CHAPTER-5
FINDINGS AND RECOMMENDATIONS

The researcher, through this study, makes an attempt to examine the role of different human resource practices, viz, recruitment, selection, training, motivation and compensation practices in the small and medium scale enterprises of Assam. The study reveals the following facts.

5.1 GENERAL FINDINGS
1) A major problem faced by the entrepreneurs of both type of enterprises is shortage of funds and lack of awareness about the various kinds of assistance available.
2) Both small scale and medium scale enterprises prefer experienced employees.
3) The most opted training method is orientation, job instruction and apprentice at operative level and orientation, coaching, job rotation and lecture at executive level at both the enterprises.
4) After training in small and medium enterprises, both operative level and executive level employees of small scale enterprises viewed that there was improvement in personal skill and job knowledge and least impact on education.
5) With respect to compensation benefits, an overall study in both small scale enterprises and medium scale enterprises revealed that, employers opt for fringe benefits.

5.2 FINDINGS RELATED TO SMALL SCALE ENTERPRISES
6) Employers of small scale enterprises lack knowledge on the various government schemes related to marketing facilities, incentives provided etc formulated for the benefit of these enterprises.
7) Most of the employers of small scale enterprises exhibit lack of interest towards organizational development and also individual development.
8) On-the-job training methods adopted by small enterprises in only a formality. Comparatively, the condition in medium scale enterprises are somewhat better.
9) It was observed that training programs imparted to operative and executive level employees in small scale enterprises paid less attention to the educational factor.
10) Recruitment practices in the small scale enterprises of Kamrup district shows that majority of the entrepreneurs, prefer internal sources like employee referrals and present employees than external sources.

11) Study of small scale enterprises reveal that human resource policy and recruitment cost are having the highest influence on recruitment policies, whereas, political influence has the least effect.

12) Regarding selection practices the employers of small scale enterprises select employees through conducting only preliminary interview.

13) Employers of small enterprises perceive that monetary reward has highest impact on employee motivation followed by quality of work life, non monetary reward, job design, empowerment, incentives, participative management, flexible working hours and Management By Objectives.

14) The operative level employees of small scale enterprises revealed that monetary incentives have been ranked the highest followed by quality of work life, flexible working hours, incentives, job design, participative management, empowerment, non monetary reward and Management By Objectives. Again, responses from employees of executive level shows that that ‘empowerment’ factor have highly influenced their performance.

5.3 FINDINGS OF MEDIUM SCALE ENTERPRISES

15) In medium scale enterprises entrepreneurs recruit employees from both internal and external sources preference being in employee referrals and present employees. The highest number of employees recruited through employee referrals is in 2009. With regard to external sources, advertisement, contractors, consultant and employment exchanges are the mostly opted.

16) In medium scale enterprises, recruitment cost is having highest influence on the recruitment policies. Political influence has the least effect.

17) Response of employers of medium scale enterprises response shows that 56% of them select employees through conducting only preliminary interview, whereas, 44% of them opted for both prelims and written test.

18) In case of medium scale enterprises most of the employers regard, ‘monetary reward’ to be the most effective technique, followed by job design, quality of
work life, non monetary reward, empowerment, flexible working hours, participative management, incentives and MBO.

19) With respect to medium enterprises the motivational factors affecting performance of operative level employees include flexible working hours followed by incentives, work life quality, empowerment, participative management, monetary reward and non monetary reward. In the case of executive level employees, it is observed that job design have been highly able to motivate the executive level employees.

5.4 SUGGESTIONS AND RECOMMENDATIONS
SMALL SCALE ENTERPRISES
1) The small scale enterprises should employ formal human resource practices in order to improve employee performance and organizational effectiveness as a whole.
2) The small scale enterprises instead of always adopting internal sources of recruitment should ignore cost factors and resort to external sources for achieving organizational effectiveness.
3) The employers should try to sort out strategies for implementing more off-the-job methods like coaching where the operatives and executives will fulfill their motive of receiving education.
4) Employers should provide more opportunities to employees for participating in decision making activities of the management.
5) Up-to-date techniques of production should be implemented in the enterprises. This will complement production capacity skills of employees at the operative level.
6) Employee State Insurance (ESI) facilities should be provided to all employees fulfilling required criteria which will act as a motivator.
7) The government should take steps for creating awareness about schemes regarding marketing facilities and incentives and also should simplify formalities for its effective implementation.
8) Entrepreneurs have to sort out new strategies for enhancing employee performance.
MEDIUM SCALE ENTERPRISES
1) Training and development facilities should be more up-to-date. Educational development should be given more preference.
2) Motivational techniques like employee participation and non monetary rewards should be introduced.

5.5 TESTING OF HYPOTHESIS

With reference to hypothesis H(1), the hypothesis is found to be fully acceptable because it has been observed that majority of employers of both small and medium enterprises conduct effective training need assessment and take both individual need and organizational need into consideration.

With reference to hypothesis H(2), the hypothesis is not found to be fully acceptable. It is observed that training and development practices is not effective. In case of small scale enterprises, it is seen that for the operative level enterprises, training practices were restricted on -the-job methods like orientation, apprentice and job instruction. Internship training was not given much importance. Moreover number of training programs gradually decreased gradually. Regarding employee response on improvement in different performance factors, it is observed that although personal skill and job knowledge developed, they lack improvement in case of communication skills, decision making skills, leadership and delegation. For medium scale enterprises also, it is observed that operative level training remain restricted to on the job methods like orientation, apprentice and job instruction, although certain off-the-job methods like job rotation, coaching and lecture programs were imparted. However, employee response indicates that there was low level of development with respect to personal development, leadership skill, decision making and delegation.

On the other hand, executive training in small scale enterprises remained confined to orientation, job rotation, coaching, lectures and programmed instruction which was however not sufficient in number. Response of these employees on performance improvement reflected that there was no training component. Executive level training in medium scale enterprises resembled training imparted for executive level in small scale sector in addition with the exception that sensitivity training is also imparted in some of the enterprises. Employee response shows that there was least improvement regarding educational factor. Thus, an overall view on training and development
practices imparted in Small and Medium Scale Enterprises taken for the study reflected an informal trend.

Thus it can be concluded that human resource practices adopted in both small and medium scale enterprises are not sufficient to enhance the performance of these enterprises. Appropriate measures should be taken by the management of these enterprises to improve the level of the practices adopted. Moreover, the government should also implement follow up measures along with other policy measures to examine whether schemes introduced are properly utilized or not.