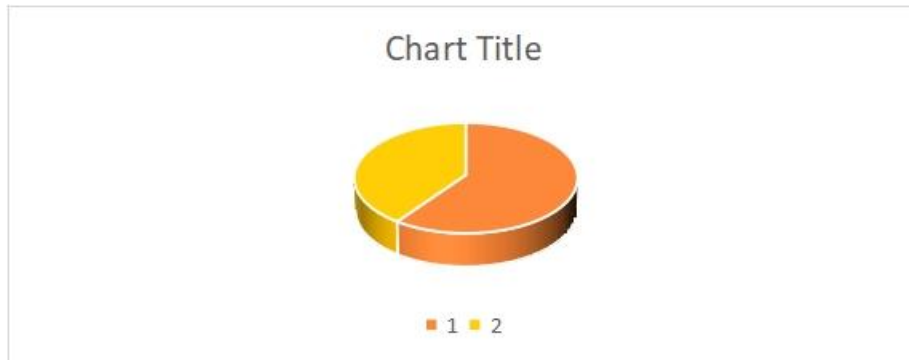


The data reveals that a significant majority, 70% (35 out of 50 respondents), answered "Yes," while 30% (15 respondents) answered "No." This indicates that most participants align with the affirmative response, suggesting a prevailing trend or preference in the given category.

**Interpretation:** The data reveals that a significant majority, 70% (35 out of 50 respondents), answered "Yes," while 30% (15 respondents) answered "No."

#### Shows the "Do regular performance reviews take place?" Of Respondent

Sr. No	Category	Frequency	Percentage
1	Yes	30	60%
2	NO	20	40%
Total		50	100%

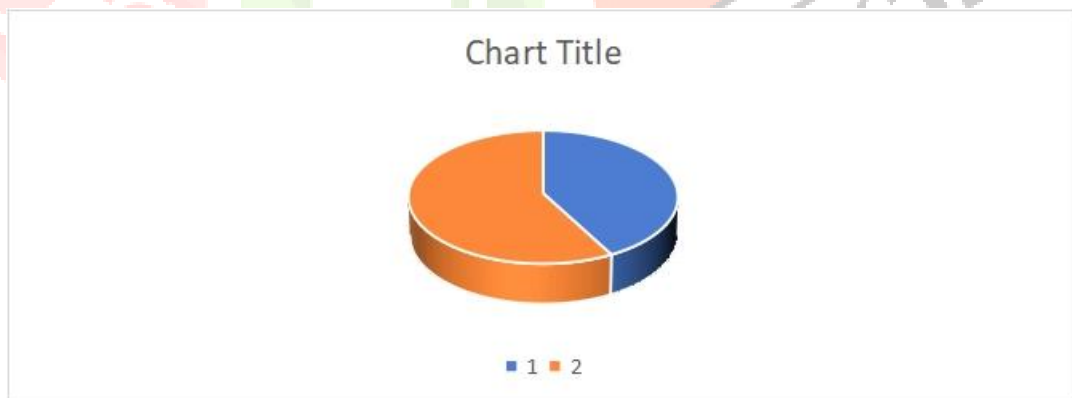


Out of a total of 50 responses, 60% (30 responses) were in Favor of "Yes," while 40% (20 responses) were against it with "No." This indicates a majority preference for "Yes" in the survey, with the total number of responses equaling 100%.

**Interpretation:** Out of a total of 50 responses, 60% (30 responses) were in favour of "Yes," while 40% (20 responses) were against it with "No."

#### Shows the Do you have access to online training courses? Of Respondent

SR.NO	Category	Frequency	Percentage
1	Yes	21	42%
2	No	29	58%
Total		50	100%



The data reveals that, out of 50 responses, 29 (58%) answered "No," while 21 (42%) answered "Yes." This shows a higher proportion of participants chose "No," with 58% selecting this option, compared to 42% who chose "Yes." The total of all responses sums to 100%.

**Interpretation:** The data reveals that, out of 50 responses, 29 (58%) answered "No," while 21 (42%) answered "Yes." This shows a higher proportion of participants chose "No,"

**FINDINGS:**

The rural workforce is largely made up of young people, with 52% of participants aged 26-35 and 40% aged 18-25. This shows that professionals in their younger to mid-career years are heavily represented. The 46-55 and 55+ age groups are not represented, and the older age groups (36-45) make up only 8%. Only 14% of workers are women, and 2% identify as other genders, making up the majority of the workforce, which is 88% male. Cultural, social, or occupational factors that limit female and non-binary involvement in rural industries may have an impact on this notable gender disparity.

**SUGGESTION:**

*Gender Inclusion Initiatives:* It could be beneficial to look at ways to improve gender inclusion given the significant gender disparity in the workforce (88% male and 14% female). Examining the structural, social, or cultural barriers that women face in rural sectors may provide insightful information. Creating mentorship programs for women, creating regulations to encourage female participation in non-traditional industries, or creating focused recruiting campaigns might all help to diversify the workforce.

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