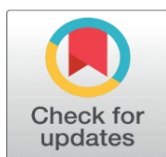
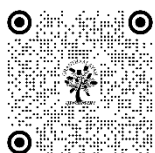


# PROBLEMS FACED BY SMALL SCALE INDUSTRIES ON ADOPTION OF HRD PRACTICES - WITH SPECIAL REFERENCE TO TIRUNELVELI DISTRICT, TAMIL NADU

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## ABSTRACT

This study examines the challenges faced by small-scale industries (SSIs) in adopting Human Resource Development (HRD) practices, with a specific focus on Tirunelveli District, Tamil Nadu. SSIs play a pivotal role in regional economic development, but their ability to implement modern HRD practices is often constrained by multiple factors. Key issues include limited financial resources, lack of awareness, inadequate training facilities, resistance to change, and a shortage of skilled HR professionals. These challenges prevent SSIs from improving employee skills, enhancing productivity, and achieving sustainable growth. The research uses a combination of quantitative and qualitative methods to assess the impact of these challenges on the overall growth and competitiveness of SSIs in the region. The findings reveal that financial constraints and lack of awareness are the most significant barriers, while other factors such as low literacy levels and limited external support also play a role. The study concludes with recommendations to address these issues, offering potential solutions to improve HRD adoption, thereby enhancing the performance and sustainability of SSIs in Tirunelveli. This research contributes to understanding the critical HRD needs of SSIs and provides insights for policymakers and industry leaders to help overcome these challenges.

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**Keywords:** Small Scale Industries (SSIs), Human Resource Development (HRD), Challenges, Financial Constraints, Awareness

**JEL Classification:** L3, M12, M54, D24.



## 1. INTRODUCTION

Small Scale Industries (SSIs) play a crucial role in the economic development of India, particularly in rural and semi-urban regions. These industries contribute significantly to employment generation, regional development, and the creation of a self-reliant economy. However, despite their importance, SSIs often encounter a multitude of challenges, especially when adopting modern Human Resource Development (HRD) practices. In the context of Tirunelveli District, Tamil Nadu, these challenges become more pronounced due to the local socio-economic dynamics, limited resources, and the predominance of traditional business practices.

The adoption of HRD practices, such as employee training, skill development, performance management, and career planning, is essential for enhancing workforce productivity and ensuring competitiveness. Yet, SSIs in Tirunelveli face constraints such as inadequate financial resources, limited access to technology, lack of awareness regarding HRD benefits, and resistance to change. Additionally, the shortage of skilled HR professionals and the prevalence of informal labor practices further exacerbate the problem.

This study aims to explore the specific problems faced by SSIs in Tirunelveli when adopting HRD practices. It will delve into the impact of these challenges on the growth and sustainability of these industries. By focusing on a region with unique characteristics, this research will provide valuable insights into the barriers to HRD adoption and offer potential solutions to help SSIs overcome these obstacles and thrive in a competitive environment.

## **2. REVIEW OF LITERATURE**

Numerous researchers have identified key barriers to the adoption of HRD practices in SSIs. For instance, Jain and Gupta (2015) highlight that financial constraints are a significant challenge, limiting SSIs' ability to invest in training and development programs. Similarly, Sharma et al. (2018) note that lack of awareness about the benefits of HRD and inadequate infrastructure further hinder effective HRD implementation.

Specific studies focusing on Tamil Nadu, such as those by Rajan and Kumar (2020), highlight unique regional challenges, including low literacy levels and cultural barriers that affect HRD adoption. These factors are compounded by limited access to external support and training resources, making it challenging for SSIs to enhance their workforce capabilities.

Literature also emphasizes the role of government policies in promoting HRD practices in SSIs. According to a report by the Ministry of Micro, Small and Medium Enterprises (2019), various initiatives aimed at enhancing skill development and providing financial support have been introduced, but the effectiveness of these programs often varies.

## **3. STATEMENT OF PROBLEM**

The adoption of Human Resource Development (HRD) practices is essential for the sustainable growth and competitiveness of small-scale industries (SSIs). However, SSIs, particularly in semi-urban and rural regions like Tirunelveli District, Tamil Nadu, face numerous challenges in integrating effective HRD strategies into their operations. Despite the clear benefits of HRD practices, such as enhancing employee skills, improving productivity, and fostering organizational growth, SSIs in this region struggle to implement these practices due to various internal and external constraints.

Some of the key issues include limited financial resources, inadequate infrastructure, and a lack of formal HR frameworks tailored to the needs of small businesses. Moreover, the predominance of traditional management practices, lack of awareness regarding HRD benefits, resistance to change, and a shortage of skilled HR professionals further hinder the adoption of modern HRD approaches. Additionally, these industries often operate with a focus on immediate survival rather than long-term growth, leaving little room for investment in HR development.

The problem, therefore, is the gap between the need for modern HRD practices and the ability of SSIs in Tirunelveli to adopt and implement them. This gap poses a threat to the sustainability, competitiveness, and growth of SSIs in this region. The purpose of this study is to identify and analyze the specific barriers faced by these industries in adopting HRD practices and to suggest possible solutions to bridge this gap for improved organizational performance.

## **4. RESEARCH OBJECTIVES**

- To evaluate the problems faced by small-scale industries towards following HRD practices.

## **5. RESEARCH HYPOTHESIS**

- There is no significant difference between mean ranks for overall opinion about problems faced by the SSIs in adoption of HRD Practices.

## 6. METHODOLOGY OF THE STUDY

Primary data were collected through a Semi-structured interview schedule. The respondents selected for this study were SSIs of Tirunelveli Districts. The survey was conducted among 20 Small and Medium Scale Industries registered in Tirunelveli district. The interview Schedule method is adopted to identify the problem faced by SSIs. All the select variables have been identified by conducting among 108 respondents and thus the Cronbach's alpha value is more than 0.7 the interview schedule is accepted for the data collection. The study has been analysed using the garret ranking and friedman test.

## 7. RESULT AND DISCUSSION

**Table 1.1 Problems faced by SSIs in adoption of HRD Practices**

Sl.No.	Problems	Mean	Std. Dev	Rank
1.	Limited access to HRD best practices	2.17	1.01	XV
2.	Lack of Awareness	<b>14.05</b>	0.79	II
3.	Inadequate training facility	<b>11.33</b>	0.93	V
4.	High Employee Turnover	10.49	0.87	VII
5.	Absense of formal HR structure	9.31	0.85	IX
6.	Resistance to change	<b>13.80</b>	0.78	III
7.	Lack of employee motivation	3.84	0.84	XIII
8.	Low literacy and skill level	7.97	1.02	X
9.	Cultural and social barriers	5.49	1.14	XII
10.	Limited external support	6.81	0.80	XI
11.	Shortage of skilled HR Professionals	<b>12.63</b>	0.84	IV
12.	Lack of Technological Integration	10.21	0.80	VIII
13.	Focus on immediate survival	11.01	1.00	VI
14.	Limited Financial resources	<b>14.12</b>	0.81	I
15.	Fragmented Industry structure	2.47	0.84	XIV

The table 1.1 highlights the primary challenges faced by small-scale industries (SSIs) in adopting HRD practices, ranked by their severity. The most significant problem is limited financial resources (Rank I), indicating that a lack of funds greatly hinders HRD adoption efforts. This is followed by lack of awareness (Rank II) and resistances to change (Rank III), suggesting that many SSIs are either unaware of the benefits of HRD or reluctant to move away from traditional practices. Inadequate training facilities (Rank V) and a focus on immediate survival (Rank VI) further reflect resource constraints and short-term priorities that impede long-term HR development. In contrast, limited access to HRD best practices (Rank XV) and a fragmented industry structure (Rank XIV) are the least significant challenges, indicating that these factors play a comparatively minor role. Overall, the table shows that financial constraints, awareness gaps, and resistance to change are the most pressing issues for SSIs in adopting effective HRD practices.

## 8. HYPOTHESIS

- There is no significant difference between mean ranks for overall opinion about problems faced by the SSIs in adoption of HRD Practices.

**Table: 1.2 Friedman Test**

No. of Respondents	108
Calculate Value	1069.07
df	14
Asymp. Sig.	0.000

The results of the statistical test, based on 108 respondents, show a **calculated value of 1069.07** with **14 degrees of freedom** and an **asymptotic significance (p-value) of 0.000**. This indicates a statistically significant result. The null hypothesis, which states that there is no significant difference between the mean ranks for the overall opinion about the problems faced by SSIs in adopting HRD practices, is rejected. Therefore, it can be concluded that there **is a significant difference** in how respondents rank the various problems. This suggests that certain challenges, such as financial constraints or lack of awareness, are perceived as more severe than others, underscoring the need to prioritize specific issues for effective HRD adoption in SSIs.

## 9. CONCLUSION

In conclusion, the study of problems faced by small-scale industries (SSIs) in adopting Human Resource Development (HRD) practices in Tirunelveli District, Tamil Nadu, underscores the critical challenges that hinder the effective

implementation of HRD strategies. The findings reveal that limited financial resources, lack of awareness, and resistance to change are the most significant barriers, followed by issues such as inadequate training facilities and a focus on immediate survival. These challenges not only impact the capacity of SSIs to enhance employee skills and productivity but also threaten their long-term sustainability and competitiveness.

The research highlights the need for a comprehensive approach to address these barriers, emphasizing the importance of tailored HRD interventions that consider the unique socio-economic context of Tirunelveli. Policymakers, industry leaders, and stakeholders must collaborate to create awareness about the benefits of HRD practices and provide the necessary financial and infrastructural support. Furthermore, fostering a culture of continuous learning and adaptation within SSIs can help mitigate resistance to change and encourage the adoption of modern HRD practices.

Overall, this study contributes valuable insights into the specific HRD challenges faced by SSIs in Tirunelveli and offers recommendations that can facilitate the effective adoption of HRD practices. By overcoming these challenges, SSIs can significantly improve their organizational performance, ultimately contributing to the broader economic development of the region

## **CONFLICT OF INTERESTS**

None.

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