

Strategic Manpower planning for the Sustainability of SME's: A Study of Ranchi Region in Jharkhand.

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THESIS COMPLETION CERTIFICATE

This is to certify that the thesis entitled '**Strategic Manpower Planning for the Sustainability of SME's: A Study of Ranchi Region in Jharkhand**', submitted by Rakesh Kumar Dixit in partial fulfillment of the requirements for the award of the Degree of Doctor of Philosophy is an original work carried out by him under our joint guidance. It is certified that the work has not been submitted anywhere else for the award of any other Degree or Diploma of this or any other University. We also certify that he complied with the plagiarism guidelines of the University.

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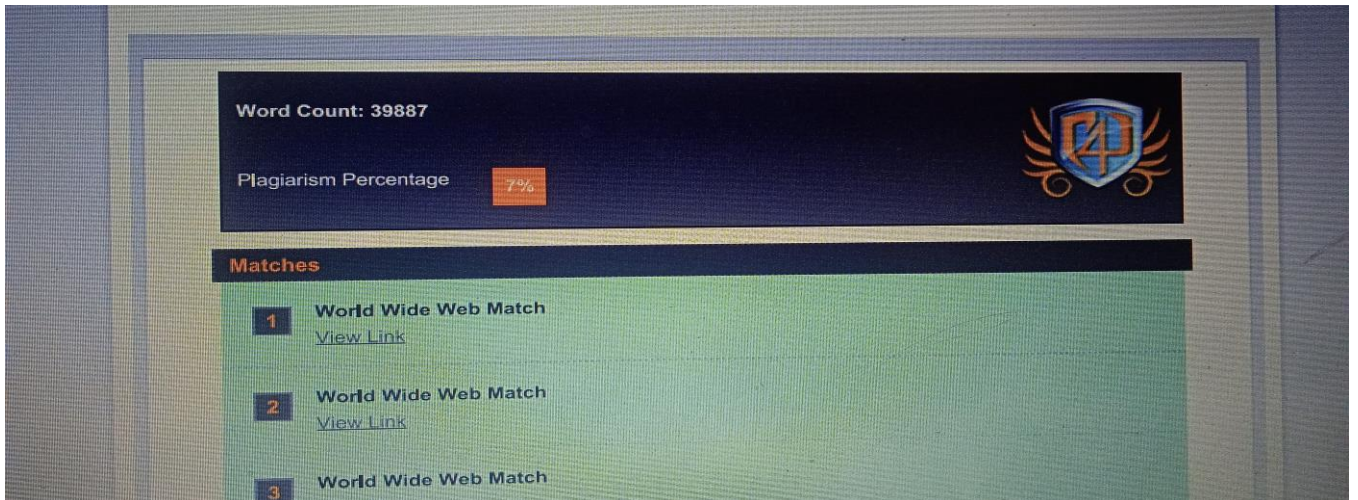
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DECLARATION OF AUTHORSHIP

I declare that this research thesis titled '**Strategic Manpower Planning for the Sustainability of SME's: A Study of Ranchi Region in Jharkhand**', submitted by me in partial fulfillment of the requirements for the award of the degree of Doctor of Philosophy in Management by the ICFAI University, Jharkhand, Ranchi is my own work. I confirm that the thesis does not contain any material that is work of any other writer, and has not been submitted previously (in whole or a part of it) for a degree. I further declare that except where references are used to give the credit to the previous authors, this work is entirely original and present my own work.

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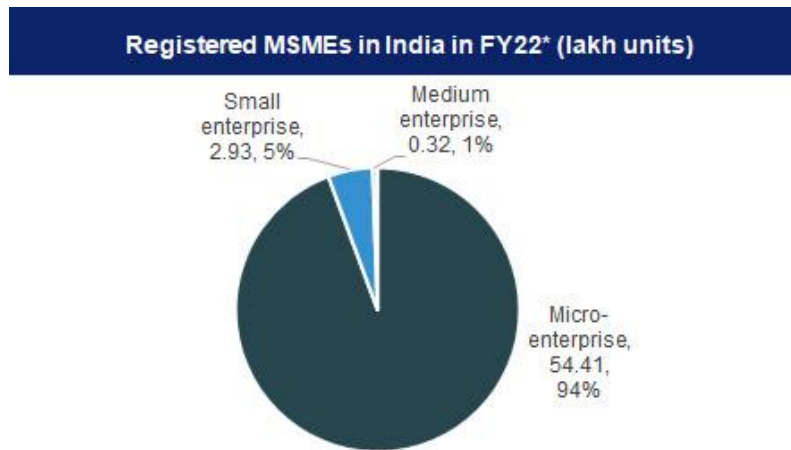
ABSTRACT

Small and medium-sized businesses (SMEs) have been a thriving and dynamic industry over the past five decades, particularly since the Indian government adopted the LPG (Liberalization, Privatization, and Globalization) reforms in 1991. In India, SMEs are classified on the basis of investment and overall turnover. The old Micro, Small & Medium Enterprises Development (MSMED) Act which was passed in 2006 classified SMEs based on the type of industry they were involved in, such as service and manufacturing, as well as their level of investment to plant and machinery. However, this classification was replaced by a new definition that was adopted in 2020. According to the composite criteria of investment and annual turnover SMEs are classified as following:

Classification	Micro	Small	Medium
Manufacturing & services	Investment < Rs 1 crore and turnover < Rs 5 crore	Investment < Rs 10 crore and turnover < Rs 50 crore	Investment < Rs 20 crore and turnover < Rs 100 crore

(Source: Ministry of Micro, Small & Medium Enterprises, Government of India, 2022)

The new definition has significantly increased the numbers of MSMEs in India, and their classification with numbers are presented as following:



(Source – Indian Brand Equity Foundation, 2022)

The MSME sector has performed well and supported the economy during the times of global challenges and adversities. According to estimates, the number of MSMEs in the nation is 633.9 lakh. Among them, 99% are in the category of micro sector, accounting to 630.5 lakh units; 0.5% are in the category of small sector, accounting to 3.3 lakh units; and 0.01% are in the category of medium sector, accounting to 0.05 lakh units. On the basis of geographical classification, 52.3% of MSMEs (324.9 lakh) are located in rural areas whereas 48.8% (309 lakh) of them are located in urban areas (Indian Brand Equity Foundation, 2022).

At present in Jharkhand, nearly 3.76 lakh MSME are functioning, in Ranchi the total number is 400, and out of which 385 is active 15 are newly entrant. (Source: Office of JSIA, Ranchi, Jharkhand). World over, Micro and Small Enterprises are recognized as important constituents of the national economy, contributing significantly to employment generation and poverty alleviation. However, although making a significant economic contribution to the country, the SME sector lacks the necessary backing from government agencies, financial institutions, and corporations, which hinders its ability to compete in both domestic and foreign markets.

In term of employment about 6 crore people are employed in MSME in the country, In Jharkhand there are 18 lakhs people are working in MSME 63,000 People got employment in these industries in Ranchi but in 15,245 people are working in Small & Medium Enterprises. (Source – DIC, Ranchi). The MSME sector contribute to the nation in myriad ways. For

examples, it offers employment opportunities, minimizes the gap between rural and urban areas, and uplift backward regions (Rao, Kumar, & Madhavan, 2019).

Moreover, the MSME sector face some challenges related to resource constraints including less accessibility to finance, capital, technology and the required skills (Rao, Kumar, & Madhavan, 2019). Also, it faces issues like poor marketing strategy, low production capacity, limited expansion and modernization, and less awareness of new markets. Among other challenges, issues related to human resource re most threatening, they include poor employee engagement, high attrition rate, and a lack of skilled workforce at affordable cost.

Jharkhand is just twenty-three years' young state established on 15th Nov.2000 where there is ample opportunity to grow & develop through SMEs. Despite the presence of a huge reserve natural resources such as coal, iron ore and Bauxite, as well as large business enterprises, there is a lack of comprehensive development. According to differences sources, Jharkhand contributes 32% of India's coal reserves (Banerjee, 2020). The region has not shown the sign of impressive development in the last two decades (after becoming an independent state), and has been largely known as a labor producing region with its neighbors Bihar, and Uddisa. One of the challenges that restricts Jharkhand to realize its potential of rich natural resources is an effective manpower planning that can help in identifying the skilled workforce and formulate a plan for their further growth.



SMEs in Jharkhand and India, however, have had difficulty in the past keeping hold of highly qualified managers and technicians because of the appealing employment opportunities offered by large organizations. The managers of today's SMEs must be exceptionally skilled and experienced in order to guide them out of this scenario of obstruction. Only those with a keen sense of vision and a high level of managerial skill are able to offer worthwhile solutions, propel themselves to the top of their industries, and even challenge the industry titans (Fanersher, J. 2003).

- Develop a global mindset- The forces of globalization have affected business in different parts of the world and SMEs are not immune from this level of competition. Therefore, to grow in this competitive world, it is important for firms to build a global mindset that is characterized by inclusion of multicultural individuals, groups, and organizations.
- Focus on transformation- Transformation at an extensive level is essential for growth as well as sustaining position in the market. Thus, SMEs must focus on making holistic changes across the enterprise.

- Focus on innovation and differentiation, The keys to tapping into the growing markets and empowered consumers that characterize the new global economy; those who distinguish themselves in a field of rivals and top-notch human resources will become successful.
- Deal with the human factors of competency mapping, skills gap analysis, strategic manpower planning, need based hiring, and culture of learning & development, which touch on nearly every part of the business; technology offers some important ways to manage and optimize global people issues.

Now the questions are: what is Human Resources planning (HRP) or Strategic Manpower Planning and why it is equally important for MSMEs or SMEs. The foundation assumption behind Human Resource Planning is that humans are the most important strategic resource of an enterprise. In general, it deals with matching company needs for resources—both long-term and short-term—in terms of both quantity and quality. It answers two fundamental questions “how many people” and “what kind of people”. The broader issues related to hiring practices and employee development are addressed by HRP in order to increase effectiveness of an enterprise. Thus, it is important to strategic HRM (Human Resource Management).

According to Bulla and Scoh (1994) “Human Resource planning (HRP) is the process for ensuring that the Human Resources requirements of an organization are identified and plans are made for satisfying those requirements”. In simple terms, through manpower planning the adequate number of employees are identified, hired, and placed at right jobs depending on individual strengths and weaknesses, in order to accomplish both short-term and long-term organizational objectives.

Therefore, the need for the present study is to explore the relationship between the strategic manpower planning and sustainability of SMEs in the competitive business environment in India.

For this research Ranchi has been divided into 6 Industrial Areas such as Ratu Industrial Area, Kokar Industrial Area, Tatisilwai Industrial Area, Namkum Industrial Area, Upper Bazar

industrial Area, Tupudana Industrial Area. The Research covered 30 important SMEs in Ranchi District, (Jharkhand) at different locations. The SMEs in various sector were selected on the basis of ten important scales such as:

- (1) Type of the business
- (2) Length of the service
- (3) Man power strength
- (4) History of the companies related to employee unrest & other conflict
- (5) ISO certification (Mainly ISO14001)
- (6) Market share – other credential
- (7) Government Relation
- (8) Management system
- (9) Employee welfare
- (10) Employee Attrition rate

The study aimed to determine whether SMEs had enough planning for human resource management and initiatives to meet their vision, mission, and goals, as well as to assess the efficacy of human resource planning. The focus group opinions, which generalize the views of a rather small number of respondents, were the primary emphasis of the study.

This research is mainly guided by the following objectives:

- To study the significance of Strategic Manpower Planning (SMP) in Indian Business Scenario especially for SMEs
- To examine the advantages and disadvantages of Strategic Manpower Planning (SMP) for Indian Small and Medium Enterprises.
- To identify the major challenges or barriers affecting the implementation of Strategic Manpower Planning (SMP) in SMEs of Ranchi District, Jharkhand
- To measure the possible overcomes of the barriers to Strategic Manpower Planning (SMP) in SMEs of Ranchi District, Jharkhand.

Hypotheses: -

H1: Strategic Manpower planning (SMP) has positive impact on recruitment & selection process of SMEs.

H1a: SMP has a positive impact on the alignment between Human Resources planning system and business requirement

H1b: There is a positive influence of SMP on the influences a firm willingness to invest in training and development for improving organizational performance

H2: SMP is positively associated with employees' productivity.

H2a: SMP positively influence the change management process within an SME.

H2b: SMP positively affect employees' productivity while associating the gap between an individual's jobs and skill set to perform the job.

H3: SMP & organizational performance of SMEs in Ranchi, Jharkhand maintain a positive relationship.

H3a: There is a positive relationship between manpower planning and employees' retention in SMEs.

H3b: Manpower planning in SMEs positively affect employees' productivity and effectiveness.

H3c: Manpower planning in SMEs positive influence an organizational ability to predict the demand of the workforce within a given period of time.

Finally, this study makes the assumption that entrepreneurship and small enterprises together serve as the center of economic development, can also encourage the development of human resources and provide jobs for the vast majority of low-income jobless individuals in their local communities, whether they are skilled, semi-skilled, or unskilled. It is anticipated that addressing these questions will close the knowledge gaps in the sphere of sustainability, growth, and socio-economic development in Jharkhand to some extent.

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LIST OF ABBREVIATIONS

ACRONYM	FULL FORM
CSO	CENTRAL STATISTICS OFFICE
T&D	TRAINING AND DEVELOPMENT
GDP	GROSS DOMESTIC PRODUCT
GVA	GROSS VALUE ADDED
HR	HUMAN RESOURCE
HRM	HUMAN RESOURCE MANAGEMENT
HRP	HUMAN RESOURCE PLANNING
IDU	INSTROOM DOORS TROOM U ITSTROOM
KRA _s	KEY RESULTS AREAS
LCL	LABOR CONTRACT LAW
MPP	MANPOWER PLANNING
MSMED	MICRO SMALL AND MEDIUM ENTERPRISE DEVELOPMENT
SME _s	SMALL AND MEDIUM ENTERPRISE DEVELOPMENT
SHRM	STRATEGIC HUMAN RESOURCE MANAGEMENT
SMP	STRATEGIC MANPOWER PLANNING
SPSS	STATISTICAL PACKAGE FOR SOCIAL SCIENCES

CHAPTER – I: INTRODUCTION

CHAPTER - I

INTRODUCTION

1.1 Overview

In the contemporary business environment, businesses can prosper by effectively dealing with human resources to gain a competitive edge over other firms (Aslam *et al.* 2014). Scholars have recognized the importance of effective HRM practices to strengthen competitiveness of enterprises which is crucial to elevate the status of organizations (Schuler & MacMillan, 1984). The adoption and implementation of human resources management (HRM) within an organization give rise to various role modifications and novel problems for experts within this field. That is, there is a greater expectation that HR departments would work in tandem with upper management to achieve business objectives as their strategic responsibilities become more established.

The discussion and importance of Manpower Planning (MPP) has surged over the past few years due to its paramount importance of making a difference in Key Results Areas (KRAs) of a business organization. Many of the researches have shown that Manpower Planning plays a vital role in growth and competitive advantage of business and it is an essential process for success of any kind of business, regardless of its size and shape (Saini & Budhwar, 2008).

On the basis of above observations, it can be stated that Jharkhand has the potential to accelerate growth and development of SMEs along with its gigantic mineral reserves that will act positively to boost employment generation. The Micro, Small, and Medium Enterprise Development (MSMED) Act 2006 classified

SMEs on the basis of the amount invested in plant and machinery. The aforementioned criteria of defining SMEs are popularly known as 3 tier classification of Indian SMEs and they can be presented as below:

Table 1: Characteristics of SMEs

Descriptions	Manufacturing Units	Service Units
1. Micro Enterprises	Up to INR 25 Lakhs	Up to INR 10 Lakhs
2. Small Enterprises	Above INR 25 Lakh & upto Rs. 5 Crore	Above Rs. 10 Lakh & upto Rs. 2 Crore
3. Medium Enterprises	Above INR 5 Crore & up to Rs. 10 Crore	Above Rs. 2 Crore & upto Rs. 5 Crore

(Source: SME Chamber of India, 2018)

The role of SMEs in Indian economy has been emphasized in different literary and academic sources. When compared to larger organizations, small and medium-sized businesses are more cost-effective in creating opportunities for employment. Additionally, they contribute to the development of rural and underdeveloped areas by accelerating the rate of industrialization. SMEs therefore frequently work to promote equity in the allocation of national income and wealth and lessen regional disparities (Bhardwaj, 2018). However, the growth of SMEs depends upon number of things, which are internal and external in nature and may include the factors of government support and initiatives, technological advancement and access to technology, financial support, motivated workforce, and business structure and management perspectives (Franklin, 2005). One of the key components of business structure and management perspectives is Manpower Panning.

In the context of above-mentioned issues, it is important to understand that what does Manpower Planning means and how it is related to competency of SMEs. The term manpower planning is used to refer to a continuous process of catering the organizational needs efficient workforce and improving the capacity of the existing workforce (Jackso, Schuler & Werner, 2008). An effective Manpower Planning is responsible for supporting the organization with optimum human resource to meet the organizational needs. It determines the present and future workforce requirements of an organization in order to attain the desired goals. Human resource planning is the primary managerial function of HR department that ensures right person for the right job at the right time to derive maximum benefit (Durai, 2010). **Manpower Planning works on four basic steps as:**

- a) Analyzing the present workforce supply,**
- b) Forecasting the demand of workforce,**
- c) Balancing the projected demand of workforce with supply and finally**
- d) Supporting organizational objectives today and tomorrow (Durai, 2010).**

However, the major objectives of Manpower Planning in human resource management are as follows:

- To maintain optimum qualitative workforce for the achievement of organizational goals.
- To predict employee turnovers and take effective measure to reduce the turnover, in addition to fill the consequent vacant positions.

- To design effective programs for diversification and expansion of human resource.
- To ensure progression in the skills, standards, attitude, ability and discipline in the existing workforce by way of training and development programs
- To maintain cordial industrial relations by employing optimized human resource
- To utilize the workforce in the best possible manner
- To evaluate the best cost of human resources.

The roles of Manpower Planning in human resource management are as follows:

- To meet up the requirements of the organization: The success and sustainability of an organization depends upon its skilled, talented and experienced workforce (Cunningham, 2016). This requirement can be fulfilled through effective human resource planning, which is responsible for the procurement of right kind of personnel in right quantity for the organizational needs.
- Counterbalance insecurity and change: For achieving the best results from the available resources, the organization must balance the utilization of human and other resources. Human resource planning plays significant role in offsetting uncertainties and changes in staffing.
- It helps in checking labor imbalances: The planning vitally fills the gap between surplus and shortage of employees to maintain balance in the organization

- Training and development of employees: Human resource planning involves maintaining the level of skill, knowledge and expertise of employees and keep them updated with latest technologies and trends (Cunningham, 2016). Training and development programs are designed to fulfill this purpose.
- Resolving issues: The department plays important role in solving grievances of employees and resolving issues with organization, if any. This helps in retention of employees and raises job satisfaction levels.
- Helps formulation of budgets: It involves estimation of cost involved in human resource in terms of salaries, appraisals, transfers, promotions and more.

1.2 Background

MSMEs (Micro, Small, and Medium Enterprises) are regarded as the backbone of the Indian economy. The MSME sector has performed well and supported the economy during the times of global challenges and adversities. According to estimates, the number of MSMEs in the nation is 633.9 lakh. Among them, 99% are in the category of micro sector, accounting to 630.5 lakh units; 0.5% are in the category of small sector, accounting to 3.3 lakh units; and 0.01% are in the category of medium sector, accounting to 0.05 lakh units. On the basis of geographical classification, 52.3% of MSMEs (324.9 lakh) are located in rural areas whereas 48.8% (309 lakh) of them are located in urban areas.

<u>Demographics</u>	Number of SMEs
<u>INDIA</u>	633.88 lakh
<u>JHARKHAND</u>	15.88 lakh

RANCHI	415
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At present in Jharkhand, nearly 3.76 lakh MSME are functioning, in Ranchi the total number is 415, and out of which 300 is active 15 are newly entrant. (Source: Office of JSIA, Ranchi, Jharkhand). World over, Micro and Small Enterprises are recognized as important constituents of the national economy, contributing significantly to employment generation and poverty alleviation. However, although making a significant economic contribution to the country, the SME sector lacks the necessary backing from government agencies, financial institutions, and corporations, which hinders its ability to compete in both national and international markets.

In term of employment about 6 crore people are employed in MSME in the country, In Jharkhand there are 18 lakhs people are working in MSME 63,000 People got employment in these industries in Ranchi but in 15,245 people are working in Small & Medium Enterprises. (Source – DIC, Ranchi). The MSME sector contribute to the nation in myriad ways. For examples, it offers employment opportunities, minimizes the gap between rural and urban areas, and uplift backward regions. Further, it provides large industries with raw materials and other resources required to carry out business operations thus the MSME sector is regarded as complementary to large organizations. These are some key attributes of the MSME sector which make it crucial for the social and economic development of the country.

Demographics	Number of Employees in SMEs
INDIA	6 crore

<u>JHARKHAND</u>	18 lakh
<u>RANCHI</u>	63,000

When the roles of SMEs are examined in the context of developing nations, its significance becomes more crucial and strategic. This is because; the sector accounts for remarkable contribution in terms of outputs, exports, and employment generations. It is evident from Central Statistics Office (CSO) existing data that MSMEs contributed to about 28.77% of Indian Gross Domestic Product by the end of 2016. This share is equivalent to 31.60% Gross Value Added (GVA) products and services. According to the Sixth Economic Census (2013) 58.5 million SMEs have been found to be in operation. Among these numbers, 34.8 million establishments were found operational in rural areas, whereas 23.7 million units were found to be operative in urban areas (Central Statistics Office, 2016).

These establishments are reported to create an employment opportunity of 11.10 crore jobs for Indian economy by 2016. The distribution of employment for total numbers of 11.10 Crore jobs can be seen in terms of 45% of share in rural areas and 55% share in urban areas. In India, small and medium-sized enterprises (SMEs) comprise 95% of all industrial units and generate over 8000 items. In addition, the industry contributes 40% of Indian exports and 45% of the nation's manufacturing output (Central Statistics Office, 2016). These numerical values indicate towards paramount importance of SMEs in Indian economy and society.

On November 15, 2000, Jharkhand was proclaimed as the 28th state of the union. A vast range of mineral resources are deposited in the state including Uranium, Mica, Coal, Quartz, Dolomite, Granite, and so on. In addition, according to data, the state holds first and third position in the nation in terms of coal and copper reserves respectively (Government of Jharkhand, 2019). Further, the data reveals that Jharkhand produces a total of around 160 million tons of different types of minerals valuing 15,000 crore INR. The production of minerals generates revenue of around 3500 crore INR each year (Government of Jharkhand, 2019). The forest cover in the state is 29% which is highest than other states in India.

When talking about the capital of Jharkhand, it is important to know that Ranchi (the capital of Jharkhand) is regarded as the SME hub of the state. Perhaps the city provides a positive environment for SMEs to make them prosper. There are over 300 active SME units in the region spread across six industrial zones. While businesses in the area are implementing HRM practices and seeing benefits, the majority of SMEs prioritize short-term earnings and employ temporary labor (Government of Jharkhand, 2019). This demonstrates unequivocally the sector's unwillingness to embrace strategies for labor engagement and retention, such as strategic human resource management. Because of this, issues including higher employee turnover rates, industrial discontent, and uncertainty are more prevalent in 40 to 45 percent of SMEs in Ranchi and the state of Jharkhand in general. This indicates that the need for strategic manpower planning in Jharkhand is emerging so that SMEs can maintain their position in the competitive business environment.

When the roles of SMEs are examined against development of individual states within India, it can be stated that SMEs are the backbone of state and local development. It is evident from data that during 2016-2017, the Gross Domestic Product rate has been more than 12% and the state has shown a remarkable development and it only three states Gujarat, Mizoram and Tripura. Among these three states, Tripura and Mizoram are special category states and gets more subsidy than other Indian states. Jharkhand has also shown a tremendous growth over last 5 years, yet it has a long way to go, when it comes to realizing its growth potential of SMEs within the capital city and the entire state. The research focuses on investing the current Manpower Planning practices of SMEs of Ranchi district of Jharkhand. SMEs are regarded as the cornerstone for economic growth around the globe. They also promote equitable development. The potential for employment generation of SMEs is higher because of less capital requirement. Also, the labor intensity of SMEs is greater than large enterprises which makes SMEs more suitable for regions with high labor intensity (Prasad, 2004). In addition to indicating faster growth than large businesses, the SME sector has been vital for India's overall industrial development. SMEs have proven to be the ideal socioeconomic model over time by supporting labor-intensive modes of production that provide opportunities for employment for labor class resources and by encouraging the use of foreign exchange for importing capital-intensive goods.

According to estimates, SMEs in India are estimated to maintain a remarkable position in the Indian market accounting for 45% of production and acquire 40% share in aggregate exports (SME Chamber of India, 2018). A number of policies have also

been established by the governing authorities to support the expansion of SMEs, as it is thought that no economy can thrive without a robust SME environment.

Regardless of the growth and development potential of SMEs, their success in India is interrupted by a number of strategic issues. They include high competition, lack of capital, scale of operation, uncertain market conditions, technological constraints, and supply chain management issues. Adopting strategic approaches in operations can help SMEs overcome these challenges. As HRM is essential to every business firm's performance, a modification of this kind might be needed at the HRM level. Human resource is one the vital elements that play a critical role in success or failure of SMEs in this dynamic business environment. In this context, it is important to ensure that a firm has adequate human potential to sustain and succeed in current business environment. This can be done with the help of adopting an effective Manpower Planning process and practices.

Indian SMEs must create procedures and frameworks that enable them to make the most of strategic planning instruments in order to boost productivity and accomplish overall organizational success. However, despite the awareness of the requirement of proper planning and support in the area of strategic management, it is observed that there is lack of consistency in the SME sector when it comes to strategic management (Jackson, Schuler & Werner, 2008). Moreover, previous studies have shown that many organizations have gained sustainable competitive advantage as well as improved their performance by implementing strategic plans.

Numerous concerns have been raised repeatedly on how human resource strategies may help SMEs achieve their strategic goals and improve their performance.

Strategic HRM practices have given more emphasis to strategic alignment of HR practices with different organizational attributes including training and development programs, organizational objectives, decision-making, managers' responsibility development, and other related practices that add value to overall organizational performance in the long run (Jackson, Schuler & Werner, 2008).

Despite a very crucial role of SMEs in India economic and social growth, they face tremendous pressure and high risks due to their volatile nature. The sources of volatility in this sector can be studied from a number of perspectives including policies of government, access to resources, availability of infrastructure, and the structural barriers of SMEs. Among these factors, structural barriers bring a number of challenges and issues, and one such issue for SMEs is Manpower Planning (MP). It is evident from several studies that workforce planning in SMEs is leaner and weaker in India and Human Resource Management (HRM) practices are not given due consideration in this sector. The issues of Human Resource Management in Indian SMEs are mostly related to lack of systematic procedure and police, traditional planning system, lack of access to latest technology, lack of rules and strategies. In many cases, this situation can be described as the 'invisible workforce' or even the presence of HR manager of department is completely missing. It is not surprising for Indian SMEs that they don't consider Human Resource Management issues as a critical element for their survival and long-term sustainability (Saini and Budhwar, 2008).

Among the several HRM activities and issues, Manpower Planning (MPP) is regarded as a critical factor for SMEs survival in Indian context due to size and nature of employment. The lack of a structured manpower planning (MPP) process in Indian

SMEs may lead to a situation, where talented man power is lured away towards multinational companies. Many of the studies have found that importance of proper human resources management and manpower planning is succinctly understood by most of the SMEs. Although a few SMEs do understand the importance of effective HRM, yet their planning not go beyond formulation of mission and vision statements. It should be noted that only formulation the mission and vision statement does not serve the final purpose, as it must be combined with different aspects of HRM activities including 'Man Power Planning'. A lack of manpower planning process within SMEs many leads to absence of the right man at the right place, at the right time (Franklin, 2005). However, in order to investigate the current practices of manpower planning within Ranchi district of Jharkhand state, this research has been guided by following aims and objectives:

1.3 Aims and Objectives of Research

This research aims at understanding the significance of Manpower Planning for the sustainability of SMEs. In addition to this, the study focuses on the critical aspects of use of Strategic Human Resource Management (SHRM) practices in SMEs, critical issues related to it and how future skills requirements can be forecasted in order to ensure sustainability of SMEs in the Ranchi region in the state of Jharkhand. The central aim of this study is to explore the current practices of manpower planning in SMEs of Ranchi district. In addition, the study focuses on making a comparison between the existing Manpower Planning process of SMEs and its relevancy to standard practices of

the industry. Besides this, it examines the approaches of these SMEs towards attainment of Strategic Manpower Planning objectives.

This study assumes that entrepreneurship and small enterprises together serve as the center of economic development, can also encourage the development of human resources and provide jobs for the vast majority of low-income jobless individuals in their local communities, whether they are skilled, semi-skilled, or unskilled and aims to investigate this assumption. It is anticipated that addressing these questions will close the knowledge gaps in the sphere of sustainability, growth, and socio-economic development in Jharkhand to some extent.

The methodical, scientific evaluation of the human resource requirements to make sure that the workforce is proportionate to skills needed for the best retention rate is known as strategic manpower planning. Review of literature clearly reveals that in the Indian business scenario especially in the field of SMEs the manpower planning is still traditional in nature. Therefore, the current research considered the **following objectives of the study:**

1. To study the significance of Strategic Manpower Planning (SMP) in Indian Business Scenario especially for SMEs
2. To examine the advantages and disadvantages of Strategic Manpower Planning (SMP) for Indian Small and Medium Enterprises.
3. To identify the major challenges or barriers affecting the implementation of Strategic Manpower Planning (SMP) in Small and Medium Enterprises (SMEs) of Ranchi District, Jharkhand

4. To measure the possible overcomes of the barriers to Strategic Manpower Planning (SMP) in Small and Medium Enterprises (SMEs) of Ranchi District, Jharkhand.

In the context of above objectives, the research focuses on developing an understanding on: -

What is Traditional Man Power Planning in SMEs?

What is current method of manpower planning in SMEs of Ranchi district?

How their methods and approaches of manpower planning differ from traditional method?

These investigating would be driven with the purpose of understanding the merits and demerits of current manpower planning process within SMEs of Ranchi district. This allows marking the difference between traditional manpower planning and strategic manpower planning, which is regarded as the modern approach and method of Human Resources Management and what benefits it brings to these SMEs. It would help in highlighting the benefits of adopting a Strategic Manpower Planning approach for these SMEs from their sustainability and competency in future.

1.4 Rationale of the Research

It is evident from study of existing literature and examination of contemporary sources that most of the studies that have been undertaken on the topic of SMEs in India are more concerned with economic factors and their role in GDP growth. The investigations of sources suggest that researchers have paid a lot of attention on SMEs studies, but they have studied the economic nature of the SMEs and how their current

output can be increased (Rao, Kumar & Madhavan, 2019). Another major area where the studies on SMEs are focused in India is based on their ability to produce employment and local development of skills. A few of the researchers are also concerned with operational efficiencies of SMEs, but there is a scarcity of studies, when it comes to understand the SMEs' manpower planning process. It can be stated that the topic of SMEs has yet to be explored from management point of view and Man Power Planning is one of the major factors among them.

This clearly indicates notion that only big organizations require an effective Man Power Planning process and it is not equally needed for SMEs. The situation becomes even more alarming, when the studies are referred in the particular context of Ranchi District (Jharkhand), as very limited sources are available to understand their Man Power Planning process. Most of these sources are based on reports of government and tend to be secondary in nature. It indicates towards a lack of primary research to understand the topic of Man Power Planning in SMEs of Jharkhand with a particular focus on Ranchi. Therefore, the present research can be seen as an attempt of bridge the literature gap and provide a reliable source to understand this phenomenon of SMEs' manpower planning and its essence for improving their effectiveness and efficiency and making the competent from future perspectives. An organizational competency revolves around three basic components of people, process, and structure. These components are vital for any type of organizations whether it is a big, medium or small in size. Since, people come first as they are the one, who decide process and structure, the component of people is critical a competency and success point of view. This research focuses on understanding the existing practices of manpower planning within SMEs of Ranchi and

investing the relevancy of these practices to ensure that necessary Human Resource are available as and when required.

The SME (Small-Medium Enterprise) industry has played an important part in the nation's economic success and global position (Westman, et al., 2021). The industry has contributed to the creation of millions of employees, the promotion of industrial growth in rural areas, and the manufacturing of a varied variety of products with minimum capital expenditure. As per the Ministry of SMEs estimations, the industry contributed approximately 40% of manufacturing production, provides for more than 8% of national GDP, and provides more job possibilities in both rural and urban areas of the country (MSME, 2021). To reach their full capacity, SMEs will require continuous governmental support in the future. Simultaneously, SMEs would need to improve on their inner structure, procedures, and policies to maintain their overall growth. Despite their tremendous progress thus far, SMEs are still dealing with a few of the difficulties associated relating to people and the environment, which should be primarily addressed by HR personnel. As per Dorado, et al., (2021), Human resource management is among the most critical aspects of every small business. Nevertheless, because many small businesses do not have the resources for a dedicated HR department or full-time staff, the tasks frequently fall to the entrepreneur or an administrator. Managing these HR activities in-house frequently poses numerous obstacles and they are as follows.

In the words of Podgorodnichenko, et al., (2020), there could be **a variety of causes** for addressing the lack of Human Resources functions in SMEs.

The first and biggest are **budget limitations** typically work on a limited budget and place a greater emphasis on development and scalability above personnel and culture-related challenges. Having **a fully functional Human Resources department can be viewed as a pricey undertaking** for a small business to undertake.

Second, some SME owners believe that their employees are now too small for comprehensive Human Resources processes and that most Human Resources functions can be managed in this manner. However, it is best to develop a Human Resources system from the beginning so that several employees' processes such as performance management, participation, and salary and benefits rules may be written out. Well-defined HR practices help in the removal of numerous uncertainties linked to one's employment and function in the firm, hence enhancing employee engagement and reducing turnover (Omar, 2020).

Hiring the "correct" personnel has evolved as among the most significant difficulties that Human Resources faces daily. Many of the most significant recruiting obstacles are intense competition, a restricted pool of eligible candidates, and the difficulty to offer a reasonable salary. Nevertheless, there has also been a little attitude shift of highly qualified and experienced people who are increasingly happily accepting senior jobs in such enterprises as their identities are fascinating and provide them different duties and activities as well as a decent compensation package. Despite this good shift, human resource managers continue to struggle to develop a solid layer of managers and executives, particularly in metropolitan settings where rivalry is high (Shrivastava, 2021).

To compete in the current environment, firms must have the **availability of experienced labour**. According to Zhou, et al., (2021), large enterprises are making concerted attempts to evaluate and enhance their workforce by using the help of skilled external suppliers to examine and provide a variety of training courses. Nevertheless, depending on external providers is not always practical for SMEs, owing mostly to budget concerns. As a result, they generally perform on-the-job or in-house training courses, which may or may not be beneficial. So, despite acknowledging the need to carry out specialized skill-based initiatives, HR is sometimes hesitant to do so. There is always the **possibility of workplace conflict** while building a firm and neglecting it can cost both time & expense. According to the survey of members of professional training and support firm, CPP, Inc., 85 per cent of employees face workplace conflict (IIPMR, 2021.). Conflict in the workplace consumes approximately three hours every week, wasting billions of dollars in paid time. Lack of an HR resource to manage dispute resolution would only spend time and energy while also lowering staff morale and retention levels.

In the wisdom of Aust, et al., (2020), SME (Small-Medium Enterprise) owners frequently underestimate the strategic side of human resources, viewing it as merely another "administrative job" with no immediate impact on the company. In such cases, **HR finds it increasingly difficult to suggest or start any organizational-wide reform**. It has become critical for HR professionals to break out of this would improve their profile to become something of a strategically capable of demonstrating the direct value of HR efforts on the company. In this time of digital innovation, HR managers

have a plethora of opportunities at their disposal. For example, they can exploit rich people-related data that the organization can use to monitor various patterns.

SMEs (Small-Medium Enterprise) in their early days are typically lively, dynamic, fast-moving, and 'innovative' in nature, bursting with dreams, hopes, and great promise (Rahman and Hasan, 2017). It is primarily made up of youthful team members that collaborate extensively with one another and have more regular interaction with elders and creators. Nevertheless, as the company grows and matures, it loses its initial start-up energy as groups grow large, and direct interaction with seniors/founders becomes quarterly conferences. With regards to the opinion of Rahman and Hasan, (2017), people may feel less appreciated and less rooted in the system as a result of such circumstances, paving the path for dissatisfaction and, eventually, departure. Though difficult, Human Resource may play an important part in **maintaining the environment by maintaining everybody educated, committed, and interested**. Human Resources can use social media to talk about important changes in the firm, promote success stories, and even respond to employee complaints. Such initiatives will assist in keeping everyone linked, particularly during difficult times when workers feel disconnected (Omar, 2020).

The significance of the Human Resource department in supporting the development of SMEs (Small-Medium Enterprise) cannot be overstated. It is, nevertheless, nonetheless confronted with some obstacles that must be overlooked. While SMEs continue to expand, it is critical to understand and solve these obstacles so that Small-Medium Enterprise and Human Resources can collaborate to execute various desirable improvements in the organization.

1.5 Relevance of the Topic:

Ranchi is the capital and SMEs hub in newly established state, Jharkhand where there is ample opportunity to grow & develop the small & medium enterprises. The human resources region in Ranchi & entire Jharkhand is also improving day by day. But in practice, most of the SMEs in this region are short term profit motive and acquainted with temporary workforce rather employee engagement or retention plan. Therefore, nearly 40-45% SMEs in Ranchi as well as in entire Jharkhand is suffering with high labour turnover, industrial unrest and uncertainty. Therefore, it can be presumed that a systematic / strategic manpower planning can save the SMEs and support to make better improvement in the socio economic condition in this region as well as the entire state.

1.6 Research Problem Statement:

The questions are why SMEs and what are the challenges they are facing today? World over, Micro and Small Enterprises are recognized as important constituents of the national economy, contributing significantly to employment generation and poverty alleviation. It is well recognized that small units are less capital intensive and generate more employment. Their role in nation building may be assessed from the fact that SME have 40% share in industrial output and produce over 8000 value added products. SME sector also contributes nearly 35% in direct export and 45% in the overall export from the country and provides employment to 28.28 million people and constitutes more than 80% of total number of industrial enterprises in India. SMEs of today will be large corporate of tomorrow. But, despite its commendable contribution to the Nation's

economy, SME Sector does not get the required support from the concerned Government Departments, Banks, Financial Institutions and Corporate, which is a handicap in becoming more competitive in the National and International Markets. SMEs faces a number of problems - absence of adequate and timely banking finance, limited capital and knowledge, non-availability of suitable technology, low production capacity, ineffective marketing strategy, identification of new markets, constraints on modernization & expansions, follow-up with various government agencies to resolve problems, non-availability of highly skilled labour at affordable cost, high attrition rate and many more.

Human Resources planning (HRP) or Manpower Planning are based on the concept that people are the most important strategic resources of an effective organization. Generally, it is concerned with suitable resources to business needs both in longer term needs and in shorter term needs in terms of both quantity and quality. It also answers two fundamental questions “how many people” and “what kind of people”. HRP deals with the bigger issues of the methods of employment and development of people for the purpose of the improvement of effectiveness of an organization. It therefore plays an important role in strategic Human Resource Management.

Manpower planning is a process by which Human Resources are identified, determined and planned that an organization needs in order to meet both its short term and long term requirements.

1.7 Scope of the Study:

This study will be cover 30 important SMEs in Ranchi at different location. The study will analyze the effectiveness of Human Resource Planning and make sure that whether the Small & Medium Enterprises have sufficient planning for human resource management and initiatives to achieve their vision-mission and objectives. The study mainly covered the focus group opinion that is generalizing the opinion of a relatively small number of respondents.

1.8 Research Motivation:

Nowadays, well managed and appropriately skilled manpower is considered one of the major constraints in achievement of long term objectives of any organization. It is basically that part of management which is entirely concerned with logical and strategic part of an organization's most valuable assets that is the employees who actively contribute to the fulfillment of organizational objectives (Grinold, and Marshall, 2012). Manpower planning simply covers all the tasks associated with employing the people and development of their skills and abilities in order to utilize and maintain their services in proper tune with the requirements of an organization.

Akman and Rehan, (2010) believed that workforce planning basically involves the strategic alignment of an organization's human resource with the long term business directions. It is a methodological process that covers all the activities related to management of present workforce, identification of needs of future ones, identification of gap between the needs of present and future workforce and implementing appropriate

solutions to assist the organization in accomplishment of its mission, objectives and goals. Basically, manpower planning includes the following factors:

1. Determining the numbers to be employed
2. Retaining the highly skilled staff
3. Managing effective downsizing program
4. Where will the next generation of managers come from

Indian Small & Medium Enterprises (SMEs) need to build systems and processes that will enable them to use strategic Manpower planning tools to guide their business towards a brighter future (Femin, J. 2003). Often it is asserted that the field of strategic management lacks coherence and it is highly fragmented. However, there is research evidence to show how companies have achieved excellent performance and sustainable competitive advantage by implementing strategic Manpower planning.

Strategic Manpower planning can help any business to grow and expand during a period of time. Small businesses will never remain small forever as some of them will grow and expand beyond 20 workers by joining medium and large businesses when using a given strategic planning. This type of migration to another class size reduces the share of small businesses by becoming medium size.

1.9 Structure of the Research

The entire research has been divided into five chapters, which deal with different aspects of the study. These chapters are interrelated and interdependent and tend to help in achieving valid and reliable outcomes. The sequence of each chapter along with a brief discussion has been

Presented as:

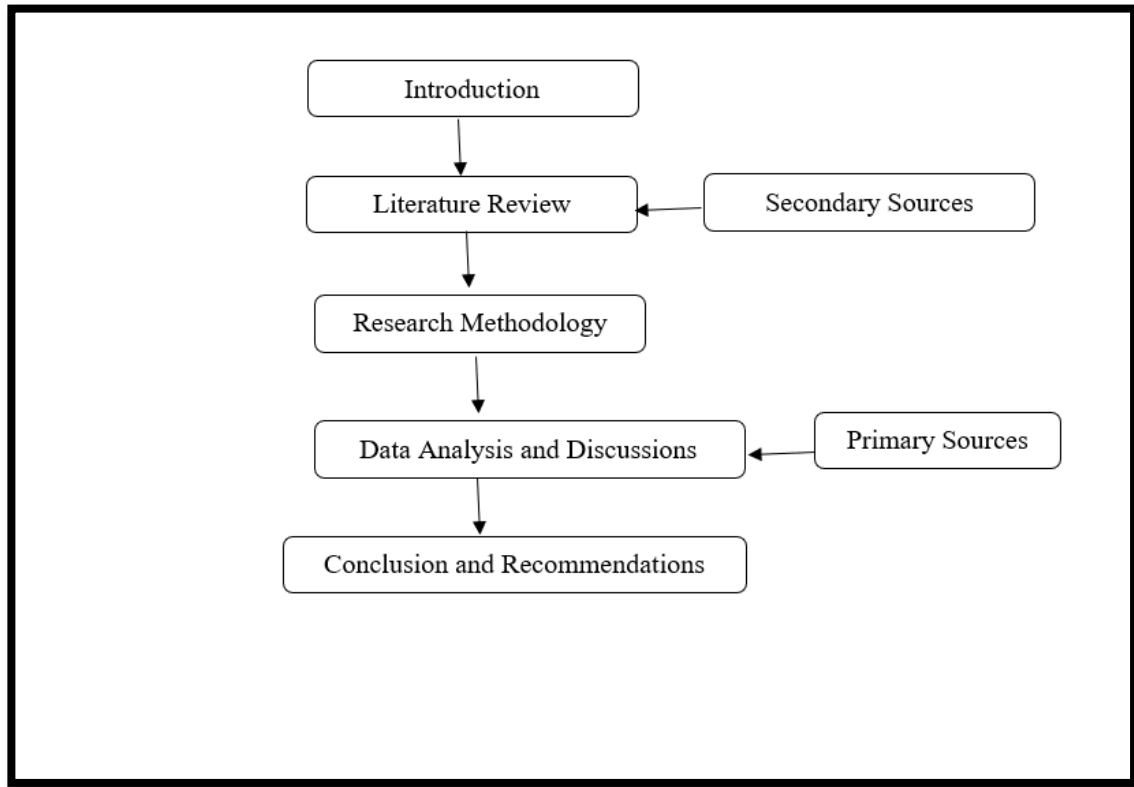


Figure 1.5: The sequence of the chapters
(Source: Self-created)

1.5.1 Chapter 1: Introduction The first chapter of this dissertation covers the background of the study and set a premise for investigation. This chapter enunciates the major aims and objectives of the study so that the purpose of research can be established. It provides critical information about need of this study and how it is going to be different that other existing studies on the same topic and area.

Chapter 2: Literature Review

The second chapter of this dissertation is literature review, which is concerned with development of a theoretical premise that allows comparing the different sets of knowledge, opinion and views on the same topic. This chapter includes underlying

concepts, models, and theories for development of an appropriate and rational approach to discover and highlight the available information about current study.

Chapter 3: Research Methodology

The third chapter is entitled as ‘**research methodology**’, which deals with the methodological aspects of the thesis. It covers crucial information about research philosophy, approach, design, and data collection method along with proper justification about their selection and usages for achieving the final results.

Chapter 4: Data Analysis & Interpretation

The fourth chapter comes with a heading of **data analysis and Interpretation**. This chapter enables interpretation of raw data into meaning information through application of analytical tool and measure. The discussion part of this chapter helps in developing understanding of results with regard to research aims and objectives.

Chapter 5: Result, Discussion and Conclusion

The final chapter of this thesis is entitled as ‘Result, Discussion and Conclusion’ that cover the key findings of the study and offers specific recommendations for application of research as outcomes and further studies.

Chapter - II:
REVIEW OF LITERATURE

CHAPTER - II

LITERATURE REVIEW

2.1 Introduction

Human resource management is associated with the planning, organizing and staffing human resource in business. It is a significant process that started with knowing its importance. Human resource planning is both micro and macro in nature as it is involved with business objectives and staffing process as well as with strategy and corporate planning. The concept of human resource planning revolves around the need of manpower that organization need in future in order to pursue its goals. The definition of human resource is given by many experts. As per Vetter (2004), human resource planning is a process that used to determine the way through which an organization can achieve its desired manpower to carry out business integrated plan (Vetter 2004).

HRM vs. Personnel Management

- ❖ On the basis of existing literature, it can be argued that strategic manpower planning is considered as a systematic framework of action in Human Resource Management, which is developed by the Human Resources experts of the organization. Human Resource Management is the Strategic & coherent approach to the management of an organization's most valued asset – the people. The Human Resources strategy comprises detailed plan of actions how to select best talents, retaining them, motivating them, and empowering them to perform well in direction of overall corporate/ business objectives. Good Human Resources strategy helps in improving business performance, develops

organizational culture, fosters innovation, and flexibility. Therefore, Human Resource strategy ultimately focused on following points:

- ❖ **Pre selection practice** including Human Resource Planning and Job Analysis.
- ❖ **Recruitment and selection based on mission** and purpose of the organization.
- ❖ **Post selection practice** to maintain and improve job performance levels, training and development, performance appraisal, compensation, and motivation should be based on corporate strategy of the organization.

Human Resource Management strategic plan is the prime objective of an organization looks forward to achieving the corporate goals in long run whereas manpower plan is about activities that are being carried out to reach a strategic plan. Besides, the strategic plan involves long term goals, while the plans of Human Resource have short term business objectives related to the overall strategic plan. Earlier, the human resource department was known as a personal department. It is because the department offers support to the rest of the departments of the company. Organizations these days understand the importance of human assets, especially in the global economy; hence Human Resource has become more essential than it was two decades before.

The personal management primarily follows activities relating to the hiring process, and legal compliance, whereas human resource is a broad term comprising strategic planning. The Ulrich HR model is one of the popular ways to understand the strategic planning of Human Resource Management, and offers complete information about the role of Human Resource Management in the business. The model is modified over the years, and the present model aligns activities of Human Resource with the overall strategy of businesses to build strategic partnership (Brock bank, 2005). As per Ulrich

(2011), implementation of the model should happen while understanding the overall objective of organizational, challenges and opportunities. The current model of Ulrich focuses on five prime areas of HR.

1. **Strategic Partner** – To ensure proper alignment of different Human Resource functions as per the business needs, it focuses on to build a partnership with the complete organization.
2. **Change Agent** – To develop skills of assuming and responding to changes within the different functions of HR as a company as a whole.
3. **Functional and Administrative experts** – To develop abilities to implement and understand different processes, procedures and policies relating to strategic plans of Human Resource.
4. **Human Capital Developer** – To develop human talent that is expected to be required in future.
5. **Employee Advocate** – To serve employees who are presently working in the company.

Human Resource Management as a Strategic Component of the Business

Ulrich (2011) has discussed the importance of presenting Human Resource on the table in strategic planning. Considering the importance of Ulrich Model, four aspects help to create a good strategic plan for Human Resource Management.

- **Make it applicable** – People usually spend a good amount of time to develop plans, which often sit in the file without being used or implied. A good strategic plan needs to be a principle that guides the different functions of Human Resource Management. It should be reviewed and modified as per the needs of

the business. By involving all the team members of HR, and discussion between the employees within the department would bring a better plan.

- **Be a strategic partner** – The prime objective of the Human Resource Management strategic plan should be to align it with the corporate values. Besides, it should support the objectives and mission of the company as a whole. For instance, if the company has a mission to promote social responsibility, Human Resource Management strategic plan needs to consider this in their hiring process.
- **Involve people** – The Human Resource Management strategic plan of the organization cannot be created alone. It should involve every member of the organization. For example, as the plan develops, Human Resource needs to meet with the members of different departments to identify the skills their best employees possess. Then the HR team can ensure that recruits hold similar qualities as the best people are already working. Besides, once the HR department identifies what is being required, communicating plans with others would get them positive feedback ensuring that the plan is aligned with the overall organizational objective.
- **Understand the use of technology** – There are times when businesses do not have sufficient money or tendency to find budget-friendly options and research software to implement. Sometimes, employees get nervous about new technology. Nevertheless, the best companies always embrace technology and find the ones that ease the work pressure from employees. Thousands of HRM

software are available in the markets that can process HRM relatively faster, easier and effective. A good strategic plan does not forget to address this aspect.

Conduct a strategic analysis

A strategic analysis looks at three different aspects of an individual HRM department.

1. Understanding the values and mission of the company

It is not possible to make an HRM plan if one does not know the mission and values of the organization. An HR manager must align the objectives of the department with the organizational goals. It would be worthwhile to sit with the executives of the organization, management, and supervisors to ensure a good understanding of the mission and values of the organization. Another essential factor understands the life cycle of the organization. It refers to the introduction, growth, maturity, and the decline of the organization, which can differ over time. For example, when the organization started its operations, it was the introduction phase with different staffing, compensation, training, and employee relation strategy, which was required to align HRM with the company objective.

2. Understanding of mission and value of HRM Department

HRM department must have their values and mission. These are guiding principles that changes when the overall mission and value of the organization change. A mission statement often represents what the department does, which is less of a strategic method. Doing brainstorming about the goals of HR, values, and priorities are a good way to start. The mission statements need to represent how HR can help the organization to meet its objectives. As per Kaufman (2011), the responsibility of an HR is to make sure that employees working in the organization are talent and motivated enough to give a

business competitive edge over its competitors. It can be measured through turnover, compensation, and overall sales data as compared to the competitors.

3. Understand the challenges of the HR department

The managers of human resource management cannot adapt to the changes rapidly in case they are not in a position to make predictions about the upcoming changes. Hence, the manager of human resource management should understand the upcoming challenges they may come across, and make plans accordingly to deal with the challenges in a better way when they come along. It makes planning about HRM, and strategic plans relatively more useful. Besides, in small organizations, owner and managers tend to perform the functions of HRM (Uhlener, 2001).

The role of human resource planning on Employee Motivation

The respondents have shown that manpower planning helps in meeting the future demand of the employees both quantitatively and qualitatively in an effective manner. This has been confirmed by more than 80% of the respondents. Woodhall (2006) mentioned that the need for HR demand forecasting is responsible for making future estimations about the requirement of staff in the desired quantity and quality. Its calculations need to be carried out considering the organizational for a certain period, for instance annually. As per Ghazala (2012), any business looking forward to identifying the need for human resource in terms of compositions, numbers, and competencies in regards to the provided services and level of productivity to meet the organizational requirement for demand forecast should be undertaken. Once gaps in manpower are identified in the organization, but those gaps into motion plan to bridge them (Griffins, 2006.) According to Reilley (2003), the process of approximation of

accessibility of workforce, which is essential to meet the demand for HR is known as a supply forecasting of human resource. It determines the number of workers with required knowledge, skills and expertise would be supplied from (Kwon, 2009).

It is also essential to shaping the basis for hiring resources within the prearranged scheduled possibilities to find out if the future supplies of employees would meet the requirement for HR (Mutua et al., 2012). Similarly, Kavoo (2013) suggested that to cater for the supply of demand, businesses need to assess workforce both internally and externally. The supply for the workforce can be fulfilled from inside or outside the business. The objective of HRP is to optimize the staffing level through assessing demand and supply of employees including, shortages and surpluses (Wright and Gardner, 2003). To achieve the right amount of staffing levels, the businesses need to address the gaps by comparing the forecast about supply and demand (Muhammad, 2009). This way, it can disclose the excess and shortfall of human resources in future. The administrators of the organisation can then look forward to recruiting workers, which is required to endorse the competitiveness that can meet the organizational requirement for demand and supply.

Role of Human Resource Planning on Employees' Performance

As mentioned by Armstrong and Taylor (2014), the motivation of employees is the need to work with the complete potential to meet the organizational goal. Armstrong (2003) also supported the argument by presenting motivation as a way of attracting and retaining the workforce. Nel (2015) stated that motivation of employees is crucial for the organization as it affects their performance. Workforce provided with good compensation and promotion opportunities, good working tools, and training

opportunities remain motivated to work hard and support organizational goals. Stone (2013) found out if the business is successfully able to keep their employees motivated, it is more likely to get better productivity improving the satisfaction level for both employees and clients. It results in creating a competitive advantage over their competitors.

Moreover, Huselid (2000) identified a relationship between some of the practices of HR along with the organizational goals. The author mentioned progressive HR practices including, selection of staff, compensation, and training positively concerns the measures of HRP. As training and development are identified as key factors that motivate employees, a requirement for evaluation of existing methods of training and development, especially since they are associated with HR planning and the health ministry. The rapidly changing nature of HRH makes it possible for employees to cope up with the changing process, and technology. Most of the studies relating to the motivation are being performed privately on organizations making a good profit. The present paper tried to fill the gap, and how HRP can motivate the workforce to improve performance on an individual level to support the overall health of the organization.

2.2 Clarification of Concepts: Manpower Planning

According to Geisler (2005), Manpower Planning is a process of projecting, building, and managing an enterprise's workforce. With the help of this, management can ensure whether it has a right kind of people, in a right quantity at the right place or not. Along with this, people working for the organization should be useful enough economically. In other words, human resource planning is carrying out the movement

of man within or outside the firm. HRM is related with the optimum utilization of manpower hired by the firm (Geisler 2005).

As per Akhigbe, O.J. (2013), the concept of Manpower Planning is not new, but the attitude of organizational behavior is responsible for its implementation. The planning of human resource system defines the ways in which people are hired and developed for increasing the organizational effectiveness (Akhigbe 2013). According to Armstrong (2001), the process of HR planning ensures the requirement of organization as per their objectives and plans are made to meet those requirements. In short, it is a systematic process through which manpower needs can be effectively analyzed (Armstrong 2001).

From a conceptual standpoint, organizational planning includes human resource planning as a fundamental component. The business process's strategic planning foresees some adjustments to the tasks they do. It is done to identify the core competencies of a business and therefore, organization need skills to accomplish objectives. In as far that strategic planning define business plan and human resource planning interprets these plans into workforce requirements needed to achieve such plans (Vetter 1964). According to Akhigbe, O.J. (2013), human resource planning not only identify the adequate number people to complete some tasks, it also ensures that the right number of individuals possessing sufficient skills should be accessible when needed (Akhigbe 2013).

Human resource planning is a useful process in identifying the skills that needed to extract the workforce requirement as well as to attract and retain effective resources for a firm. The planners should have knowledge about the recruitment processes and

should be able to identify effective recruitment and selection process that suits with their organization structure and processes. As per De Cenco and Robbins (2002), the planning of human requirement of an organization cannot exist in isolation. It is associated with other HRM functions. Human resource planning acts as a foundation for staffing process. Therefore, human resource planning is to plan present and future requirement of skilled people needed to fulfill the organizational objective De Cenco and Robbins (2002).

2.2.1 HR Planning

HR Planning allows businesses to realize the requirement of human resources, which primarily supports businesses to respond to changing labor market and maintain the combination of products employees by way of stabilizing the redundancy and shortages. In contrast, Singh and Vohra (2009) argue that practices of HR planning are mostly unavailable, informal and short term in small and medium enterprises. Besides, it has also been realized that HR planning practices are predominantly neglected and absent in SMEs in comparison to practices of HRM under other functions. As per Nguyen and Bryant (2004), HR planning is not accepted by SMEs in practice. It could be a result of owners lacking the importance of HR practices (Singh and Vohra, 2009). Besides, poor adoption could be another reason that creates a contradiction in the short life span nature of SME and long-term characteristics of HR planning.

Despite long term avoidance, there are few exceptions suggested in empirical research. For example, as per Singh and Vohra (2009), 22 % of SMEs in India do have the process of HR planning, and 55% of them follow information practices, which changes over time. However, the investigation failed to bring light to which informal

practices are being used. It represents the underestimation of the prediction ability of HR planning (Harney and Dundon, 2006). Reid and Adams (2001) mentioned that a study comprised of 219 SMEs with 20-100 employees in Northern Ireland revealed that only 34 % of non-family-owned companies and 26% of family-owned businesses follow HR plans. The situation of practices of HR planning in China is vague. Out of limited empirical research relating to HR practices, it has been realized that these practices are not completely studied, and yet to be explored. As per Ding et al. (2004), there are four surrounding recruitments, training, wages, and trade unions.

2.2.2 Recruitment & Selection

As per Cardon and Stevens (2004), recruitment and selection are essential for SMEs to identify individuals who would join. As per the size of SME, individuals may have direct contact or impact on the productivity and maintains close relations with the company than they would do in large organizations (Singh and Vohra, 2009). Cassell et al. (2002) stated that there have been a lot of arguments about the recruitment and selection process being used in SMEs. Cunningham (2010) study supported the same and claimed that recruitment is a frequently used function of human resource management. It has been realized that smaller businesses have poor recruitment and selection procedures, which most of the times follow informality and simplicity (Young-Thelin and Boluck, 2012). As per Young-Thelin and Boluck (2012), there are low-cost recruitment sources are available such as walk-in, referral, employment agencies, which most employers prefer. Owners and managers make hiring decisions primarily due to intuition and without a proper evaluation (ibid, 2012).

Nonetheless, there is evidence that indicates the increased usage of formal approaches in SMEs, and several methods and techniques are being adopted to improve its effectiveness. Despite various sources, companies often rely on ‘tried and trusted’ methods to reduce risk (ibid, 1999). Around half of SMEs that adopted the practices of HR confirms its effectiveness to help the organization to meet its goals. Besides, ibid (2002) realized the decisions on the sources of recruitment largely depends on the type of job opening, advertisements serve as the most effective methods for recruitment managers. Similarly, a survey from Marlow (2000) identified tools between management and non-management levels. Referrals from trusted networks remain the prime approach no matter what is the nature of the job. Other than referrals, advertisements employ for non-management recruitment, whereas the agencies are commonly being utilized in recruitment managers. In India, Singh and Vohra (2009) found out evidence from the study of 143 SMEs that most of them do not have a formal job description for the opening.

2.2.3 Training & Development

As per Rich bell et al. (2010), most of the SMEs remain reluctant to follow the process of training and development. There are various factors that are accountable for this phenomenon. At one hand, training and development require regular investment on resources, which influences the associated cost whereas, on the other hand, these SMEs have a budget constraint that makes them to emphasize on minimizing the cost (Lange at el., 2000). Therefore, the challenge in increased cost and tight budgets do not let SMEs to involve in training and development (Storey, 2004). Besides, the programs related to the development are designed and developed keeping the long-term

perspective in mind, SMEs tend to be characterized by short-term outlook, and shorter life (Cunningham, 2010). The employers as a result are worried about the possible hopping of job in case employees have better skills, and abilities through training (Panagiotakopoulos, 2011).

As per Marlow (2000), evidence suggests that owners and manager of SMEs have started to realize the importance of training and development, and are willing to invest as compared to the earlier situation. There is no doubt about the fact the on-the-job training is the most common method (Kotey and Slade, 2005). The authors further stated that rotation of jobs has limited use at a lower level, but at the managerial level, there is an increase in external activities as the business grows that shows the efforts to improve the capabilities of managers. Besides, external training for operational employees reduces as managers rely on offering training internally, which they consider more effective. It is noted that the adoption of training and development practices in the organization considerably varies in the SMEs. Despite information on-the-job training, SMEs not only provide vocational or technical training but also leadership skills through developmental programs. Kim and Gao (2010) have made contributions to the same in China. The author states that training and development is the second most utilized function of Human Resource Management after recruitment.

2.2.4 Performance Management

As per Cardon and Stevens (2004), performance management in SMEs is a less explored area. Mayson and Barrett (2006) mention that the purpose of performance management in SMEs primarily concerns monetary rather than developing. Cassell et

al. (2002) found out that appraisal is a widely used HRM practice, which is performed informally. However, the frequency, the people in charge, methods and tools are not available in their literature. Wiesner and McDonald (2001) presented more details and found out while 74% of companies follow the formal system, 79 % of SMEs uses the practices of informal performance appraisals where the essential scale of rating, and criteria are missing. It has also been observed that line managers are responsible for appraisals and promotions, and other appraisals like self-assessment and peer-assessment are hardly used (ibid, 2001). Due to the lack of criteria and individual assessment methods, it can be anticipated that the perceptions of managers may lead to bias appraisals.

As per the research by Kotey and Slade (2005), around 80 per cent of SMEs utilize appraisals similar to those mentioned by Wiesner and McDonald (2001). The authors demonstrated that outcome less utilized to understand the training needs, and the consideration of promotion. The level of ratings relies on measuring the performance of employees, especially at the non-managerial level (ibid, 2005). As an organization grows, more and better methods are applied including self-assessment and peer assessment, at a managerial position. However, Barrett and Mayson (2007) emphasize on following rewards, and their study brings light on the common reward for good performers, followed by additional bonus, increment with extra time off, whereas training and development opportunities are relatively lesser used in small businesses. On the basis of literature, the research proposes to test below hypotheses

H1: Strategic Manpower planning has a positive impact on recruitment & selection process of SMEs.

H1a: Strategic Manpower Planning positively affect the alignment between Human Resources planning system and business requirement

H1b: Strategic Manpower Planning positively influences a firm willingness to invest in training and development for improving organizational performance

2.3 Process of Manpower Planning

According to Akhigbe, O.J. (2013), Manpower Planning process includes various features such as anticipation of manpower requirements, employment of manpower, effective allocation of human resources, forecasting future requirement of manpower in quantitative and qualitative way. This also includes Designing programs and strategic policies for recruitment and selection, training, development, utilization of manpower, transfer, motivation, compensation programs in order to fulfill the requirement of human resource (Akhigbe 2013). Vetter (1964), states that human resource planning is a continuous and systematic process of staffing. This process of human resource planning can be categorized into three segments. First category includes forecasting the labor demand for business. Second focuses towards supply analysis by employ optimum human resource. Third category is balancing the demand and supply considerations (Vetter 1964).

Drucker (2012) summarizes that every step of Manpower Planning process is beneficial for strategic planners and top managers to fulfill their manpower requirements. Each of these categories can also be blended with the following process. The human resource planning process begins with forecasting manpower requirement and forecasting availability requirement. This step is based on the estimated number of employees and the type of skills organization needs in order to fulfill their future objectives. This step

provides vision to top managers that what kind of employees a company needs in terms of quality and quantity. The process of availability forecast is based on incoming and outgoing of employees during a planned period (Drucker 2012).

Basically, there are various techniques for forecasting such as zero-base forecasting, bottom up approach, simulations and some mathematical models can also be used for this purpose. Zero based forecasting is a technique to estimate future employment needs of a firm by using the firm's present employment system (Drucker 2012). According to Sharplin (1985), vacant positions of the company should be filled with a justified solution. As per the bottom up approach, filling of employees begins with the lower units of organization. Every unit specified its requirement according to its forecast (Sharplin 1985).

According to Akhigbe (2013), second step is comparing requirement as per the demand and supply of employee availability. This step answers two basic questions including what quantity of employees are needed by the organization? And what skills are needed to do specified jobs? The anticipation of required human resource can also be termed as supply forecasting. It gives managers clarity about the skill and competence required in needed employees. Supply forecasting is done to measure the quantity of employees that are needed inside and outside the organization. It can be calculated through attrition rate, absenteeism, outer movements (such as transfers, resignations and retirements), and internal movements (like promotions, alterations in working hours, and changes in working environment conditions) (Akhigbe 2013).

According to the third step of human resource planning process is to create balance between demand and supply of human resource within the organizations. This

step emphasis on demand and supply forecast that is based on the analysis of existing workforce (Sharplin 1985). This analysis is done on the basis of number of employees in respective occupation, skills and potential of their human resource. The anticipation of demand and supply workforce within a firm can also be analyzed by employee surplus and deficits. If demand and supply is equal in the company, then no action is required (Akhigbe 2013).

In case the demand and supply of employees is not equal then action is required, which provides a base to recruitment and retention plan. According to the process, downsizing strategy should be implemented in the situation of surplus employees (Sharplin 1985). Developmental activities can bring the human resource planning process to completion. The problem can occur when the number of employees exceed the required workforce, but in case of shortage, recruitment and development policies can be implemented (Akhigbe 2013).

H2: Strategic Manpower planning and employees' productivity are positively related to each other.

H2a: Strategic Manpower Planning positively influence the change management process within an SME.

H2b: Strategic Manpower Planning positively affect employees' productivity while bridging the gap between an individual's jobs and skill set to perform the job

2.4 A Model of Manpower Planning showing its components and areas of developmental activities

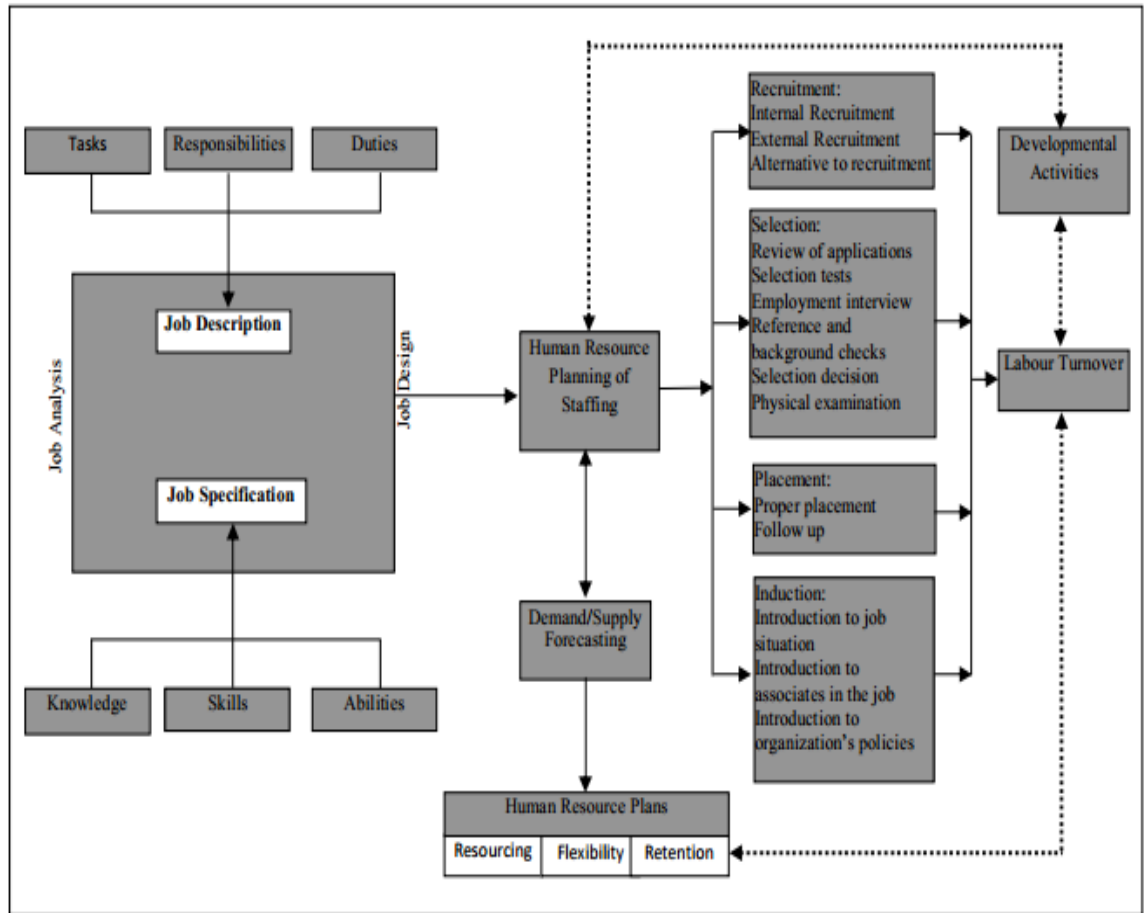
There are various broad components involved in Manpower Planning model. The process of human resource planning can also be explained through the figure given

below. The procedural aspects of the model including input, output and relationship within the entire process are all related with developmental activities (Sharplin 1985). According to Armstrong (2001), four components are involved in the HRP planning before the staffing process. This includes job analysis, job description, job specification and job design. Job analysis is the most basic tool of human resource management system (Armstrong 2001).

Geisler (1983), beautifully summarizes that job is a collection of various tasks that must be performed by respective workforce in order to attain organizational objective. In reference to this, job analysis refers to a systematic process of determining potential, skills, knowledge, and duties that are required to perform in an organization. The essential and most required feature for job analysis is trust and confidence. Some of the methods like, questionnaires, interview, observation and employee recording are used for job analysis. Every task of human resource planning is difficult without a proper job analysis. Job analysis must be done on the basis of these five categories, such as staffing, training and development need, compensation and benefits of the concern job, employee and labor relations, and legal considerations (Geisler 1983).

Second component of human resource planning process is job description that describes core competencies and qualifications required for desired profile. Akhigbe (2013), describes that job description helps to identify the match and mismatches of skills and qualification with respective job. It is a document that provides information to recruiter about the nature of the job, respective tasks, duties and responsibilities. Another component is job specification provides information about required minimum qualification to perform a job. It specifies required skills, knowledge, experience, and

abilities of employee. It describes in the form of document containing information about minimum acceptable qualification that an employee must possess in order to perform a specified job (Akhigbe 2013).



Source: Researcher Perspective on Human Resource Planning Components

Figure 2.4: Human Resource Planning Components

According to Akhigbe (2013), the most important component of human resource planning process is job design that is used to influence and motivate people in performing their job. The techniques used for this purpose are structural techniques. This includes job enlargement, job enrichment, job rotation, shorter workweek,

reengineering, work from home, flexi-time, and work-sharing (Akhigbe 2013). As per Drucker (2012), the term staffing has a very broad meaning. All the functions of recruitment and selection, placement and induction programs are comes under staffing process. Staffing process shows its interrelationship with labor turnover and developmental activities by two basic approaches, such as vertical and horizontal. Placement, recruitment, selection and induction programs are come under horizontal approaches (Drucker 2012).

Sharplin (1985), states that the starting process of human resource planning is demand and supply forecast and to create balance between them, vertical approach should be applied. There are mainly three methods that come under vertical approach such as, objective methods, subjective methods, and budget. Objective method is used to analyze past trends with some statistical and mathematical techniques (Sharplin 1985). According to vetter (1964), three methods like, time trends, work study and ratio analysis are used for objective analysis of demand forecasting. In the work study method, jobs break down into different tasks and calculate time to complete those tasks. This provides a number of people required per hour to complete a specific task. The effectiveness of this approach depends upon the individual components of jobs that are to be measured (Vetter 1964).

DeCenzo and Robbins (2002), Subjective approach is based on managerial judgment, where managers decide the number of human resources required to achieve corporate goals. Estimates are based on knowledge of trends and circumstances, past experiences, and gut instinct. According to Subjective approach is flexible than others, but there is risk of manipulations due to organizational politics. In addition to this,

supply forecasting is also necessary to measure the number of employees required for staffing process. Labor turnover index is an effective method to calculate such things (Decenzo and Robbins 2002).

The formula to calculate labor turnover index is as under-

Number of leavers during a specific period/average number of employees during that period * 100

Akhigbe (2013) beautifully summarizes that vertical approach refers to human resource plan that ensures flexibility, resourcing, and retention of employees. It helps to develop connectivity between employee turnover and organizational development activities. All these activities are comes under the staffing stage that also leads to recruitment, selection, placement and induction programs. These processes also help to calculate labor turnover and directly affects the development activities. As per the model, it can be said that human resource planning ensures a continuous and smooth development of an organization (Akhigbe 2013).

According to Drucker (2012), the whole process of human resource planning can be concluded in five steps. The first step requires assessment of available workforce, which begins with the analysis of human resource inventory. It also contains the assessment of workforce inventory, available skills and potential to do specific job, and comprehensive job analysis. The second step is to project revenue and review organizational objective. The third step is to forecast human resource requirement on the basis of revenue projections. The fourth step is to anticipate sources for internal and external supply of human resource. Matching of demand and supply can be considered

as a final step of human resource planning process. This stage also highlights the shortage and over staffs' positions (Drucker 2012).

2.5 Theoretical perspective on Manpower Planning

Manpower planning and Human resource planning both terms are synonymous. In past, the term manpower planning was used widely, but now the emphasis is laid on more broad term, i.e., human resource planning. As per Stainer (1981), human resource planning is an approach applied to acquire, utilize, improve, and retain workforce to accomplish organizational objectives. It focuses towards coordinating organizational requirement with availability of different employees in different fields. Therefore, Manpower planning plays a crucial role in any enterprise. Vacancies in any positions or grade of a company are filled either by promotion or by recruitment. Moreover, Promotion of any employee is classified under policy based on length of service and efficiency that means performance in their jobs or specialized skills that are required to perform particular job (Stainer 1981).

According to Coleman, manpower planning is the process of forecasting manpower requirements and the methods for meeting those needs so that they can collectively carry out the integrated plan of an organization (Coleman 1980). Gardon (1979) defined that human resource planning process contains two stages. The first stage is responsible for forecasting requirement of manpower at all levels and skills that are required to perform specific tasks. Second stage is related with the supplies of qualified

people from all sources in order to meet the planned requirement of an enterprise (Gardon 1979).

As per Coleman (1980), human resource planning is a process to ensure the availability of appropriate number of skilled workers at the required time and will satisfy by performing their jobs in order to meet the needs of an enterprise (Coleman 1980). Wickstrom (1981) has given a certain series of different activities related with manpower planning altogether (Wickstrom 1981).

- a. The first activity of manpower planning is to forecast the future requirement of an enterprise either in terms of mathematical projections based upon analyzing industry development trends or with judgmental estimates based upon the future plans of a company.
- b. Second activity is related with the creation of human resource inventory and measures the extent to which manpower can be employed efficiently.
- c. Third activity is to anticipate problems related to manpower by projecting existing human resources into the future and determine the adequacy level by comparing them with the calculated future requirement.
- d. The last activity concerns with the planning of different programs associated with manpower requirement such as, selection, training, development, utilization of manpower, transfer, promotion, motivation and compensation. These processes also help to measure future needs of employees.

According to Reilly (1996), human resource planning is a very broad concept. The practices of human resource planning are directly linked with business plan formations by considering both the factors, i.e. demand and supply. The human resource planning

process is sensitive towards the external environment because any changes occur in government policies, economy, national and international relation can affect the planning process of any organization. Reilly (1996) has presented a model for human resource planning, which includes internal and external environment, strategic vision, manpower demand and supply, resource implementation strategy and feedback process (Reilly, 1996).

Human Resource Planning Model

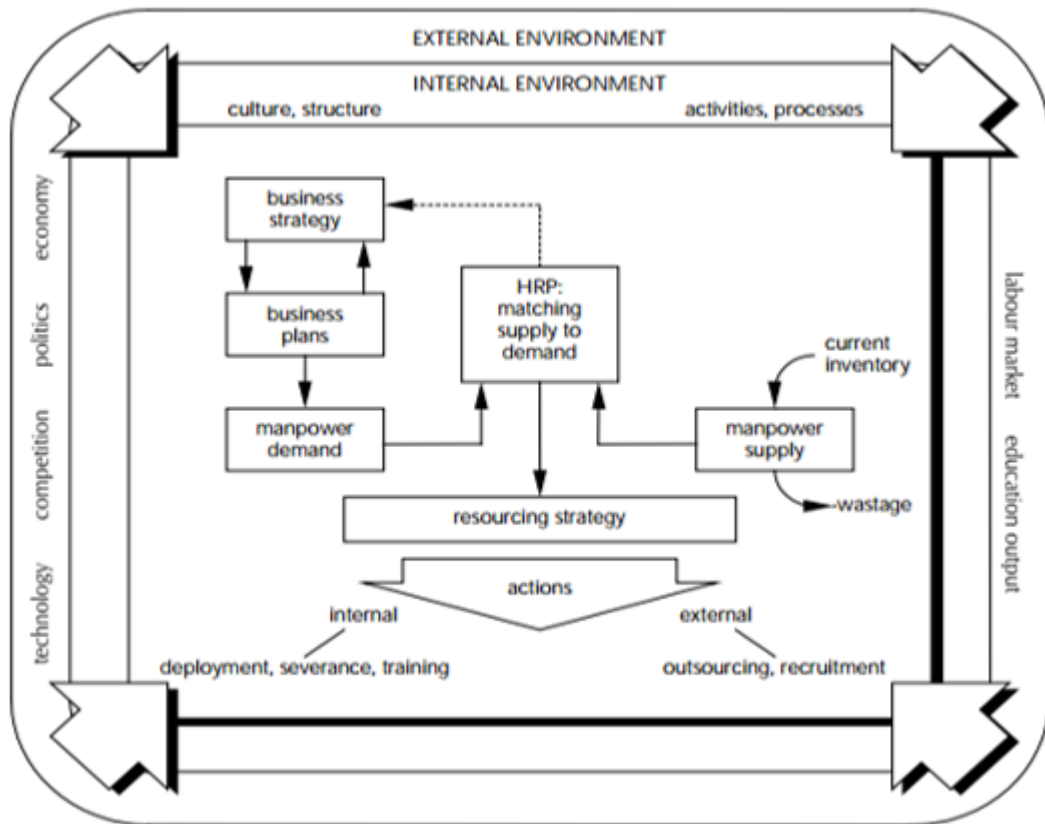


Figure 2.5: Human Resource Planning Model

(Source: Reilly, 1996)

This model implies that strategy formation is responsible for process implementation. Here, feedback loop is structured to show the reality, either it is

complex or interactive. Manpower planning process is not static as it changes according to business' external and internal environment. The decisions related to manpower planning generally follow strategic vision and sometimes strategies emerge through the actions taken as per the situations. According to Reilly (1996), human resource planning is rational process, which is formed on the basis of external and internal environment of the organization (Reilly, 1996).

2.6 Importance of Manpower Planning in Business Organizations

As per the theoretical perspective of manpower planning, it is clear that it is a significant process of every organization, but reasons of forecasting human resource demand and supply depends upon the nature of business and its needs. The model of human resource planning can be applied in different environments at all levels of an organization. Primarily, there are two significant reasons to implement human resource planning in small and medium enterprises are as follows:

- To have practical effect over business or get substantive results.
- To plan the process according to corresponding activities of the business (Coleman 1980).

Reilly (1996) has given these two substantive reasons to do human resource planning in business organizations. Some required actions can easily explain the relevance of application of such reasons into real business-related activities. These actions include determining workforce required at certain location, retaining highly talented employees, managing downsizing programs, to examine the background of next generation managers. Manpower planning process brings number of benefits to a

business enterprise because it allows creating effective working environment for personnel (Reilly, 1996).

Therefore, it can be said that manpower planning is an essential element of human resource management within this competitive business environment. In this era of globalization, setting of medium and small enterprises requires management that can handle workforce efficiently in order to cut the cost of repetitive hiring. This also requires formal manpower planning and development that will bring higher productivity and ultimately results into business' effectiveness and efficiency. Every enterprise should have a workforce or human resource department in order to ascertain that the enterprise departments are overstaffed or understaffed (Wickstrom, 1981).

Manpower planning ensures that the replacements fill timely for vacant vacancies. It helps to project realistic figures of required personnel for budgeting purposes. According to Wickstrom (1981) Manpower planning can be understood as a process of identifying the right number of people possessing the required quality at the right place with a given time span. It has to be done in a strategic manner so that organization can take necessary steps to ensure that organization's goals should be achieved in an efficient way. In other words, Manpower planning is a process of forecasting the need of right people having specific qualities at the specific period of time, which is helpful for the management to predict or formulate strategies to make sure that the goals already set, gets fulfilled. Ultimately it ends with balancing the demand and supply of manpower in an organization to fulfill its objectives and helps in improving organizational performance. On the basis of these arguments, below hypotheses are proved to be tested in this research:

H3: There is a positive relationship between Strategic Manpower planning & organizational performance of SMEs in Ranchi, Jharkhand.

This hypothesis is further divided into below sub-hypotheses:

H3a: Manpower planning positively influences employees' retention in SMEs.

H3b: Manpower planning in SMEs positively affect employees' productivity and effectiveness.

H3c: Manpower planning in SMEs positive influence an organizational ability to predict the supply and demand of the workforce within a given period of time.

2.7 Tools and Techniques of Manpower Planning

As per Amin and Islam (2013), there are mainly six techniques that are helpful to forecast human resource requirement in small and medium enterprises. It includes managerial judgment, ratio analysis, statistical trend analysis, Delphi technique, regression analysis, workforce analysis, and job analysis. These techniques are implemented on the basis of need and purpose of manpower in an organization. Here, managerial judgment is a very simple technique, as managers sit together and discuss about the future requirements of manpower in the organization referring the past information. It runs in both directions, top to bottom and bottom to top (Amin & Islam 2013).

Lunenburg (2012) argues that Managerial judgment basically depends on the manager's ability to identifying and solving problems and making a decision to resolve the problems. Managers are known to be the leaders in the organization and they need to maintain a balanced and efficient judgment by using fine strategies with effective changes in the game. Managers come together for the above said process and make

certain decisions about what actions to be taken to achieve the preset objectives of the enterprise (Lunenburg 2012).

Under this technique of ratio analysis Amin and Islam (2013) said that organization uses the historic information showing the relationship between manpower needs and other related factors. It is simple to implement and gives a strong base for forecasting but as it is based on past data, it does not take into account the possible changes in customer's need, competition in the market, production processes, or useful traits of the employees beneficial for the organization (Amin & Islam 2013). As per Siddique (2007), Ratio analysis is generally premised on the historic information drawing a correlation with manpower needs and other related factors. As it is simple technique to use, giving a foundation of past data for the forecasting. But it does not take into account the dynamic change of market which can be of significance (Siddique 2007).

Statistical Trend Analysis is a technique for forecasting manpower requirement. It is based on presumption that past trends are stable and there is no change. Lunenburg (2012) this technique uses the past trends moving over the years as the base for forecasting of manpower. But as today's world is so dynamic that nothing remains the same, this technique somehow not provides accurate results (Lunenburg 2012). According to Amin and Islam (2013) it is another technique for forecasting manpower requirement. This technique is based on the assumption that previous trends are static and there would be no change. It is based on presumption that past trends are stable and there is no change. But the present business world is very dynamic, so this technique is of no significance for providing accurate results (Amin & Islam 2013).

Lunenburg (2012), states that under the Delphi technique method organizations appoints a facilitator to gather and providing the expert opinion on the forecasting of manpower, and after receiving the results, a summary is created with the available information and then it is provided to the expert for revised opinion on the forecast. It is to be noted that expert never meet face to face rather to communicate through facilitator (Lunenburg 2012).

Siddique (2007), states that regression analysis shows the relationship between two variables X and Y. Variation in one variable affect the results of another variable. Under this method two regression lines are drawn on the graph by taking deviations from the data available under the analysis (Siddique 2007). According to Amin and Islam (2013) it shows the relationship between two variables affecting the movement of each other. Variables can be taken as X and Y. If there is any movement in variable X, it would definitely affect the movement of variable Y. therefore; organization identifies changes in one factor which could probably affect the other factor Amin and Islam (2013).

Under the method of workforce analysis, Siddique (2007), states that this method can be used by least time and expenditure. Under this technique, rate of inflow and outflow of employees is determined and by this calculation of absenteeism rate and labor turnover etc. mainly, this technique is based on employee turnover ratio (Siddique 2007). It is known that workforce requirement need to be fulfilled on time to achieve organizational objective and this is to be done by analyzing the gap between the inflow and outflow of human resource within an organization. This gap is filled with the help of workforce analysis (Siddique 2007).

According to Siddique (2007), Job Analysis technique a detailed study of qualifications and experience required for the particular job. By estimating these, organization can identify the skills and quality needed in the manpower (Siddique 2007). The growing competition in relatively small and medium enterprises has made productivity conscious. This, in turn, has generated a strong enthusiasm among different enterprises to perform best management practices in their industry. Human resource planning is also required for effective management practices and job analysis should be considered important for achieving organizational goals. Job analysis provides a rich source of information related to jobs and associated professionals that human resource personnel needs to develop related job description, job specification and performance standards (Siddique 2007).

Effective manpower planning gives the better results, organizations can implement any of the above techniques as per the resource available and needs of the organization. Better strategies should be formulated for effective and efficient results (Lunenburg 2012). Workforce planning is also linked with the wider scheme of an enterprise and this scheme is based on the effective collection of tools and techniques adopted by the human resource department of an enterprise. It also illustrates that practice of these tools and techniques should be linked with the formation of business plans on the basis of demand and supply of the required workforce. Along with this, the business plan should be sensitive towards the external environment. The process should not be static in nature; rather it should be dynamic enough in order to respond to changing circumstances of an enterprise (Amin & Islam 2013).

2.8 SMEs and their challenges:

SMEs play a significant role in the social and economic development of a nation. The SME sector became the most successful sector to register higher growth rate in terms overall industry growth. In comparison with overall industry growth, SME's sector became successful to register higher growth rate. However, SMEs are facing many challenges in the liberalization era. They are required to constantly update themselves to adopt the changes in technology, varying market conditions, and demand patterns. This case aims to detail the challenges and barriers of SMEs in India.

SMEs are acknowledged as the nation's main driver of economic expansion and as the source of numerous employment opportunities. It is considered to be the largest job creator after agriculture which enables lakhs of men, women, and children to use their skills, knowledge, and culture wisdom to sustain their lives and livelihood. It is considered to be heterogeneous with respect to the size of the enterprise, product varieties, and services. The different constraints can be grouped into the following categories.

2.8.1 High Growth Enterprises

It includes SMEs in the sector like information technology, drugs, and pharmaceutical, food processing, auto components, textile and garments, hardware and electronics, paper, telecom equipment etc. Access to equity capital is a major growth constraint in such enterprises. Despite the fact that overall capital inflow has experienced a major increase in the past years, there is very less flow of equity capital into this sector. Therefore, there is a huge demand to increase equity capital flow into this sector. This can be achieved by setting up SME's platforms as well as by providing sufficient incentives to SME's ventures capital funds.

Another significant factor that can be considered for the expansion of SME's is technology. As per their scale of operations, it doesn't only become difficult for them to invest in research and development activities but also due to high-cost constraints it is not possible for them to use latest and modern technology present in the market. There is a huge need to take efforts for circulation of information on modern/latest technology in SME's and also to support them for updating technology, innovation and, acquisition. The Government should also take the desired steps such as suitable tax incentives and Business Incubators that provides services like management training. With these steps, Government can encourage R&D in the technical institutions.

a) Enterprises Operating under Sub-Contracting

Sub-contracting promotion plays a vital role in policy envisaged for SMEs development in the country. Keeping in mind the dependency of such enterprises with the large enterprises, SME's face many problems which are as follows:

1. Payment Delay
2. In non-acceptance case, the small firms are left with no option other than dumping their products.
3. Raw material supply and financial linkages are rarely provided by the buyer enterprises.
4. Buyer enterprises do not care that such enterprises run with minimum working conditions or follow the various regulations imposed on their working.

The MSMED Act 2006 provide the strict provisions to address the issue of delayed payments. SME's have the insecurity of contract breaking which stops them to take any legal action for the recovery of payment. To minimize SME's rejection, rate some

programmers or schemes should be undertaken which focus on developing skills and upgrading technology. There is need to enable legal environment by suitably revising labor and urban-zoning laws. By amending these laws, better enterprises can set up as well as functioning of existing enterprises can be improved.

2.8.2 Unorganized Sector Enterprises

Small & Medium Enterprises' discussion is considered to be incomplete without unorganized sector as the establishment of enterprises in this sector is done through the funds received by non-institutional sources. They are operated through traditional technology and do not possess proper marketing channels; thus, they lack in managerial bandwidth. The workers suffer from insecurities due to huge proportion of workforce. Some policies must be undertaken to improve their conditions.

The workers in unorganized sector have poor literacy rate and lowest education level. To meet the livelihood needs, Scheduled Castes (SC's), Scheduled Tribes (ST's) are mostly employed in the unorganized sector and in self-employed activities

2.8.3 Self-employed Workers

Self-employed in agriculture can be categorized into small, marginal and, big farmers. In non-agriculture, self-employed are involved in small enterprises with one or two outside workers or with family labor. Self-employed workers in India are street vendors or hawkers who interact with urban population and deal with trivial trade. Such vendors play a specific role in urban space and society. However, their role is less recognized which generates many problems for them such as insecurities in earning,

proper place for hawking, eviction threat and, harassment by local and traffic police. Less organizational capital is also considered a critical problem.

In contradiction to this, the uncertain nature of informal enterprises is partly due to government restrictions under which they have to operate and partly due to their small sizes. The major constraints faced by informal sector units are the lack of entrepreneurship skills, capacity, less capital and, markets and technology.

2.8.4 Social Security Concerns for the Unorganized Workers

Social security is not provided to the workers of informal economy. Health security is one of the major concerns for workers of unorganized sector. It can be concluded from the studies in India that reducing health expenditure for workers can have harmful effects on them as well as their families. Diseases requiring hospitalization could be miserable for poor workers. The health-related issues are of major concern for poor households due to the fact that there has been a sharp increase in healthcare treatment cost in India in recent years.

Another major concerning issue is about the poor working women who do not have access to safe motherhood in unorganized sector. The primary concern mentioned by such mothers is about loss of pay during maternity period and immediately after childbirth. It is necessary to provide income security to such mothers. Some programmes should be formulated to consider the needs of vulnerable section of people as there is inadequacy of expenditure on social security in India.

2.9. Factors Affecting SME's Performances in Developing Nations

2.9.1 Organizational Factors

The present literature talks about the factors that concern the characteristics of the organization can explore variations in the practices of HRM. The section tries to discuss various factors of the organization such as the size of the firm, ownership, industry, location, and the presence of HR personal.

2.9.2 Size of firm

Previous researches have given various evidence stating firm size serves as an essential element in accepting the practices of Human Resource. The research of Kotey and Folker (2007) found out that the size of an organization is positively associated with formal and structured training in SME. Similarly, Bartram (2005) identified small firms have lesser chances of accepting formal practices of HRM as compared to medium and large corporations in the private sector. De Kok et al., (2006) indicated evidence about the size of the firm has positive effects, which cannot be realized in isolation, and plays a key role in sharing practices of HRM.

2.9.3 Ownership

As per Kotey and Folker (2007), ownership is identified as a factor that serves degrees of sophistication in the practices of HRM. The author further realized that in medium-sized firms with 50-99 employees, non-family firms look forward to accepting informal training as compared to family firms. De Kok et al., (2006) identified family-owned firms are less likely to adopt practices of HRM as owners would want to keep control. In Chinese enterprise, there are three types of ownerships, including FIEs, SOEs, and POEs. Ngo et al, (2008) mention that FIEs use the highest degree of HRM practices, followed by POEs, and SOEs.

2.9.4 Industry

The study from Bartram (2005) identified various disparities across the industries. As per Urbano and Yordanova (2008), there are distinctions available in the different sub-sectors of the tourism industry and offers evidence that needs to be considered. Besides, Harney and Dundon (2007) revealed that SMEs in the manufacturing sectors employ sophisticated practices of Human Resource Management to ensure frequent delivery of services. Tsai (2010) supporting the same, and found out that businesses in similar industry are homogenous by way of using Human Resource Management practices.

2.9.5 Location

It is unclear how geographic location can affect the shaping of Human Resource Management practices; no substantial results are found. However, there are a few evidences that suggests geographic location makes a little difference. Kim and Gao (2010) realized no significant relation between the HRM practices and the location while comparing family firms based out of inland areas and the eastern coastal cities. On the contrary, Warner et al., (2002) demonstrated a significant relation between location and HRM practices. Wang and Wang (2008) analyzed 103 firms with different ownerships and sizes in 11 cities across China suggested that location has a moderate relation in performance management and the competitiveness of the organization.

2.9.6 Presence of HR Personnel/ Departments

The presence of Human Resource personnel/departments is another influential factor that informs the choices of HRM (Nguyen and Bryant, 2004). Urbano and Yordanova (2008) identified the existence of the HR department has a positive relation

in accepting the practices of HRM. However, the authors could not find any relationship between the age of the firm, and the use practices of HRM. As per Patel and Cardon (2010), the group culture has an essential role in choosing the HRM and substantially impacts the effectiveness of practices measured in terms of productivity of labors. Besides, according to Tsai (2010), three elements support the decision making of what practices of HRM need to be employed, such as talent supply in the labor market, characteristics of existing workers, and the perception of managers.

2.10 Institutional Factors

The institutional factors range of variety of elements such as political, social, historical, and legal dimensions (Budhwar and Sparrow, 2002). The present study emphasizes on exploring the impacts of labor market and legislation.

2.10.1 Labor Market

How the labor market behaves significantly affects the policies of HRM in SMEs (Harney and Dundon, 2007)? In China, various problems expose gradually. Firstly, the conflict is related to the immaturity of the labor market (Zhu and Warner, 2005). As a result of its immature behavior, the labor market lacks the required transparent information system and regulations. The labor market in China has its unique characteristics as the country has gone through reforms and transformations. The existence of the western employment relation system, which is advocated by MNCs, is one of the noteworthy features, but the traditional Chinese style features ‘master-servant

employee relations', which is usual in private sector SMEs. Because of such condition, the complexity of the market increases challenges to find an appropriate approach.

Besides, despite the Chinese government made several efforts to regularize the market, the dearth of proper monitoring mechanism and supervision eases informal employment relations in the private sector. According to Cooke (2012), the resistance of employees to regularize practices conflicts with the awareness about the basic rights of employees, their interest, working conditions, working hours, and insurance. The condition becomes worst in the case of migrant employees. As a result of disparities between urban and rural areas, people from rural areas are flooding towards urban cities without household (Chan, 2012). These people unlikely to get welfare benefits like urban residents, including house allowance, medical insurance, pension, and access to schools (Xu et al., 2011).

2.10.2 Legislation

Small bone and Welter (2001) claim legislation to be a key approach for the state to guide the behavior of SMEs. Since various legislation pieces influence different aspect of the operation of SMEs, the present research emphasizes on Labor Contract Law of the People's Republic of China. It argues that the Law of the People's Republic of China to promote Small and Medium Enterprises (known as LPSME) is associated with SMEs that require proper examination. However, it is also realized that LPSME looks forward to facilitating the growth of SMEs through channelizing different resources, including financial support, taxation policy, policies encouraging technological innovation and market exploitation (PRC, 2003). It can be realized that

most of these laws are not related to the practices of HRM in SMEs, even though LPSMEs offer promotional support to SMEs (Atherton and Fairbanks, 2006).

As a result of the rise in tensions in the private sector, and the increasing number of disputes between labors could not be resolved by labor law, and the LCL (Labor Contract Law of People's Republic of China) serves as an essential benefit for labor law and regulations (Cooney, 2007). Before LCL was introduced, taking advantage of legal loopholes to avoid formal relations in employment was a common practice (Cooke, 2012). According to Xinhua Net (2007a), the rate of signing labor contracts was 20% less in SME, and private sector firms and 60% of employers stopped short term contracts with labors, which was mostly annual contract.

2.11 Major Problems Faced by Indian SMEs

2.11.1 Irregular Supply of Raw Materials

SME's generally purchases raw material from the local sources in small quantity and often on financial standing. Thus, they cannot compete with large-scale industries in acquiring raw material from external sources via tendering or bidding process. Mostly raw material is imported and small industries have to pay higher price to purchase them which leads to uncertain procurement. Non-availability of raw material and their proper packaging creates hindrance for SMEs like handlooms and power looms. Less credit and inadequate raw material push weavers, artisans and, entrepreneurs into the problem of loan payment and middlemen.

Major raw material problems faced by SME's are in terms of availability and financial constraints and as a result, they feel stressed. The capacity of purchasing raw

material is not high in SME's and many a time in case of demand the raw material is not readily available. Taking into account these issues, SMEs are forced to purchase less amount of the actual raw material needed. As done in organized sector, SMEs are unable to take the advantage of purchasing bulk raw material when the market is favorable. They are also not sure of getting desired raw material at reasonable price whenever they want. Their capacity to face the price fluctuations of raw materials is also very low (Dixit, 2011).

In case of shortage of raw material and frequently increased prices of raw material, SMEs are affected badly and thus they require certain measures to pass the tough times. Such issues could be better resolved when the economy was regulated as much of the things have changed with the liberalization of economy. Regulation on price control for different commodities has been dismantled which compounded the raw material constraints.

2.11.2 Shortage of Finance and Credit

Scarcity of financial resources is a major obstacle faced by small industries in their development. Small entrepreneurs have weak capital base and their credit procurement is done at a higher interest rate. In comparison with other countries of Asia, India lacks in proper documentation of loans and security. To meet the credit requirement of SMEs at a reasonable interest rate, an integrated credit system must be evolved (Agrawal and Jha, 2015).

2.11.3 Lack of Infrastructural Facilities

There is no proper infrastructure of small industries in backward area. They lack proper transport, power, and communication services. This has hampered their growth and working efficiency.

2.11.4 Deficient Managerial and Technical Skills

Small scale industries lack in trained and experienced staff in management and technical field. Technically qualified and updated staff stimulates working efficiency and developing new product lines (Singh et al. 2020). SMEs cannot invest a lot of money in market research and as a result, they fail to reach up to the market demands. They cannot invest their hard-earned money in packaging and advertising as done in large scale industries. All these factors limit their growth. Modern techniques must be adopted in the line of production to attract customers and increase sales (Dixit, 2011).

2.11.5 Marketing Problems

Marketing access is a major constraint faced by SME's. Their market issues are totally different from organized sector. The enterprises in unorganized sector lack concepts of advertising because their customer base is mostly local public. It is a rare situation in SME's that the producer is making marketing strategies for their product branding and promotion. In most of the cases, the market is very far hence it becomes impossible for the producer target it consciously.

It is crucial to permit the SME's producer to tie up with markets whether it is local, national and, international. However, for different kinds of industries the institutional marketing requirements are different. For many producers, access to market is difficult

as their business resides in rural areas or low-income high population urban areas. Generally, transportation adds more cost to the product and due to this, they limit the competition of their product and opportunity for local trading. Therefore, access to reliable and affordable transportation facilities is very crucial in SME's.

Within limited population, limited market potential exists which ultimately limits the sale and do not stimulate bulk purchasing. Though input costs are high the final product cost is not always competitive. The quality of product remains uncertain and undependable. For production, SME's generally use the household equipment like utensils. Customers are forced to find supplier who supplies better quality products. The small entrepreneur sole trader faces dilemma because production is very time consuming and they have less time to market their products. Thus, the presence of more competitive producers hinders the growth of SME's.

It becomes necessary to distinguish between the sectors on the basis of traditional structures. Sectors based on traditional production structure such as handlooms, handicrafts, silk emphasizes livelihood activities. Whereas non-traditional sectors like petrochemical and metal-based industries focus into enterprise mode.

2.11.6 Technological Obsolescence

Small industries use obsolete methods of production like weaving and wood carving. It leads to higher inputs and low-quality goods. Thus, it is crucial to adopt modernization production technology in small industries. Technology is the essential element that directly leads to the growth of small industries. Due to lack of modern technology, small industries in India are losing their competition in global market.

2.11.7 Challenges of Globalization

Due to economy liberalization, SMEs are facing tough competition from imported goods and they need to adopt better technology or update their present technology to produce the products of better quality at cheap rates. SMEs should have access to internet to know the details of latest modern technologies, modern machinery etc.

The traditional sector in SME's have lost their places of work and livelihood and is worst affected by big domestic and multinational industries. A constructive solution is needed to tackle this situation. Some SME's have shown excellent growth over the years and thus Globalization can act as a tool for their better development. In addition to above obstacles, resistance to change is another major barrier that prevents SMEs from realizing the benefits of strategic manpower planning.

2.11.8 Resistance to change

Companies can up with the strategies and changes in their planning that brings the opportunity to resist changes through promoting adaptability and trust within the organization. To build trust in employees, they should feel that the company cares for them, and must feel safe to speak their minds. Employees who feel safe and secure would bring improvement in themselves, which would make them the participants rather than resisters. When the ideas of employees are explored and adopted, it gives them sense value and increases trust. Furthermore, by taking into account proposals from staff members, the organization itself becomes more flexible because change is not limited to the workforce. And the mutual trust between them would warn about the upcoming changes.

Lines (2005) stated that the success of change depends on how employees react to it. Every employee has a different perspective on the change. As per Piderit (2000), it is less likely possible that every employee would positively react to the change, and the employees' negative attitude towards the change is the resistance of change. Heathfield (2021) mentioned in her article that managers can prevent resistance towards the change through careful planning and implementing the change in the right way. The author emphasized the need to make significant efforts to explain to employees why these changes are necessary.

The more the employees see the need for change, the more support they are likely to give for the success of the change. Utilizing their approach and thinking abilities, managers can change down the degree of effect to resistance to change. By adopting the appropriate steps and managing people who are requested to change, they can lessen innate resistance to change. In ideal circumstances, the worker should have the chance to discuss, give their inputs, and impact the change positively. These kinds of scenarios, however, mostly rely on the magnitude of the change and how many people it will impact.

2.12 Managing Resistance to change

Managers play a key role in dealing with employees who show resistance to change. As per Kavanagh (2006), the reason why several businesses fail to meet change initiatives is related to underestimating the influence of change on employees. Therefore, avoiding the psychological impact on employees towards the change would fail change in the organization (Devos, 2007). As a result of the change, individuals working in the organization may react with uncertainty, frustration with fear and feeling

of disorientation. Due to its complexity, the change needs to be managed effectively. For the successful implementation of change, a dedicated team has to be placed to identify the impact on individual employee needs (Mullins, 2005).

The organization's senior leadership should demonstrate their commitment to the change and aid to mitigate resistance by building a strong argument for its necessity. Besides, employees should understand the concerns of senior leaders why change is essential for the betterment of the organization. In case seniors are not concerned about the change, they can find the change insignificant and resist it. Supervisors and managers of an enterprise of the organization are key members to manage resistance. It is because they are in close connection with employees who would have to adopt change. If they are resistant or neutral to the change, there are possibilities that their employees will follow them.

Nevertheless, if they are in support of change, it will impact the reaction of employees towards the change. The team managing the change or their resources can provide accurate data and information relating to the resistance and where this resistance is coming from. They would identify the root causes, the possible strategies, and the right tools to determine and manage the resistance. These people need to do something about the objections and motivate the staff to implement the change. Apart from that, capturing and leveraging the positive emotion and passion relating to the change, these individuals can prevent resistance from happening.

According to Guerry (2011), manpower forecasting is one of the key elements of the manpower planning system, which makes future assumptions about the nature and size of the workforce. Tsantas (2009) mentioned that the techniques of manpower

planning have come up as a prime component for managers especially during recession and cut-backs by the governments. When it comes to the decisions about recruitments, layoffs or retaining employees, the personal manager should have the idea about the individuals available for future (De Feyter, 2011). As a result, the workforce in the organization is inspired to upgrade their skill set so that they handle a wide array of tasks and hold a great position in the organization. The planning about manpower is a long-term process, and the one responsible for it should consider all the aspects such as opportunities for the future, financial challenges, and the psychological or ethical problems they may face (De Feyter, 2007). Given below are the models that describe complete manpower system and helps to predict situations of the future.

2.12.1 Markov Chain model – Push Model

These models are used when proportions are believed as probabilities. As mentioned by Allen (2017), this model provides means to analyse sequences, which are known as ‘Chains’ that determines if some of the sequences happen more often than randomly. Price (1980) mentioned that these are known as ‘push model’ as the state vector at the given time is found out by different people being ‘pushed’ from the earlier state in several states by matrix given by Markov. This creates assumptions that the dynamics of employees are predictable, and push towards the specific direction provided by the Markov Model. Besides, the Markov chain also explains the grades of manpower model. Personnel flows are utilized to identify and analyse future structures. Similarly, the structure of manpower can be realized through the structure, which was used initially by applying transition matrix of probabilities and adding any number of

recruits. However, the model fails to identify the number of vacancies available in the organisation.

The model earned popularity because of its straightforward feature and easy to use capability. Later, the extension of this model was also introduced. Named as a semi-Markov model, it offers more flexibility and added features. The semi-Markov model helps to identify the size of future stocks based on existing stock. When it comes to human resource management, the model works as a function management tool combining flexibility, and the computability.

2.12.2 Renewal Models – Pull Model

These models come into picture when Markov model flows are obtained from pulls rather than pushes. Promotions due to the vacancy in higher grades in the company are an example of renewal model. Such vacancies mostly happen due to wastage, retirement, and expansion. Besides, such vacancies should be filled with existing employees working at a lower level (Ward, 1987). Such model believes that vacancies in the organization need to be filled through existing employees. It allows meeting the requirement by moving staff from one job to another leading to pull-flow. As compared to the Markov-model, it also manages the flow of people moving from one job to another internally. Renewal models create the future scenario for the structure of manpower, which is easy to interpret, flexible in use, and require bigger data to be found complicated mathematical calculations.

2.12.3 FORMASY

It serves a combination of both Markov and renewal models, which emphasize on meeting the increasing demand for medium to long term forecasting of individuals.

This kind of system demonstrates forecasting related to the strength of the individual, which allow businesses to assess the impact of change in policies in the long term. It aims to realize the difference in the present, availability of employees in future, and future expectations of the employees. The FORMASY began through the classification of workers in classes or states, which is followed by forecasts depending on the transitions amongst the classes, the number of new hiring, and the strength of individuals in every state. Besides, factors such as qualifications and the level of education need to be added to this FORMASY system. As compared to previous models, this model utilizes age to make assumptions about the future need and exact outflow of numbers. With the help of computer application output of individuals can be checked. To begin with, it can predict the expected strength of employees, in case all the essential information such as qualification, grade, age, and education has been entered correctly.

2.12.4 Mixed-Push Pull Model

Due to the fact, every organisation does internal promotions of employees; both push and pull are associated with each other. The flow pull happens when individuals fill higher level of vacancies within the organisation through promotions, whereas the flow of push occurs when promotion happen due to any other reason. As mentioned by De Feyter (2007), in pull models position is filled through promotion or recruitment through external sources, and promotions through push are possible when the number of people having the opportunity to get a promotion once the requirement at a higher level is filled is too small. Tsantas (2009) created their extended models utilizing the Markov Chain model.

2.12.5 Vlootschouw

When it comes to organizational strategies, there are certain roles, skills, and qualities that are expected from individuals to realize their goals. The model of Vlootschouw comprises the planning and directing the above-mentioned factors. Besides, other factors including planning at the individual level, analyzing quality, screening and development of talents, training, and the improvement in the performance of the organisation are aims and results of Vlootschouw. According to Breeveld (2011), there are various models developed by researchers classifying employees based on quality such as rising stars, eager learner, problem solver and solid citizens. It is an uncomplicated tool with subjective outcomes and can be extended with the help of other similar tools to support Vlootschouw value. As a result, the valuation of talent can be utilized to define the talent of the company, by providing guidance, training and measure their flow.

2.12.6 HR3P matrix

It is a model that helps business to identify internal offer of individuals by combining their potential and performance. The matrix has four steps:

1. Determination of individual towards functioning
2. Determination to develop potential
3. Doing background analysis
4. Selecting the right measurements

As suggested by the above steps, employee growth is crucial for the growth of an organization. The HR3P matrix comprises 16-squares where growth potential and the performance of individual working in the organization are scored. Individuals

working can reach their highest potential, have possibilities for growth in the existing profile, and can go up for promotion. Based on the results of the matrix, organizations can make decisions. Similar to Vlootshouw, it is also very easy to apply and does not get stuck with complex calculations like in case of Markov Model. Hence, it serves as a quick way to calculate employees' performance, even though the results are subjective.

2.12.7 IDU Matrix

It stands for inflow, through- flow, and outflow (Instroom Doorstroom Uitstroom – Dutch). The matrix produces personal information relating to the internal flows of the organisation. Before applying this model, the duration is decided to identify what the matrix will make assumptions about, and how much individuals are going through within the organisation. The matrix follows a quantitative method that utilizes the numbers to make assumptions about the possibilities of an employee moving to another job. However, expansion of this model for future perspective is possible, where extra columns can be added while emphasizing on individual growth in the organization. The IDU matrix can be executed and adjusted every year to maintain the results accurately, and reliable. It is very much similar to HR3P tool as it also provides support to reach strategic personnel planning. Relying simply on this model won't make much difference, and needed to be used with other models.

2.13 Empirical Evidences Related to Manpower Planning in SMEs

According to Heneman et al. (2000), most studies about human resource management in small and medium enterprises are based on qualitative research. They proposed a literature review on the same topics in 28 and 403 articles; out of all, 129 addressed human resources in small and medium enterprises. The study identified that the major problem associated with theory, research and practice was the lack of information available about HRM in SMEs. The study presented that HRM in SMEs makes lesser use of human resource practices as compared to the large corporations (Hornsby and Kurato 1990). It suggested that small organizations mostly operate following the flexible and informal manner compared to bigger organizations. For example, Koch and McGrath (1996) identified that the size of the firms is positively associated with human resource planning and formal training of employees. Similarly, Westhead and Storey (1999) presented that small firms do not offer formal trainings to both managers and workers.

On the same lines, Jackson et al. (1996) confirmed that small firms follow less formal performance appraisals and bonuses depending on the productivity of the company and offer lesser opportunities for training to employees as compared to bigger organisations. Besides, Aldrich and Langton (1997) showed that large corporations follow the formal process of recruitment. However, the size of the firm is not the only factor that predicts the practices of human resource management. Smaller firms do possess heterogeneity and formalisation of human resource practices. With the purpose of highlighting these HRM patterns, a few researchers have stated that these information approaches are more suitable for small businesses. For example, Hill and Stewart (1999)

observed that smaller enterprises need to be flexible enough and retain information so that they can overcome uncertain environments. However, others have mentioned that smaller businesses follow this approach due to a lack of predictability and resources, resulting in less formal HRM practices. For example, owners of small businesses consider that training required to perform jobs beyond their necessity should only be provided when businesses are gaining huge profits (Hendry et al., 1991).

Moreover, other than being known as information, SMEs hire lesser specialised professionals than bigger corporations (Wagner, 1997). Employees working in small businesses are expected to perform a variety of tasks as compared to large corporations, and they often do not require specialised professionals. The study from Henemen and Berkley (1999) confirmed this trend within the function of human resource management. The authors collected samples from 117 organisations with less than 100 employees and found out that only 15 out of them have human resource management. Other than the above-stated studies, there are evidence most collected from the case studies of small pilot theories. It mentioned that the practices of human resource management are more sophisticated in small businesses (Bacon et al., 1997). For instance, Deshpande and Golhar (1994) identified that small companies with HRM practices are as sophisticated as in larger organizations. Although it has been observed that businesses of different sizes primarily adopt informal recruitment and selection processes, the practices of human resource management are relatively more sophisticated than what they had expected.

2.14 Research gaps

Various studies have been undertaken to study the role and impact of strategic manpower planning of SMEs on their performance as well as the efficiency of their employees. There is hardly any study that is focused on enhancing the sustainability of the SMEs by improving their strategic manpower planning. Pas studies have been focused on different countries but, no study has been carried out on a particular district and small businesses operating in the area. This major gap is addressed through the survey and this is to understand the significance and effectiveness of strategic manpower planning in manufacturing industry of Ranchi district of Jharkhand, India.

2.15 Challenge Faced by SMEs in Responding to the COVID-19 Pandemic:

SMEs face more issues than larger companies because they have fewer resources to adapt to the fast-changing business world. According to Bartik et al. (2020), the lockdown has affected regions and countries where the pandemic has prompted the government to shut down the companies and industries. These containment efforts have primarily affected the travel, retail, entertainment, wholesale, and hospitality sectors. In addition, supply chain disruptions have impacted businesses around the globe. The lockdown in the EU, the United States, and China, also known as Group Three (G3), significantly impacted imports, exports, and production (Kalogiannidis, 2020). Small and medium-sized businesses from all parts of the world who delivered their products and services to the affected countries have viewed their orders minimized as demand reduced.

The depression in demand first appeared in countries affected by the pandemic, where confinement minimized sales for businesses and consumers. However, in the

post-pandemic, SME investment could also be below as they would have spent their savings and resources to sustain themselves in the pandemic. Families can minimize their expenses in the medium and long term to compensate for their low revenue due to pandemic. According to the survey of ILO (2020), seventy percent of the 1000 enterprises that were surveyed—representing eight different countries on four continents—had ceased operations. Of these, half temporarily shut down due to minimal orders, and the other half did so in response to direct directions from the authority. More than 75% of SMEs had a decline in revenue by 2020.

In some cases, the decline in revenue was massive (ILO, 2020). For example, 33% of companies have lost more than half of their turnover. While some companies surveyed expected demand to rise post-pandemic, the companies from developing countries are expected to have declined between 25% and 50% of their revenue (ILO, 2020). Nearly 9 out of 10 organizations are witnessing shortages in the flow of income. The situation has improved throughout 2020. Seven in ten companies have minimized production capacity because employees are reduced, working hours are minimized, or workers are paid less. SMEs asked employers to take unpaid leave, low-wage work (20% of surveyed), or long-term layoffs (10% of surveyed) (ILO, 2020). In addition, about one-third of companies report staff shortages due to family care responsibilities and health issues. Through the global shutdown, individuals, family businesses, start-ups, and the day-to-day operations of other business typologies such as small and medium-sized businesses have experienced extraordinary mass decline (Islam et al., 2021). The changes in the daily lives of individuals have involved adverse developments in the labor market and employment. Therefore, SMEs face increased pressure in

changing their activities, for example, by meeting the basic requirements of preventative sanitary measures, adjusting the production as needed, and adapting to different perspectives (Kahn and Wagner, 2021). The significant consequences for SME Business and Management are their low budget and low financial efficiency. According to Pu et al. (2021), most SME business financing is tied to the owner's money, which means that the owner will face drastic financial losses in a financial crisis. As most countries announced business closure and lockdowns, most business owners suffered severe losses in demand for products and services. The lack of financial assistance and support indicates that the business is currently at risk of significant losses.

Due to the lack of financial support for the SME required during the pandemic, only one or two SMEs will perform their tasks efficiently, while others may have consequences. Vernandhie (2022) mentions that small and medium enterprises are hindered by financial spending plans, like hiring in the face of enormous loss. Their slim budgets and lack of recognition do not guarantee that they will have equal competition with the large organization that has skilled workers during the post-pandemic period. Furthermore, it mentions that the SME's high number of layoffs will eventually affect them in the post-pandemic period. The layoff of a few employees and minimizing the wages for sustained employees at a specific percentage would provide a temporary solution for large businesses and companies, but small and medium-sized companies cannot pay a few workers who do not have financial resources and are not working.

2.16 Consequences for SMEs Business and Management:

The study of Belitski et al. (2021) revealed that 50% of SMEs struggled even for the first three-month lockdown in cash flow. Furthermore, barriers in the supply chain such as low or changing customer needs, supply chain issues, and labor shortages will prevent the business activities of SMEs. Most businesses face supply and demand shortages. Grondys et al. (2021) mention that most employers and workers face major setbacks at home when they face health issues with their family, friends, and loved ones having to deal with safety measures in the labor supply chain. In addition, schools are closed, and the people movement is restricted.

Most countries have lockdown measures to prevent the spread of the disease. Although it works well to control the spread of the virus, it is not ideal for small businesses due to limited capacity utilization. Guan et al. (2020) mention that German SMEs faced supply chain consequences when the pandemic spread to China as they were dependent on Chinese companies for their raw materials. However, SMEs depend highly on suppliers from different countries and locations in different regions, especially those most affected by the Covid-19 pandemic. Therefore, it enhances their chances of being vulnerable. Likewise, various obstacles to transportation by sea, land, or air transport certainly affect the work of small and medium-sized enterprises (Khan, 2022). Some SMEs are particularly susceptible in the face of disruptions to their operations and supply chains. These small and medium-sized businesses rely on outsourcing their large part of the business. In the long term, if the supply chain is disrupted, SMEs may find it difficult to rebuild their relationships with their previous networks. Thus, their

former partners can acquire new alliances and sign commercial agreements with new partners.

Additionally, there has been a significant drop in demand for services and products. The less revenue demand has impacted the small and medium enterprise's ability to function correctly. It has led to inefficiency and cash flow for some small and medium enterprises. In addition, there is a loss of wages for buyers. Since most buyers will not be working, their income has been reduced, leading to reducing consumption and expenditure rates. The sectors badly affected by the pandemic include the tourism sector, the sports sector, and the transport sector, so consumers have lost their confidence with this impact. Companies, especially SMEs, need help to resist the fundamental reduction in global demand for their products. The International Trade Center (ITC) revealed that in Africa, which has 33 Low developed countries, two out of three businesses have reduced sales (Hartwich and Larsen, 2021). In India, over 82% of SMEs experience negative impacts and 70% agree that it will take approximately 12 months to recover after the post-pandemic period (Economic Times, 2021). SMEs, especially in developing countries have many disadvantages of being limited in managing the number of costs caused by the effects of Covid-19. SMEs may not be ready to help their employees work from home or may not provide better financial support. The current changes in work procedures, for example, remote working, could not be possible for SMEs due to their small size. Likewise, most SMEs find it very difficult to see further technology in their operations due to their cost and adaptation (Hartwich and Larsen, 2021). The lack of production after the technological improvement indicates that the SMEs suffer a large than for other businesses. In

addition, SMEs have limited assets compared to other giant companies due to the various hurdles to access capital.

Employee involvement is declined since the outbreak of Covid-19. According to Ferreira et al. (2021), most workers stay home for their safety and their friends and family in extreme conditions. In addition, most government departments have ordered businesses to advise their workers to work from home, which has affected most small and medium-sized businesses that hire employees based on their limited resources. Crisis management for SME involves recovering cash flow through its internal operations, which implies the most effective financial management practice for dealing with Covid-19 losses. The survey of Cowling, Brown, and Rocha (2020), discovered what businesses types have been improving their financial holdings in the lead up to Covid-19 to indicate the types of SMEs at risk when lockdown extends. The survey found that 39% of companies were bolstering their financial balance leading up to the pandemic and intimates that 61% of companies were at risk of financial collapse.

The literature found out that several studies have addressed the question of the practices of HRM are utilized keeping the certain goal in mind, which are integrated with other practices, or it is the outcome of legal obligations and ad hoc decisions of the company. It raises the question to identify the extent where these companies manage the satisfactory level of their workforce using the models of human resource management. The simple idea is that where small and medium businesses manage the resemblance of their employees, the concept of 'bleak house' where the relationship between the employee and firm is represented the direct control of management, poor

terms and conditions of the employment, higher turnover of the staff and little training of employees.

It is evident from the study that smaller companies pay lesser wages and training to employees than large businesses (Patton et al., 2000). It is argued that individual changes in human resource management in most organisations do not add up a consistent package that comes from the long-term strategy of the management. However, several authors have claimed that the concept is not correct or at least not applicable to large groups of SMEs (Hill and Stewart, 1999). Besides, small and medium businesses have a behavioural advantage in terms of managing relationships with employees as compared to bigger companies. Smaller companies lack formal and professional policies to manage employees, which increases flexibility in their workforce process and adds an individual approach to their relationship. It is further supported by the lack of collective representation of employees, which seems unnecessary for owners and managers as employment relationship quality offers a unitarist system. However, it gives rise to the debate whether formal implementation is actually HRM as they lack strategic prediction.

2.17 Summary of the Literature

The researches on human resource management in small businesses are at an exploring stage. Most of these studies are descriptive in nature, but it lacks theoretical support. It is observed that theories are limited to discussion questionnaire results and the number of case studies. The practice of testing the theory is yet to be accepted. Most of the factual studies practices of human resource management utilized by small and medium businesses. There are studies that are emphasizing on the certain field of human

resource management, but these studies comprise different aspects of HRM. It may be concluded from these researches that small businesses usually follow less sophisticated practices of HRM, and it does leave a large amount of unexplained variation within the small businesses.

There is an impression that researches on HRM in small and medium businesses are still in process and does not apply to all the fields of human resource management practices. The research identified the difference in pay amongst small and large organizations that have moved over this stage. It was observed that smaller businesses relatively pay lesser salaries and wages to employees than large organizations (Audretsch et al., 1999). The study indicated that bigger businesses have more monitoring costs because of the size of their labor that raises the benefits screen employees with more abilities. The bigger corporations are in a position to observe their workforces' ability; they are able to attract the most capable workforce because of the higher rate of return they offer on schooling them.

Chapter - III
RESEARCH METHODOLOGY

CHAPTER - III

RESEARCH METHODOLOGY

INTRODUCTION

3.1 Overview

A systematic and logical search to gather useful information in order to attain solution of a research problem is termed as research methodology. It is an assortment of methods and approaches that are useful for discovering, selecting, processing, and evaluating data related to the study subject. In this research Methodology section helps the reader to evaluate the reliability of information. It is a significant part of any research study that helps to decide the direction of research and provides insight about methods, techniques, research approach, data collection sources, and ethical considerations employed for the further processes in the research study (Walsh and Wiggins, 2013). The key area of the research was to explore the critical aspects of strategic HRM practices in SMEs and future skills requirement to ensure sustainability of SMEs in Ranchi region in the state of Jharkhand.

It is essential for any researcher to adopt research methodology that is effective and able to derive reliable, credible and valid results for the study. The research methodology is undertaken to answer two main questions: what are the data collection sources and how it was gathered? How it was analyzed in this research topic (Bryman and Bell, 2015). Research includes the study of data, experiment, analysis, observation, comparison and reasoning. Though, research methodology is a multidimensional

activity that provides a path to researcher to collect relevant data and information related to the research topic.

The research is guided by the objectives: to discover new facts and figures, to test and verify the significant facts, to analyze the phenomenon, and to identify the cause and effect relationship through the facts. This also includes the development of new concepts and theories in order to solve research problems. Moreover, the research activity essentially emphasizes on why the research is conducted, what are the problems, what is the hypothesis in this regard, what methods are adopted to gather data, and what are the measures to achieve at reliable conclusions. The research has attempted to make in detail about the research methodology that has been adopted for this study of manpower planning and its significance on the sustainability of SMEs in Ranchi, Jharkhand.

The method that has been adopted for the research study is every carefully designed to go well with the area of inquiry. The area of research is developing, where employees and employers' cooperation was important to gather relevant information. The employees and employers' participation of the Small & Medium Enterprises has been very helpful in gathering meaningful data and information. The literature review has assisted researcher to focus the type of research methods and its suitability in the field of the area of study.

3.2 Research objectives

1. To study the significance of Strategic Manpower Planning (SMP) in Indian Business Scenario especially for Small & Medium Enterprises

2. To examine the advantages and disadvantages of Strategic Manpower Planning (SMP) for Indian Small and Medium Enterprises.
3. To identify the major challenges or barriers affecting the implementation of Strategic Manpower Planning (SMP) in Small and Medium Enterprises (SMEs) of Ranchi District, Jharkhand
4. To measure the possible overcomes of the barriers to Strategic Manpower Planning (SMP) in Small and Medium Enterprises (SMEs) of Ranchi District, Jharkhand.

3.3 Research hypothesis

Hypothesis refers to an assumption related to the relationship between the dependent and the independent variable. The development of hypothesis is useful for providing an effective guidance and structure to the research. Through hypothesis testing, it permits statistical examination of the study problem. In this study, hypotheses were developed and tested and these are as follows:

H1: Strategic Manpower planning has a positive impact on recruitment & selection process of SMEs.

H1a: Strategic Manpower Planning positively affect the alignment between Human Resource planning system and business requirement

H1b: Strategic Manpower Planning positively influences a firm willingness to invest in training and development for improving organizational performance

H2: Strategic Manpower planning and employees' productivity are positively related to each other.

H2a: Strategic Manpower Planning positively influence the change management process within a Small & Medium Enterprises.

H2b: Strategic Manpower Planning positively affect employees' productivity while associating the gap between an individual's jobs and skill set to perform the job.

H3: There is a positive relationship between Strategic Manpower planning & organizational performance of SMEs in Ranchi, Jharkhand.

H3a: Manpower planning positively influences employees' retention in Small & Medium Enterprises.

H3b: Manpower planning in Small & Medium Enterprises positively affect employees' productivity and effectiveness.

H3c: Manpower planning in Small & Medium Enterprises positive influence on organizational ability to predict the demand of the workforce within a given period of time.

3.4 Research philosophy and approach

3.4.1 Research philosophy

Research Philosophy is very significant in kind of research as it helps to think about the philosophical issues of the study that can further affect the quality of the research. It is required to study about underlying philosophy before conducting any research because it provides notion to research design. The development of knowledge and how it relates to society are two aspects of research philosophy. Research philosophy focuses towards the important assumptions related with the perspective of people in relation to social world. It involves thinking about ontology and epistemology is different in nature, but affects the methods in which researcher thinks about the research process (Taylor, 2006).

The understanding of research philosophy in business and management related studies is very essential due to various reasons. Mainly, there are three main reasons to understand the research philosophy as it helps to clarify the research design, which designs will suit to the research study, and identify or even helps to create a new design for the research process. Particularly, there are two types of research strategies including intensive and extensive research strategy. The term intensive research is associated with the qualitative aspect and extensive research is quantitative in nature. Under the qualitative research, knowledge claims derived from different perspectives are taken place, whereas, quantitative research emphasizes on quantification in the collection and analysis of data (Walsh and Wiggins, 2013).

Here, quantitative method of research is adopted that can provide proper understanding of the subject by analyzing different examples, study of specific variables and hypotheses questions, cause and effect relationship, use of measurement and observation, and by testing different theories. This provides strategies to include in research design process by conducting surveys and experiments, as these are predetermined instruments of data collection in order to produce statistical data. A well-thought and consistent set of assumptions helps in constituting a credible research philosophy, which directs towards suitable methodological choice (Hussein, 2009).

Three major research philosophies are generally followed in most research, they are positivism, pragmatism, and interpretivism. The pragmatism research philosophy is followed in the current research. This research philosophy is popularly known for its ability to be advantageous for both qualitative and quantitative research. The roles of objective and subjective nature of knowledge are recognized under this philosophy. It

suggests that although a study topic may be external and observable on its own, researchers' subjective perceptions and opinions will always have an impact on any research phenomenon (Hussein, 2019).

The aims and objectives of the current study have been addressed with the aid of the pragmatism research philosophy. It aids in comprehending the qualitative aspect of the research problem, such as evaluating the best use of workforce planning currently used by SMEs and analyzing its efficacy for ensuring their long-term viability. In addition, the philosophical approach also allows measuring quantitative factors such as identification of control measures to ensure the necessary human resource are available as and when required. The selection of a research philosophy depends on the nature and type of data that is used in the study, rather than discretion of research. The following section discusses the identification of research approach.

3.4.2 Research Approach

Research approach consists with plans and procedures that provide various assumptions to different methods of data collection, analysis and interpretation. These plans involve various decisions that need to be undertaken in the order that make sense with the research topic. Research approach is based on the nature of research problem, prior experience of the researcher, and the selected population for the study. Basically, research approach is divided into two main categories that include the approach of data collection and the approach of data analysis and reasoning.

The main distinctive point between the deductive and inductive research approach is the relevance of hypotheses to the research study. Inductive approach is responsible develop new theories and generalizations whereas, deductive approach is

used to tests the validity of theories and hypotheses or assumptions used in the study. On the other hand, deductive approach begins with puzzles and some surprising facts and the research process is devoted to their explanation. Research approach plays a pivotal role in research methodology, as it helps in deciding and examining the process of data collection, analysis and interpretation of data concerning with the research problem (Walsh and Wiggins, 2013).

A researcher must understand the importance of research approach and must select it on the basis of the nature of research study. An appropriate research topic contributes in obtaining reliable and credible results from the collected data and information. As per the research topic, inductive and deductive are the two research approach that can be developed to provide strong base to the study. The inductive approach flows from specific to general information, where data will be used for exploring phenomenon, themes and conceptual framework. On the other hand, deductive approach moves from general to specific and it will be used to evaluate prepositions and hypotheses related with the existing theories (Walsh and Wiggins, 2013).

In reference to the present research study, deductive research approach has been employed, which specifically emphasizes on the importance of strategic manpower planning the SMEs in the Ranchi region of Jharkhand state. In addition to this, the approach concentrates on the critical issues related with the use of strategic human resource practices in the related region that are required to resolve for maintaining sustainability of SMEs. As per the key feature of deductive approach, this research moved from general to specific, as it will focus to analyze theories and concepts related

with the process of manpower planning in the context of SMEs. Moreover, the approach is also helpful in overcoming the problems related with process of strategic manpower planning by developing hypotheses and assumptions. The research observed that quantitative nature of deductive approach has assisted in gathering and evaluating quantitative data in order to provide better understanding of the topic

3.5 Research Design and methods

3.5.1 Research design

Research design is the foundation of every research process. It provides a systematic arrangement of different elements of research study and the logical way of incorporating them to ensure effective presentation of research work is known as research design. There are basically three types of research design as exploratory, casual and descriptive, which are considered on basis of the methods of research investigation and process of the research issue. The exploratory research design has played crucial role in analyzing and comprehending the present research topic, its nature and the research purpose (Walsh and Wiggins, 2013).

The assessment of optimum use of manpower planning that are currently employed in the small and medium enterprises of Ranchi in Jharkhand state have been effectively done through the adopted research design. In relation to the present research study, exploratory research design has been selected. This research design has substantially helped in exploring the use of strategic manpower planning in small and medium enterprises. Through literature review an investigation, it is learned that from many years, SMEs are failed to grow due to lack of retention policies companies are unable to hold skilled manpower that are required for sustainable future of SMEs. From

the detailed understanding achieved from exploratory design, it can be said that the challenges faced by small and medium enterprises of Ranchi in acquiring capabilities in order to compete with big market players is one of the major roadblock for them.

It has proven to be highly beneficial in establishing a causal relationship within the research problem. Furthermore, it has aided in the examination and evaluation of several elements that influence the application of strategic manpower planning in small and medium-sized businesses, both directly and indirectly (Taylor, 2006). Several factors have been considered during data collection process and facilitated in highlighting decisive attributes related to big business shut downs, lower economic growth, higher rate of unemployment and degraded living standards of developing countries like India. In order to address these issues; the methodology section of this study has been designed around the concept of Saunders’s Onion Model. The Saunders’s Onion Model can be illustrated as below:

Figure: Saunders’s Onion Model

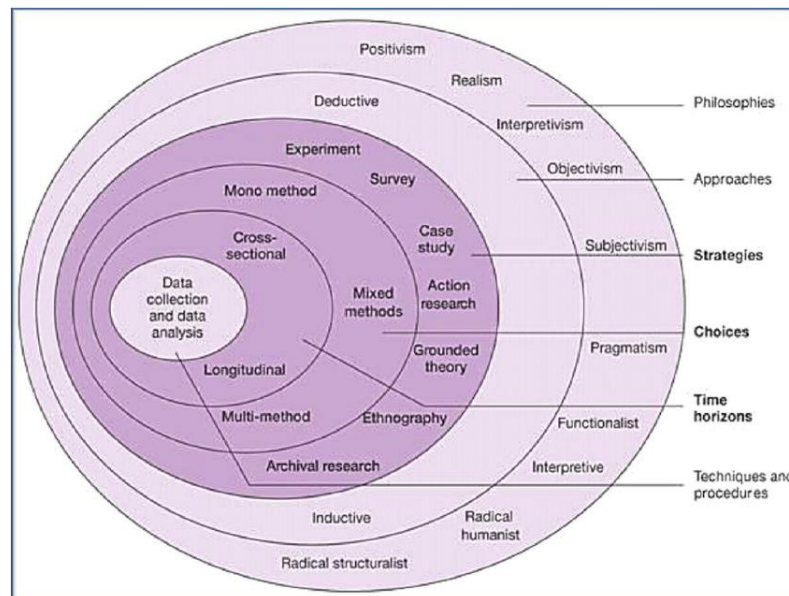


Figure 3.3: Saunders’s Onion Model (Source: Saunders, Lewis, Thornhill, 2009, p.80)

Saunders et al. (2007) developed this model to provide a conceptual framework for developing sequential stages of a research problem. The model follows a progression approach where each layer offers a more in-depth phase of the research process (Bergh and Ketchen, 2009). With the aid of several stages that are interconnected and interdependent, the model aids in developing the research plan.

3.5.2 Research Methods

In order to successfully attain research objectives from the research study, it is significant to adopt appropriate research methods so that pertinent and meaningful data is collected and evaluated. In the line of research approach and design, this research adopts quantitative method of investigation (Collins, 2010). The subject of the research is to study and analyse the role of strategic HRM practices and its impact on the sustainability of SMEs in the Ranchi region of the state Jharkhand, India. This topic needs an in-depth investigation and analysis of other key factors related to business such as, core competencies, intellectual capital, human capital, social capital, etc.

Moreover, the employed methods of data collection have successfully achieved the objective of retrieving meaningful information in the agreement of research topic and associated subject areas. In addition to this, the study has also focused on learning about the challenges that SMEs are facing in engaging and retaining their workforce. This involves the study of industrial unrest situations, uncertainties that can hamper the progress of companies and higher rates of employee turnover.

3.6 Sources and methods of Data Collection

The present research study employs both primary and secondary sources of data collection in order to attain detailed knowledge and information over the topic. It must be noted that both sources of data collection have major roles to play in deriving credible and reliable research conclusions (Jackson, 2008). The data that is required for the research study is opinion of people working in the small and medium enterprises of a particular state. This also includes the opinion of human resource managers of respective enterprises, who phase the problem in recruiting and retaining employees in their companies for longer period of time. The opinion of these people, their attitude towards the work, present human resource practices of these enterprises are all the factors that is required to study for this research. Primary, as well as, secondary sources of data collection have been discussed as under:

3.6.1 Sources of primary data

The data and information collected directly from respondents and used for the first time is primary data (Hussein, 2009). The sources of primary data include structured and unstructured interviews, survey through questionnaire, observation, survey and so on. It is evident that the present research study is quantitative in nature that aims at identifying and analyzing the usage of strategic manpower planning that can help SMEs in sustaining their future growth. In reference to the research work, it is important to use primary sources of data collection in order to investigate various aspects regarding the research topic.

The research study requires collecting the opinions of employees working in small and medium enterprises of Ranchi, managers of respective firms, and owners of

these firms. The opinion of these is required to know the current human resource policies and problems that these kinds of firms face during the hiring process. It also includes details about the revenue and company performance that affects due to lack of optimum utilization of their workforce. The main idea of collecting these opinions is to ascertain the exact problem of small and medium enterprises in terms of manpower planning and to find out the ways of implementation of effective manpower planning in these enterprises for their sustainable future.

3.6.2 Sources of secondary data

The term secondary data is used for the information and knowledge achieved from already existing literature like books, journals, related articles and various online sources. In views of researchers, secondary data is generally credible as it is already being used for previous research purposes (McNabb, 2008). The secondary data plays crucial role in developing a conceptual framework of research study and provides direction to further research activities. The secondary data is also of great help while conducting a research work and determining the completion of research objectives.

It must be noted that considerable amount of data has been obtained in relation to analyze the critical issues related with the manpower planning in SMEs and how future skills can be forecasted to maintain sustainability in the area of research. The researcher has also gathered information from official websites of companies in order to gain an insight about the organizational processes and manpower planning. The overall examination of both primary and secondary data indicates towards the significance of strategic Human resource practices for sustainability of small and medium enterprises.

The use of secondary data basically aims at evaluating the general differences and resemblance between the findings and the outcomes of other related researches, and comparisons are made to better understand the evolution of topic in concern. Nevertheless, most researchers suggest that there must not be higher degree of reliability on the secondary data as it may disturb the conclusions of the current research study. It must be noted that every research study is unique in terms of purpose, objectives and relevance, and require a distinct set of data.

3.6.3 Data collection method

The primary data in the current study was collected by stratified random probability sampling technique. In order to collect primary data, respondents have been provided with questionnaires, which included 30 close ended questions investigating the challenges and other related aspects of man power planning as well as the human resource practices employed in SME sector. The questionnaires were given to about 150 employees and employers of these 30 SMEs. The prior permission and written consent have been taken from respondents, who have shown interest in participating in this research.

The respondents were approached physically as the researcher contacted the HR of all the 30 selected SMEs. The researcher requested the HR to give some time for personal interaction with the staff members within the organization. The respondents were contacted individually at their natural work setting. A clear and detailed description of the questionnaire, survey and the entire study was given to each of the respondent and also, their doubts were clarified to avoid confusions and misinterpretations at the time of filling the surveys. The members were explained about

the need and purpose of this research. All were requested to take time from their schedule and participate in the survey. The close-ended questionnaire was shared with the respondents after gaining consent from them that they are participating in the survey voluntarily. The respondents were guided about their rights as well as the terms and conditions while undertaking the survey.

3.6.4 Survey instrument

The survey in this study was carried out with the help of questionnaire consisting of a total of 30 close-ended questions, which have been added to appendixes. It has been divided into two parts; Part A: demographic based questions and Part B: strategic manpower planning related questions. First three questions seek to collect demographic information of respondents, so that readability of primary data can be established. These questions emphasized asking the age, gender and work experience of the respondents to ensure that data is gathered from relevant people who have the knowledge about the subject-area. Part B of the questionnaire was further divided into four sections. The respondents were asked to answer the questions of all the sections based one of the five options that they find most suitable in their opinion. These options included 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly agree.

The first section of Part B focused on understanding the HR system and HR planning of SMEs of Ranchi District. 5 questions were asked in this section to gain an understanding of the existing HR planning system used in the SMEs in which the respondents were working. The section 2 was focused on asking five questions with the respondents related to the recruitment done within the Ranchi district SMEs. Recruitment is an essential part in the HR planning system, therefore, the effectiveness

of the recruitment practices undertaken in the business were identified from the opinions of the respondents gathered through the survey. The section 3 of the Part B was concerned with understanding the attitude of the top management in the SMEs selected within the study. 10 questions were asked within the section and the questions were focused on finding how the SMEs top management contributes in the HR processes and practices within the workplace. The last and the final section of the survey emphasized asking 10 questions related to resistance to change in strategic manpower planning.

3.7 Sampling

3.7.1 *Sample frame*

Sampling frame can be referred as the list that comprises every individual from the entire population of interest (Pandey and Pandey, 2021). The target population for the current research was the manufacturing SMEs in Ranchi district. Therefore, the list of the SMEs from this location was prepared. The current research work has gathered primary data from 30 Small and Medium Enterprises (SMEs) within Ranchi District. The staff members of these 30 SMEs have been approached for collection of primary data. (Source: Office of MSME, Ranchi, Jharkhand) & JCI, Ranchi, Jharkhand.

3.7.2 Sampling population

The term "population" refers to the entire number of members of the target group for which data is required. It is not possible for the researcher to consider the opinions of all the people in the population, therefore, some people are selected from the entire

population and the selected unit is known as sample. A sample population of 150 respondents that included the staff members working in manufacturing SMEs of Ranchi district participated in the survey.

3.7.3 Sample size calculation

The size of the sample in this survey was 150 and it was calculated as follows:

$$\text{Sample size} = \frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N} \right)}$$

Source: <https://www.surveymonkey.com/mp/sample-size-calculator/>

$$[1.96 \times 1.96 \times 0.5(1-0.5)/0.05 \times 0.05] / [1 + (1.96 \times 1.96 \times 0.5(1-0.5)/0.05 \times 0.05 \times N)]$$

N = Population size,

Z = Z score (for 95% Confidence Level Z value is 1.96),

p = Sample proportion (50% or 0.5),

e = Margin of error (5% or 0.05)

Sample Size n = 150

3.7.4 Sampling technique

Different techniques are used by the researcher for dividing the entire population into smaller sample unit. These methods can be categorized as probability and non-probability sampling. In this study, stratified random probability sampling technique was used by the researcher. Stratified random sampling comprises the division of a

population into smaller sub-groups known as strata (Pandey and Pandey, 2021). Initially, 30 manufacturing SMEs operating in Ranchi district at six different industrial zone were selected and then 150 employees working in the SMEs were selected. The study will analyzes an effectiveness of human resources planning and make sure that whether the SMEs have sufficient planning for human resources management and initiative to achieve their vision – mission and objectives.

3.8 Pilot study

A pilot study is referred to as a small-scale imitation of the main research. It is used for testing the effectiveness of the research instrument (Lowe, 2019). In this study, pilot study was carried out to assess the accuracy of the questionnaire. The pilot study helped in understanding whether the questions of the questionnaire were accurately comprehended by the respondents or not. 30 respondents from 5 SMEs were selected for pilot testing in this research. Under the pilot study, a structured questionnaire was developed and distributed among the selected respondents and the suggestions were asked from the respondents about the effectiveness of the questionnaire.

Improvements were made in the questionnaire as per the feedback provided by some of the respondents. This was done to maximize the factual accuracy of the questionnaire. The changes made in the questionnaire included rephrasing some sentences to make them easily understandable. Some difficult words were replaced with the easy synonyms to avoid confusions in the mind of the respondents while filling the questionnaire. After getting the questionnaire tested through the pilot study, it was sent to a dissertation expert for evaluating its effectiveness. Also, it was an essential step for

maintaining the reliability of the study. Some grammatical errors were identified by the expert after reviewing the questionnaire. These changes were made immediately and the revised questionnaire was sent further for final survey.

3.9 Data analysis technique and discussion on questionnaire

It is evident from above section that the research collects data from primary method using survey through questionnaire. The questionnaires were used to collect data from 150 respondents, who work in small and medium enterprises in Ranchi, Jharkhand. The survey method helps in collecting numerical data, which have been analyzed with the help of quantitative method. The quantitative method of mathematical operations has been used for analysis of data. It has been done with the help of arithmetical operations of percentage method, which allows a clear and convincing analysis of collected data. The tables and charts were constructed for effective representation of the data. The relationship between the variables were identified or hypotheses were tested using analysis of variance (ANOVA).

3.10 Ethical Considerations

Ethical consideration is an integral part of every research. It guides a researcher to follow ethical conduct while carrying out any research and collecting primary or secondary data. According to the ethical standards, respondents must be notified and given written consent before any information is used for additional study at different levels (Jackson, 2008). The entire process for research understanding the significance of strategic man power planning for sustainability of SME in Ranchi and Jharkhand conducted transparently within boundary of ethical consideration.

According to the ethical code, taking consent of voluntary participants is necessary and the research objectives must be communicated to them. Therefore, in the current study, written consent from all the 150 respondents has been taken in advance. The privacy, security, and anonymity of participants' identity has been preserved throughout the research. In addition, personal details of every participant have been handled with proper care. Password protected security system has been used to store personal details of participants.

All the participants have been ensured that the information collected during the research will only be used for the research purpose only. Researcher should always remember that the data collected during the research must not be influenced by any factor so that the credible result could be obtained due care has been taken during the research. Another important point to consider from the point of view of ethical consideration the data should be presented in its original and authentic form so that credible result could be drawn from research has been taken care of. As far as Secondary data is concerned this is quite important for the research work, acquired from the authentic sources. It is important to remember that consent obtained from participants during data collection should be updated or obtained again if more data is needed for the study.

We can say that consent taking from participants is an ongoing process. In accordance with ethical standards, researchers are required to notify participants about potential uses of their data and secure authorization for any further use of the information. By this statement we can bring out a conclusion that every time the data provided by participants is used, they must be informed means their consent is

mandatory. As continued use of data by different researchers may have different expectations, consent can be taken on negotiated terms. So consent should be taken from participants' every time when the data is used for different research or by different researcher.

Following issues can arise if renewed consent is not taken from the participants:

Issues relating to copyright and confidentiality: At the first time when original data is collected from the participants, they are made assured that the information provided by them or details given would be used for the purpose of said research and not for any other. So the e researchers and respondents keep full control over the data provided by them. So one should not breach this and renewed consent should be taken (Mc Burney and White, 2009).

Originality of data: Another important factor to be considered is that researcher should keep the data in original and authentic form. It is necessary to understand that the data should be in the same form for which the consent has been taken from the respondents. If researcher changes any information on his own or as per the requirement of the research, then it is simply a breach of information. So, it should be understood that if any information provided by the respondent is being used for further research with voluntary consent of the respondents, it should be kept in its original form. If its originality changes then it would of no use as it won't be reliable (Mc Burney and White, 2009).

3.11 Limitations of Research Methodology

Due to time constraints, there are always some limitations to research. A lack of flexibility in data collection process, lack of resources, lack of active participation from respondents, and other economic or social factors are some to mention. Small samples size is one of the key limitations of the current research. A large sample size enables the collection of more accurate results. An additional crucial factor to take into account is the survey procedure; respondents should not be biased or influenced by references to the current research study; appropriate steps have been taken to obtain responses free from bias and to prevent social tension of any type (Mc Burney and White, 2009).

According to Brewster (2012) the research must actively participate in identifying and analyzing data to minimize the limitations of data collection. In the current study, three limitations are mainly identified that are related to the availability of resources, time constraint, and the adoption of survey method. In addition, it is observed that respondents do not normally show a positive attitude towards data collection process. In some instances, participants showed unwillingness to share data which was the major challenge in data collection via survey method.

Time constraint was another limitation faced while conducting the study. Since the time was not adequate, data collected was limited but sufficiently collected in limited time. To conduct such a study, more time would be required to generate better and more accurate results. In addition, respondents were given surveys to complete in a very short amount of time, so there's the possibility that the information they provided would have changed if they had been given more time.

Last limitation of the current research is that there is a lot of scope of discussions. As the not more research has been done in the said area and not much information is provided on the sources available. Most of the results of the research are based on the information provided by the respondents. Moreover, Researcher is very new to the topic. There is still a lot to work on the said research area and not every aspect has been covered as they were not required in the present study. But there is possibility of covering many aspects in further researches.

Above mentioned are the limitations, which are faced by the researcher. But it should not be concluded that the results are not accurate. To mitigate the above mentioned limitations, researcher has considered tried to cope up with the time limitation and maintained the pace of the research and data collection. Researcher has also kept this in mind that data provided by respondents must not be biased as it can affect the results and true picture would not be available. Researcher has tried to provide correct visual of the study. But as we say research is not complete at any level. There can be lot more to be done in the same area in future.

3.12 Summary

The above chapter of discussion and analysis of research methodology reveals that the researcher has focused on employing an integrated and holistic approach of data collection process in order to attain the research objective. The deductive research approach has play imperative role in identifying the optimum use of strategic human resource currently employed in SMEs of Ranchi, Jharkhand. With an aim to investigate the issues related to the implementation of strategic human resource practices pertinent

data and information have been collected from various primary and secondary sources. The method used of primary data collection is survey method, which helped in maintaining the credibility and authenticity of the research work. In addition to this, the use of exploratory research design and purposeful sampling technique played fundamental role in examining the issues and concluding the research work on manpower planning in SMEs. Also, the researcher has paid optimum attention on following ethical guidelines in each activity of the research process so that the integrity of research is maintained.

Chapter - IV

Data Analysis and Interpretation

CHAPTER – IV

DATA ANALYSIS AND INTERPRETATION

Overview

The chapter of data analysis was driven with the purpose of converting raw data into meaningful information. The study obtained data from 150 respondents from 30 different SMEs. The data collected from 150 respondents helped in addressing the research aims and objectives. It assisted in establishing a relationship between independent and dependent variables. The independent variables of the study can be classified into five categories such as

1. Human Recourse Planning
2. Human Recourses Recruitments
3. Required Training
4. Top Management Attitudes and
5. Adopting Strategic Manpower

These impacts of these five barriers have been identified on Strategic Manpower Planning process implementation in SMEs of Ranchi district. Regression analysis was used to determine the impact of one variable on another and correlation analysis was used to identify the relationship between independent and dependent variables. It allowed understanding the relevancy of a research instrument against dependent variables and provided information that how the change in independent one variable would affect dependent variables.

4.1 Analysis about Demographic Variables of Sample Participants

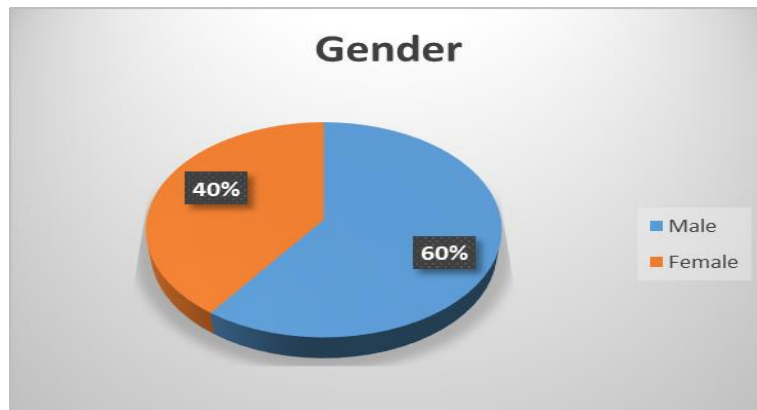
The demographic variables were used to assess the degree of similarity and variation among the sample respondents. The demographic variables include age, gender, and educational background of the participants. From the standpoint of study reliability, analysis of the demographic data was crucial since it made it possible to comprehend the differences between the chosen participants.

4.1.1 Analysis regarding Sample Participants in term of Gender

Table 4.1: Gender Respondent

D1			
		Frequency	Percent
Valid	Male	90	60
	Female	60	40
	Total	150	100

Fig: 4.1 Gender Respondent



Interpretation: As per table (4.1.1), the percentage of male respondents was 90, corresponding to 60%, while female respondents consisted of 40%. It was evident that numbers of male respondents were more than female respondents.

4.1.2 Analysis regarding Sample Participants in term of Age

Table 2.2: Age

D2			
		Frequency	Percent
Valid	18 - 25	28	19
	25 - 35	31	20
	35 - 45	60	40
	Above 45	31	21
	Total	150	100.0

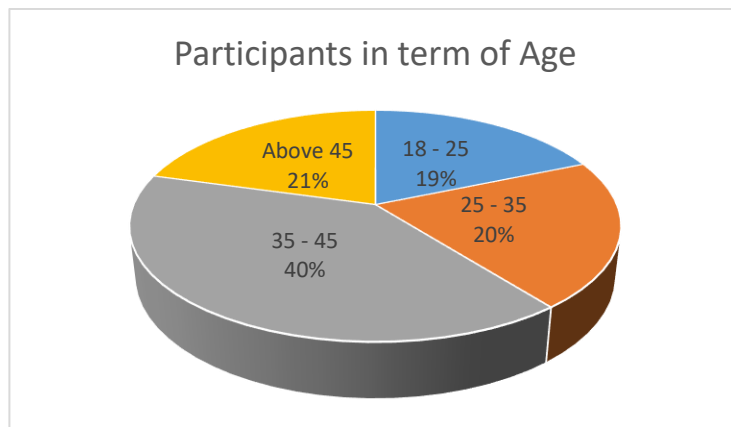


Fig-4.2: Age of Respondent

Interpretation: According to the above table, it was observed that most respondents belonged to 35-45 years of age group, accounting for 40% of the total participants. It was followed by the 25-35 age group which was constituted of 20% of the total participants. Respondents between the age of 45-55 years were 21%, while 19% of participants belonged to the 18-25 years age group. It was observed that over 80% of the participants were between the age of 25-55 years.

4.1.3 Analysis regarding Sample Participants in term of Experience

Table 4.3: Experience

D3			
		Frequency	Percent
Valid	1-5 years	31	20.7
	5-10 years	21	14.0
	10-15 years	36	24.0
	15-20 years	61	40.7
	More than 20 years	1	.7
Total		150	100.0

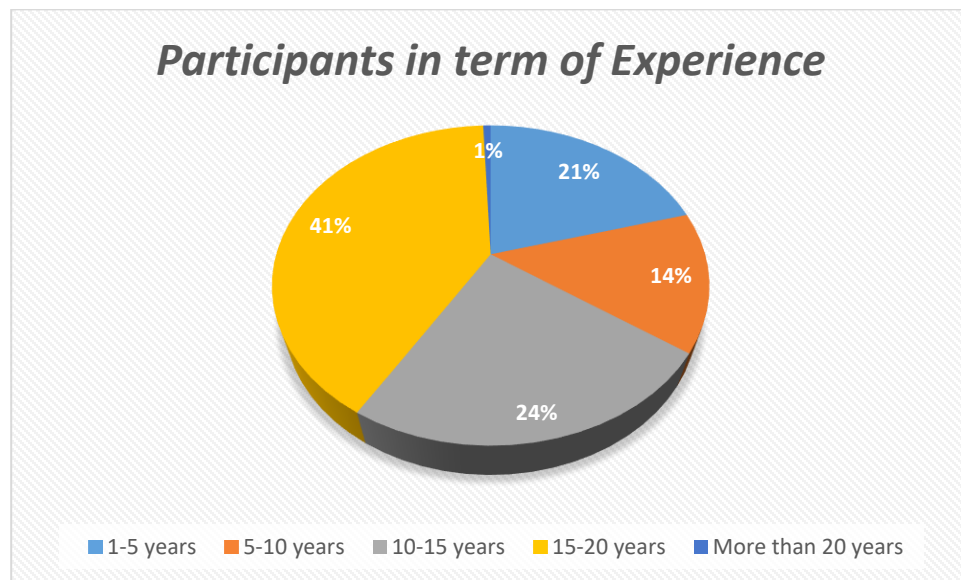


Fig-4.3: Experience of Respondent

Interpretation: On the basis of table (4.1.3), it was found that, 41% of participants have 15 to 20 years of work experience, 24% of participants have 10 to 15 years of work experience, 21% of participants have 1 to 5 years of work experience, 14% of

participants have 5 to 10 years work experience and 1% of participants have more than 20 years of work experience.

4.1.4 Analysis regarding Sample Participants in term of Education

Table 4.4: Education

D4			
		Frequency	Percent
Valid	Matriculation	33	21.85
	Intermediate	37	24.50
	Graduation	55	36.42
	Post Graduate	20	13.24
	Others	5	3.99
	Total	150	100

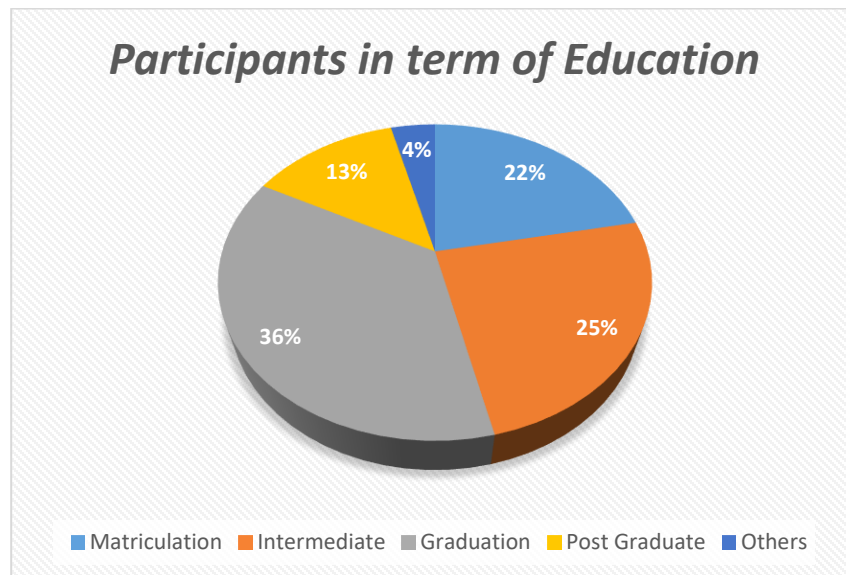


Fig-4.4: Educational Qualification of Respondent

Interpretation: On the basis of table (4.1.4), it was found that 36% of the total respondents were graduate, followed by 24% of Intermediate qualified respondents. It was also found that 23% of the respondents had an educational background of matriculation education, followed by 13% of respondents, who had post graduate

qualification. The percentage of respondents marked their education background as 'others' was equal to 4% of the total respondents. On the basis of above table, it can be stated that educational backgrounds of about 50% of the respondents were a combination of Matriculation and Intermediate (equal to 10th and 12th).

4.2 Descriptive Statistics –

Short descriptive coefficients, known as descriptive statistics, are used to provide an overview of a particular data set. These can be presented as a sample of the population or as the full set. They are divided into two categories- measures of variability (spread) and measures of central tendency. Standard deviation, minimum and maximum variables, and variance are included in the measures of variability. Whereas mean, median, and mode are included in the measures of central tendency.

The table 4.5 represents the mean score and the standard deviation of each variable considered for the study of formal system of Human Resources Planning, planning for Human Resources Requirements, HR Planning link with business requirement, understanding business needs, importance of Manpower Planning and top management willing to invest in for new Manpower Planning Process.

Table No. 4.5 Human Resources Planning System

Statements	Mean	Std. Deviation
We have a Formal System of Human Resources Planning	3.87	.967
My organization plans Human Resource requirement well in advance	3.77	.949
HR planning system is aligned with business requirement	3.84	.935
HR planning system is able to provide manpower as per business needs	3.77	1.088
Human Resources Planning is considered as an important system in our organization	3.73	1.145
The top management is willing to invest for a new manpower planning process	3.706	1.090
Human Resource Planning System	3.781	1.029

4.2.1 Interpretation (Human Resource Planning System): It was found from the above result that; we have a Formal System of Human Resources Planning. Had the highest mean value of the (M= 3.87, S.D = .967) followed by my organization plans Human Resource requirement well in advance (M= 3.77, S.D = .949), HR planning system is aligned with business requirement (M = 3.84, S.D = .935), HR planning system is able to provide manpower as per business needs (M = 3.77, S.D = 1.088), Human Resources Planning is considered as an important system in our organization (M= 3.73, S.D = 1.145) and The top management is willing to invest for a new manpower planning process (M = 3.7067, S.D=1.09020) in the respect human resources planning system regarding sustainability of manpower planning for Small & Medium Enterprises.

Table No. 4.6 - Human Resource Recruitment System

Statement	Mean	Std. Deviation
Recruitment system is properly documented and followed	3.83	1.008
The recruitment system encompasses a systematic approval of positions	3.92	1.020
New joiners are found to be right fit for the job	3.97	.915
Recruitment system has a definite budget	3.90	1.041
Human Resource Recruitment System	3.90	.996

4.2.2 Interpretation (Human Resource Recruitment System): It was found from the above result that, new joiners are found to be right fit for the job had the highest mean value (M = 3.97, S.D = .915) followed by the recruitment system encompasses a systematic approval of positions (M = 3.92, S.D =1.020), Recruitment system has a definite budget (M = 3.90, S.D = 1.041) and Recruitment system is properly documented and followed (M = 3.83, S.D = 1.008) in the respect human resource recruitment system.

Table No - 4.7 – Required Training

Statement	Mean	Std. Deviation
Required talent is available in time	3.91	1.038
Top management is willing to provide training, if new systems are implemented	3.640	1.227
Induction training is well planned	3.636	1.132
Induction training is of sufficient duration	3.72	1.081
Training of workers is given due importance in this Organization.	3.646	1.159
I believe that my organization has the required skills and knowledge for this new planning process.	3.76	.938
Required Training	3.718	1.095

4.2.3 Interpretation-Required Training- It was found from the above result that, required talent is available in time had the highest mean value (M = 3.91, S.D = 1.038) Followed by I believe that my organization has the required skills and knowledge for

this new planning process (M = 3.76, S.D = .938), Induction training is of sufficient duration (M = 3.72, S.D = 1.081), Training of workers is given due importance in this Organization (M= 3.646, S.D = 1.159), Top management is willing to provide training, if new systems are implemented (M= 3.640,S.D = 1.227), and Induction training is well planned (M = 3.36 ,S.D = 1.132) in the respect required skills, talent and training.

Table 4.8 Top Management Attitude

Statement	Mean	Std. Deviation
The top management takes initiatives to ensure effective manpower planning is at place	3.73	1.192
The top management believes that human resources are extremely important	3.61	1.192
Development of the subordinates is seen as an important part of the job by managers	3.84	1.050
The top management of this organization makes efforts to identify and utilize the potential of the Employees	3.593	1.198
Top management evaluates manpower planning process ever year	3.646	1.135
Top Management Attitude	3.684	1.153

4.2.4 Interpretation – (Top Management Attitude) – It was found from the table 4.2.4 that development of the subordinates is seen as an important part of the job by managers had the highest mean value (M = 3.84, S.D =1.050), followed by the top management takes initiatives to ensure effective manpower planning is at place (M = 3.73, S.D = 1.192), Top management evaluates manpower planning process ever year (M = 3.646, S.D = 1.135), The top management believes that human resources are extremely important (M = 3.61, S.D = 1.192) and The top management of this organization makes efforts to identify and utilize the potential of the Employees (M = 3.59, S.D = 1.198) in the respect of top management attitude.

4.9 Table Adopting Strategic Manpower

Statement	Mean	Std. Deviation
The purpose of adopting SMP is not clear	3.933	.931
I believe that adopting SMP would not bring benefits to SMEs	3.720	1.099
The cost of adopting SMP would be very high and it is not required	3.580	.978
I believe that there are inadequate reward for accomplishing this change	3.800	1.010
There is a lack of necessary organizational support for adopting SMP in near future	3.686	.984
I expect a positive impact on productivity after adoption of SMP	3.840	1.003
I believe that work patter would reaming similar after adoption of SMP	3.840	1.074
I am treating this change as meaningful	3.693	.989
My personal interests are not threatened by this change	3.886	1.000
Adopting Strategic Manpower	3.773	1.003

4.2.5 Interpretation (Adopting Strategic Manpower) –It was found from the table 4.2.5 that the purpose of adopting Strategic Manpower Planning is not clear had the highest mean value (M = 3.933, S.D = .93167), followed by My personal interests are not threatened by this change (M = 3.88, S.D = 1.00025), I believe that work patter would reaming similar after adoption of Strategic Manpower Planning (M = 3.84, S.D = 1.074), I expect a positive impact on productivity after adoption of Strategic Manpower Planning (M = 3.84, S.D = 1.00389), I believe that there are inadequate reward for accomplishing this change (M = 3.80, S.D = 1.01002), I believe that adopting Strategic Manpower Planning would not bring benefits to SMEs (M= 3.72,S.D = 1.099), I am treating this change as meaningful (M= 3.69, S.D= .989), there is a lack of necessary organizational support for adopting SMP in near future (M = 3.68, S.D =

.984) and the cost of adopting SMP would be very high and it is not required (M = 3.58, S.D = .978) in the respect of adopting strategic manpower.

Table - 4.10 Management Function Variables

Statement	Mean	Std. Deviation
Human Resource Planning System	3.781	1.029
Human Resource Recruitment System	3.90	.996
Required Training	3.718	1.095
Top Management Attitude	3.684	1.153
Adopting Strategic Manpower	3.773	1.003
Valid N (listwise)	3.77	1.055

4.2.6 Interpretation (Management function variables) – It was found from the above result that, Human Resource Recruitment had the highest mean value (M= 3.90, S.D = .996), followed by Human Resource Planning System (M= 3.78, S.D = 1.029), Adopting Strategic Manpower (M= 3.773, S.D = 1.0034), Required Skills, Talent and Training (M=3.718, S.D = 1.095) and Top Management Attitude (M= 3.684, S.D = 1.153) in the respect construct of management function regarding strategic manpower planning for SMEs.

4.3 Reliability test (Strategic specific):

This research employed Cronbach's alpha test to measure the reliability of the survey instrument by comparing the amount of covariance to the amount of overall variance. Using the Cronbach's alpha test helps in determining the internal consistency of the items and ensuring that same characteristics or features are being measured by the survey instrument as intended (Turner, 2016). According to Tavakol and Dennick (2011) a greater value of 0.7 is regarded as an acceptable value reliability.

4.3.1 Reliability

The reliability of survey instrument is an important consideration from research point of view as it helps in improving the reliability of findings. The reliability factor of survey instrument is concerned with assessment of internal consistency related to a set of items. It ensures that survey instruments are appropriate for measuring a set of items and it measures the same thing, what is intended to be measured. This research uses Cronbach's Alpha test for measuring the sustainability of the test and assessing the internal consistency related to a set of items. Alpha was developed by Lee Cronbach in 1951¹¹ to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1. The Cronbach's Alpha test measures the reliability of a set of items on the scale of 0 to 1. A scale closer to 1 indicates towards high reliability of the test and a score closer to 0 is regarded as a sign of low reliability. Generally, a score of more than 0.70 on Cronbach's Alpha score is regarded as a good sign of reliability. The application of Cronbach's Alpha test on 30 items of the survey instrument produced below result:

Table - 4.11 Reliability

		N	%
Cases	Valid	150	100.0
	Excluded ^a	0	.0
	Total	150	100.0

a. List wise deletion based on all variables in the procedure.

Table 4.12: Reliability Statistics

Cronbach's Alpha	N of Items
.924	30

4.3.2 Interpretation (Reliability Statistics): It was found from the score of Cronbach's Alpha for 30 items was 0.924. This score was quite closer to 1, confirming a high reliability for a set of survey items. It was confirmed that applied test was suitable to measure the relationship between variables and the results achieved through analysis were reliable to address the questions. A high Cronbach's Alpha ensured the reliability of survey instrument and it helped in obtaining reliable and valid results.

4.4 Factor Analysis

Factor analysis's statistical method used to the collected data to identify the factor of Strategic Manpower Planning for sustainability of SMEs.

Table-4.13: Factor Analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.803
Bartlett's Test of Sphericity	Approx. Chi-Square	3710.743
	Df	435
	Sig.	.000

4.4.1 Interpretation (Factor Analysis)

Table-4.14: Communalities

Communalities

	Initial	Extraction
We have a Formal System of Human Resources Planning	1.000	.813
My organization plans Human Resource requirement well in advance	1.000	.676
HR planning system is aligned with business requirement	1.000	.591
HR planning system is able to provide manpower as per business needs	1.000	.644
Human Resources Planning is considered as an important system in our organization	1.000	.807
Recruitment system is properly documented and followed	1.000	.842
The recruitment system encompasses a systematic approval of positions	1.000	.824
Required talent is available in time	1.000	.886
New joiners are found to be right fit for the job	1.000	.871
Recruitment system has a definite budget	1.000	.846
The top management takes initiatives to ensure effective manpower planning is at place	1.000	.678
The top management believes that human resources are extremely important	1.000	.729
Development of the subordinates is seen as an important part of the job by managers	1.000	.865
The top management is willing to invest for a new manpower planning process	1.000	.551
The top management of this organization makes efforts to identify and utilize the potential of the Employees	1.000	.703

Top management is willing to provide training, if new systems are implemented	1.000	.586
Induction training is well planned	1.000	.440
Induction training is of sufficient duration	1.000	.519
Top management evaluates manpower planning process ever year	1.000	.441
Training of workers is given due importance in this Organization.	1.000	.695
The purpose of adopting SMP is not clear	1.000	.929
I believe that adopting SMP would not bring benefits to SMEs	1.000	.842
The cost of adopting SMP would be very high and it is not required	1.000	.483
I believe that there <u>are</u> inadequate reward for accomplishing this change	1.000	.851
There is a lack of necessary organizational support for adopting SMP in near future	1.000	.908
I expect a positive impact on productivity after adoption of SMP	1.000	.911
I believe that work patter would reaming similar after adoption of SMP	1.000	.564
I am treating this change as meaningful	1.000	.910
I believe that my organization has the required skills and knowledge for this new planning process	1.000	.837
My personal interests are not threatened by this change.	1.000	.830

Extraction Method: Principal Component Analysis.

4.4.2. Interpretation (Communities)

Table- 4.15: Total Variance Explained

Component	Total Variance Explained						
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	10.427	34.755	34.755	10.427	34.755	34.755	7.110
2	2.371	7.902	42.658	2.371	7.902	42.658	6.280
3	2.246	7.488	50.145	2.246	7.488	50.145	2.267
4	1.840	6.132	56.278	1.840	6.132	56.278	4.184
5	1.580	5.266	61.544	1.580	5.266	61.544	3.428
6	1.281	4.270	65.814				
7	1.211	4.038	69.851				
8	1.119	3.731	73.582				

9	.913	3.045	76.627				
10	.864	2.881	79.507				
11	.806	2.685	82.192				
12	.705	2.348	84.541				
13	.676	2.254	86.794				
14	.576	1.919	88.713				
15	.562	1.875	90.588				
16	.438	1.459	92.047				
17	.400	1.335	93.382				
18	.340	1.133	94.515				
19	.310	1.032	95.547				
20	.266	.887	96.434				
21	.230	.768	97.202				
22	.202	.673	97.875				
23	.165	.549	98.424				
24	.132	.440	98.864				
25	.106	.352	99.216				
26	.081	.269	99.485				
27	.056	.186	99.671				
28	.042	.139	99.811				
29	.031	.104	99.914				
30	.026	.086	100.000				

Extraction Method: Principal Component Analysis.

4.4.3 Interpretation (Total Variance Explained)

Table- 4.16: Component Matrix

	1	2	3	4	5
We have a Formal System of Human Resources Planning	.561	.325		.185	.504
My organization plans Human Resource requirement well in advance	.529		.154		.149
HR planning system is aligned with business requirement	.594	.197			.370
HR planning system is able to provide manpower as per business needs	.553	-.242	.122		
Human Resources Planning is considered as an important system in our organization	.453	.467		.166	.530
Recruitment system is properly documented and followed	.659	-.482	.212	-.302	-.130
The recruitment system encompasses a systematic approval of positions	.738	.282	-.277	.181	-.247
Required talent is available in time	.531	-.434	.171	.540	.119
New joiners are found to be right fit for the job	.109	.302	.810		
Recruitment system has a definite budget	.464	-.348		.610	.198
The top management takes initiatives to ensure effective manpower planning is at place	.694	.158	-.103	.277	-.277
The top management believes that human resources are extremely important	.539	-.419	.200	.385	
Development of the subordinates is seen as an important part of the job by managers	.166	.309	.833		-.117
The top management is willing to invest for a new manpower planning process	.289	.370	.423	-.239	.161
The top management of this organization makes efforts to identify and utilize the potential of the Employees	.249	.228	.456		-.315
Top management is willing to provide training, if new systems are implemented	.562			-.191	.307
Induction training is well planned	.603		-.134		
Induction training is of sufficient duration	.593	-.195		.100	
Top management evaluates manpower planning process ever year	.613	.111			-.174
Training of workers is given due importance in this Organization.	.539		-.102	.110	
The purpose of adopting SMP is not clear	.811	.238	-.254	.179	-.297
I believe that adopting SMP would not bring benefits to SMEs	.721	.168		-.158	
The cost of adopting SMP would be very high and it is not required	.215	-.102		-.345	.432
I believe that there <u>are</u> inadequate reward for accomplishing this change	.709	.127		-.199	
There is a lack of necessary organizational support for adopting SMP in near future	.783	-.315		-.354	

I expect a positive impact on productivity after adoption of SMP	.829	.315	-.251		-.220
I believe that work patten would reaming similar after adoption of SMP	.378			-.286	
I am treating this change as meaningful	.751	-.424	.117	-.246	
I believe that my organization has the required skills and knowledge for this new planning process	.697	-.311		-.394	
My personal interests are not threatened by this change.	.787	.291	-.225		-.214

Table- 4.17: Rotated Component Matrix

Components	1	2	3	4	5
We have a Formal System of Human Resources Planning	.213			.114	.818
My organization plans Human Resource requirement well in advance	.114				
HR planning system is aligned with business requirement					.417
HR planning system is able to provide manpower as per business needs		-.105		.164	-.184
Human Resources Planning is considered as an important system in our organization	.190		.136		.851
Recruitment system is properly documented and followed		-.840	.105	.119	-.199
The recruitment system encompasses a systematic approval of positions	.864				
Required talent is available in time				.924	
New joiners are found to be right fit for the job			.941		
Recruitment system has a definite budget				.902	.149
The top management takes initiatives to ensure effective manpower planning is at place	.691			.184	
The top management believes that human resources are extremely important		-.188		.716	
Development of the subordinates is seen as an important part of the job by managers			.916		
The top management is willing to invest for a new manpower planning process	-.107		.409	-.181	.285

The top management of this organization makes efforts to identify and utilize the potential of the Employees	.150		.348	-.145	-.159
Top management is willing to provide training, if new systems are implemented	-.180	-.243		.143	.264
Induction training is well planned	.379	-.149			.153
Induction training is of sufficient duration	.102	-.117		.235	
Top management evaluates manpower planning process ever year	.487	-.245			
Training of workers is given due importance in this Organization.		-.168	-.295	.123	.249
The purpose of adopting SMP is not clear	.901				
I believe that adopting SMP would not bring benefits to SMEs	.302				
The cost of adopting SMP would be very high and it is not required	-.225	-.302	-.106	-.190	.274
I believe that there <u>are</u> inadequate reward for accomplishing this change	.294				
There is a lack of necessary organizational support for adopting SMP in near future	.172	-.855			
I expect a positive impact on productivity after adoption of SMP	.812	-.103			
I believe that work patter would reaming similar after adoption of SMP		-.151			
I am treating this change as meaningful	.149	-.860			
I believe that my organization has the required skills and knowledge for this new planning process		-.859			
My personal interests are not threatened by this change.	.776	-.127			

Table No.-4.18: Factors identified

Factors	Variables	Cronbach's Alpha score
Human Resource Planning System	We have a Formal System of Human Resources Planning	0.922
	My organization plans Human Resource requirement well in advance	
	HR planning system is aligned with business requirement	
	HR planning system is able to provide manpower as per business needs	
	Human Resources Planning is considered as an important system in our organization	
	The top management is willing to invest for a new manpower planning process	
Human Resources Recruitment system	Recruitment system is properly documented and followed	0.922
	The recruitment system encompasses a systematic approval of positions	
	New joiners are found to be right fit for the job	
	Recruitment system has a definite budget	
Required Training	Required talent is available in time	0.921
	Top management is willing to provide training, if new systems are implemented	
	Induction training is well planned	
	Induction training is of sufficient duration	
	Training of workers is given due importance in this Organization.	
	I believe that my organization has the required skills and knowledge for this new planning process.	
Top Management Attitude	The top management takes initiatives to ensure effective manpower planning is at place	0.923
	The top management believes that human resources are extremely important	
	Development of the subordinates is seen as an important part of the job by managers	
	The top management of this organization makes efforts to identify and utilize the potential of the Employees	
	Top management evaluates manpower planning process ever year	
Adopting Strategic Manpower	The purpose of adopting SMP is not clear	0.920
	I believe that adopting SMP would not bring benefits to SMEs	
	The cost of adopting SMP would be very high and it is not required	
	I believe that there are inadequate reward for accomplishing this change	
	There is a lack of necessary organizational support for adopting SMP in near future	
	I expect a positive impact on productivity after adoption of SMP	

I expect a positive impact on productivity after adoption of SMP
I believe that work patter would reaming similar after adoption of SMP
I am treating this change as meaningful
My personal interests are not threatened by this change

4.4.4 Interpretation (Factors identified): Reliability checks prove satisfactory as Cronbach’s for all measures were above 0.70: Human Recourses Planning (0.922), Human Resources Recruitment (0.922), Required Training (0.921), Top Management Attitude (0.923) and Adopting Strategic Manpower (0.920) (Derived from Table - Reliability of 5 component of SMEs.

4.5 Correlation Analysis

Correlation analysis is a statistical method used to evaluate the strength of relationship among the factors. In other words, it is the process of studying the strength of that relationship with available data.

Table No.-4.19: Correlations

		Correlations				
		Human Resource s Planning	Human Resource Recruitment	Required Training	Top Management Attitude	Adopting Strategic Manpower
Human Resources Planning	Pearson Correlation	1	.456**	.501**	.508**	.482**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
Human Resource Recruitment System	Pearson Correlation	.456**	1	.549**	.491**	.560**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	150	150	150	150	150

Required Training	Pearson Correlation	.501**	.549**	1	.549**	.651**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	150	150	150	150	150
Top Management Attitude	Pearson Correlation	.508**	.491**	.549**	1	.498**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	150	150	150	150	150
Adopting Strategic Manpower	Pearson Correlation	.482**	.560**	.651**	.498**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	150	150	150	150	150

** . Correlation is significant at the 0.01 level (2-tailed).

4.5.1 Interpretation (Correlation)

The Pearson's correlation coefficient between HR Planning and HR Recruitments is 0.456 in the above result, which we have displayed as a correlation matrix. The p value for the two-tailed test of significance is 0.000, which is less than 0.05. We may draw the conclusion that, with regard to small and medium-sized enterprises, there is a strong positive association between HR planning and HR recruitment. This correlation is significant at the level of 0.05%.

The required training and human resources planning have a Pearson's correlation coefficient of 0.501, and the two-tailed test of significance has a p value of 0.000, which is less than 0.05. We may draw the conclusion that, with regard to small and medium-sized enterprises, there is a significant positive link between required training and human resources planning. This correlation is significant at the level of 0.05.

Human Resources Planning and Top Management Attitudes have a Pearson's correlation coefficient of 0.508 and a two-tailed test of significance p value of 0.000, which is less than 0.05. We can draw the conclusion that top management attitudes

towards SMEs and human resources planning have a strong favorable link. This correlation is significant at the level of 0.05. The Pearson's correlation coefficient between Human Resources Planning and Adopting strategic Manpower is 0.482 and p value for two-tailed test of significance is 0.000, which is less than 0.05. We can conclude that there is a significant positive correlation between the Human Resources Planning and Adopting strategic Manpower regarding Small and Medium Enterprises. This correlation is significant at the level of 0.05.

The above table exhibited the correlation matrix, in which the Pearson's correlation coefficient between Human Recourses Recruitments with Required Training is 0.501, with Top Management Attitudes is 0.508 and Adopting strategic Manpower is 0.482 at the same time value for two-tailed test of significance is 0.000, which is less than 0.05. We can conclude that this is a strong, significant and moderate positive correlation among Human Recourse Planning with Human Recourses Recruitments, Required Training, Top Management Attitudes, Adopting Strategic Manpower regarding Small and Medium Enterprises. This correlation is significant at the significant level of 0.05.

4.6 Regression Analysis

Table No.-4.20: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.533 ^a	.284	.279	.613

a. Predictors: (Constant), VAR00002

4.6.1 **Interpretation (Model Summary):** The model summary table shows that the multiple correlation coefficient (R) using the predictors simultaneously is 0.533 ($R^2 = 0.284$) and adjusted R^2 is 0.279 means that 27.9 % of the variable in the dependent variable predicted by the independent variable. According to Cohen (1988) suggested R^2 values for endogenous latent variables are assessed as follows: 0.26 (substantial), 0.13 (moderate), 0.02 (weak).

Table No – 4.21: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.086	1	22.086	58.713	.000 ^b
Residual	55.673	149	.376		
Total	77.759	150			

a. Dependent Variable: Success

b. Predictors: (Constant), VAR00002

4.6.2 Interpretation (ANOVA) -The F-ratio in the ANOVA (Table No. 4.21) test the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predicted the dependent variable, $F(1, 149) = 58.713$, $p(0.000) < .05$ (i.e. the regression model is a good fit of the data).

Table No – 4.22: Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.492	.305		4.892	.000
VAR00002	.591	.077	.533	7.662	.000

a. Dependent Variable: Success

4.6.3 Interpretation (Coefficient)- From the above table no. 4.22, result, the multiple correlation coefficients is 0.533 measures the degree of relationship between actual values and the predicted values of SMEs preference towards Strategic Manpower Planning because the predicted values are obtained as a linear combination of Human Recourse Planning, Human Recourses Recruitments, Required Training, Top Management Attitudes and Adopting Strategic Manpower, the coefficient value of 0.533 indicates that the relationship between Strategic Manpower Planning preference towards Small and Medium Enterprises and five independent variables is strong and positive. Thus, the value of R square is 0.284 of the variation in preference towards SMEs is explained by the estimated independent variables.

VAR 4

Table No – 4.23: Model Summary
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.600 ^a	.360	.356	.580

a. Predictors: (Constant), VAR00004

4.6.4 Interpretation (Model Summary): The model summary table shows that the multiple correlation coefficient (R) using the predictors simultaneously is 0.600 (R² = 0.360) and adjusted R² is 0.356 means that 35.6 % of the variable in the dependent variable

predicted by the independent variable. According to Cohen (1988) suggested R2 values for endogenous latent variables are assessed as follows: 0.26 (substantial), 0.13 (moderate), 0.02 (weak).

Table No – 4.24: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	28.004	1	28.004	83.301	.000 ^b
Residual	49.755	149	.336		
Total	77.759	150			

a. Dependent Variable: Success

b. Predictors: (Constant), VAR00004

4.6.5 Interpretation (ANOVA) -The F-ratio in the ANOVA (Table No. 4.24) test the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predicted the dependent variable, $F(1, 149) = 83.301$, $p(0.000) < .05$ (i.e. the regression model is a good fit of the data).

Table No – 4.25: Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.387	.268		5.172	.000
VAR00004	.656	.072	.600	9.127	.000

a. Dependent Variable: Success

4.6.6 Interpretation (Coefficient)- From the above table no. 4.25, result, the multiple correlation coefficients is 0.600 measures the degree of relationship between actual values and the predicted values of SMEs preference towards Strategic Manpower Planning because the predicted values are obtained as a linear combination of Human Recourse Planning, Human Recourses Recruitments, Required Training, Top Management Attitudes and Adopting Strategic Manpower, the coefficient value of 0.600 indicates that the relationship between Strategic Manpower Planning preference towards Small and Medium Enterprises and five independent variables is strong and positive. Thus, the value of R square is 0.360 of the variation in preference towards SMEs is explained by the estimated independent variables.

VAR 6

Table No.-4.26: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603 ^a	.364	.360	.578

a. Predictors: (Constant), VAR00006

4.6.7 Interpretation (Model Summary): The model summary table shows that the multiple correlation coefficient (R) using the predictors simultaneously is 0.603 (R² = 0.364) and adjusted R² is 0.360 means that 36.0 % of the variable in the dependent variable predicted by the independent variable. According to Cohen (1988) suggested

R2 values for endogenous latent variables are assessed as follows: 0.26 (substantial), 0.13 (moderate), 0.02 (weak).

Table No – 4.27: ANOVA^a

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	28.307	1	28.307	84.718	.000 ^b
Residual	49.452	149	.334		
Total	77.759	150			

a. Dependent Variable: Success

b. Predictors: (Constant), VAR00006

4.6.8 Interpretation (ANOVA) -The F-ratio in the ANOVA (Table No. 4.27) test the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predicted the dependent variable, $F(1, 149) = 84.718$, $p(0.000) < .05$ (i.e. the regression model is a good fit of the data).

Table No – 4.28: Coefficient

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.502	.254		5.920	.000
	VAR00006	.608	.066	.603	9.204	.000

a. Dependent Variable: Success

4.6.9 Interpretation (Coefficient)- From the above table no. 4.28, result, the multiple correlation coefficients is 0.603 measures the degree of relationship between actual values and the predicted values of Small & Medium Enterprises preference towards

Strategic Manpower Planning because the predicted values are obtained as a linear combination of Human Recourse Planning, Human Recourses Recruitments, Required Training, Top Management Attitudes and Adopting Strategic Manpower, the coefficient value of 0.603 indicates that the relationship between Strategic Manpower Planning preference towards Small and Medium Enterprises and five independent variables is strong and positive. Thus, the value of R square is 0.364 of the variation in preference towards SMEs is explained by the estimated independent variables.

All at a time

Table No.-4.29: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663 ^a	.440	.429	.546

a. Predictors: (Constant), VAR00006, VAR00002, VAR00004

4.6.10 Interpretation (Model Summary): The model summary table shows that the multiple correlation coefficient (R) using the predictors simultaneously is 0.633 (R² = 0.440) and adjusted R² is 0.429 means that 42.9 % of the variable in the dependent variable predicted by the independent variable. According to Cohen (1988) suggested R² values for endogenous latent variables are assessed as follows: 0.26 (substantial), 0.13 (moderate), 0.02 (weak).

Table No – 4.30: ANOVA^a

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34.229	3	11.410	38.268	.000 ^b
1 Residual	43.530	147	.298		
Total	77.759	150			

a. Dependent Variable: Success

b. Predictors: (Constant), VAR00006, VAR00002, VAR00004

4.6.11 Interpretation (ANOVA) -The F-ratio in the ANOVA (Table No. 4.30) test the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predicted the dependent variable, $F(3, 147) = 38.268$, $p(0.000) < .05$ (i.e. the regression model is a good fit of the data).

Table No – 4.31: Coefficient

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.824	.291		2.827	.005
VAR00002	.147	.098	.133	1.504	.135
VAR00004	.329	.100	.301	3.307	.001
VAR00006	.315	.092	.313	3.445	.001

a. Dependent Variable: Success

4.6.12 Interpretation (Coefficient)- From the above table no. 4.31, result, the multiple correlation coefficients is 0.633 measures the degree of relationship between actual values and the predicted values of SMEs preference towards Strategic Manpower Planning because the predicted values are obtained as a linear combination of Human Recourse Planning, Human Recourses Recruitments, Required Training, Top

Management Attitudes and Adopting Strategic Manpower, the coefficient value of 0.603 indicates that the relationship between Strategic Manpower Planning preference towards Small and Medium Enterprises and five independent variables is strong and positive. Thus, the value of R square is 0.440 of the variation in preference towards SMEs is explained by the estimated independent variables.

Productivity

Table No.-4.32: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.545 ^a	.297	.293	.608

a. Predictors: (Constant), I expect a positive impact on productivity after adoption of Strategic Manpower Planning.

4.6.13 Interpretation (Model Summary): The model summary table shows that the multiple correlation coefficient (R) using the predictors simultaneously is 0.545 (R² = 0.297) and adjusted R² is 0.293 means that 29.3 % of the variable in the dependent variable predicted by the independent variable. According to Cohen (1988) suggested R² values for endogenous latent variables are assessed as follows: 0.26 (substantial), 0.13 (moderate), 0.02 (weak).

Table No – 4.33: ANOVA^a

ANOVA^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	23.132	1	23.132	62.670	.000 ^b

Residual	54.627	149	.369	
Total	77.759	150		

a. Dependent Variable: Success

b. Predictors: (Constant), I expect a positive impact on productivity after adoption of SMP

4.6.14 Interpretation (ANOVA) -The F-ratio in the ANOVA (Table No.4.33) test the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predicted the dependent variable, $F(1, 149) = 62.670$, $p(0.000) < .05$ (i.e. the regression model is a good fit of the data).

Table No – 4.31: Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.290	.197		11.641	.000
1 I expect a positive impact on productivity after adoption of SMP	.392	.050	.545	7.916	.000

a. Dependent Variable: Success

4.6.15 Interpretation (Coefficient)- From the above table no. 4.31, result, the multiple correlation coefficients is 0.545 measures the degree of relationship between actual values and the predicted values of SMEs preference towards Strategic Manpower Planning because the predicted values are obtained as a linear combination of Human Recourse Planning, Human Recourses Recruitments, Required Training, Top Management Attitudes and Adopting Strategic Manpower, the coefficient value of 0.545 indicates that the relationship between Strategic Manpower Planning preference

towards Small and Medium Enterprises and five independent variables is strong and positive. Thus, the value of R square is 0.297 of the variation in preference towards SMEs is explained by the estimated independent variables.

Such as Human Recourse Planning, Human Recourses Recruitments, Required Training, Top Management Attitudes, Adopting Strategic Manpower and R square value is significant at 1% level.

4.6.16 Cronbach Alpha Score:

Table No – 4.23: Total statistics

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha Score
We have a Formal System of Human Resources Planning	109.1333	295.512	.530	.922
My organization plans Human Resource requirement well in advance	109.2267	296.780	.501	.922
HR planning system is aligned with business requirement	109.1600	294.954	.569	.921
HR planning system is able to provide manpower as per business needs	109.2267	293.881	.510	.922
Human Resources Planning is considered as an important system in our organization	109.2667	295.928	.428	.923
Recruitment system is properly documented and followed	109.1733	291.943	.613	.921
The recruitment system encompasses a systematic approval of positions	109.0800	290.034	.662	.920
Required talent is available in time	109.0933	294.998	.505	.922
New joiners are found to be right fit for the job	109.0333	308.328	.153	.926
Recruitment system has a definite budget	109.1000	297.782	.423	.923
The top management takes initiatives to ensure effective manpower planning is at place	109.2733	286.871	.639	.920
The top management believes that human resources are extremely important	109.3933	291.838	.511	.922

Development of the subordinates is seen as an important part of the job by managers	109.1600	305.155	.213	.926
The top management is willing to invest for a new manpower planning process	109.2933	301.283	.307	.925
The top management of this organization makes efforts to identify and utilize the potential of the Employees	109.4067	301.773	.261	.926
Top management is willing to provide training, if new systems are implemented	109.3600	290.353	.531	.922
Induction training is well planned	109.3733	291.511	.550	.921
Induction training is of sufficient duration	109.2800	292.377	.555	.921
Top management evaluates manpower planning process ever year	109.3533	290.901	.565	.921
Training of workers is given due importance in this Organization.	109.3533	293.344	.488	.922
The purpose of adopting SMP is not clear	109.0667	289.673	.742	.919
I believe that adopting SMP would not bring benefits to SMEs	109.2800	287.908	.669	.920
The cost of adopting SMP would be very high and it is not required	109.4200	306.983	.179	.926
I believe that there is inadequate reward for accomplishing this change	109.2000	290.403	.658	.920
There is a lack of necessary organizational support for adopting SMP in near future	109.3133	288.901	.724	.919
I expect a positive impact on productivity after adoption of SMP	109.1600	287.048	.765	.919
I believe that work patter would reaming similar after adoption of SMP	109.1600	300.525	.333	.924
I am treating this change as meaningful	109.3067	289.503	.701	.919
I believe that my organization has the required skills and knowledge for this new planning process	109.2400	292.707	.638	.920
My personal interests are not threatened by this change.	109.1133	288.531	.722	.919

4.6.17 Interpretation: On the basis of the results, it was found most of the variables were statistically non-significant and there was a weak relationship between dependent and independent variables. This relationship has been analyzed using regression table and it confirmed a weak relationship between resistance to change and a lack of purpose to adopt the strategic manpower planning process. A weak relationship has been demonstrated by P-value that was characterized by $P > 0.005$ and it suggested that the relationship between the variables were not significant.

However, the table also indicated towards a statistically significant relationship between independent and dependent variables, when it comes to perceived benefits of the Strategic Manpower Planning process and its adoption. The regression table indicates towards a strong relationship between to perceived benefits of the Strategic Manpower Planning and implementation of the new system. It was found from the above table that P-value fall within the tolerance limit and it is smaller than ($P < 0.05$), corresponding to a numeric value of 0.004. This value suggested that the relationship perceived benefits of the Strategic Manpower Planning and implementation of the new system was significant. On the basis of results derived from the regression table, it was found that top management attitude has not been very positive for implementation of Strategic Manpower Planning process and it has been one of the reasons for resistance to change. When the relationship between both the variables were examined under the criteria of $P < 0.005$, it was found that most of the variables were statistically non-significant and there was a weak relationship between them. These finding have been taken into account for hypotheses testing.

4.7 Hypothesis Testing

Table 4.24: Hypothesis testing

Hypotheses	R-Square	P-value (P\leq0.05)
H1	.406	0.00
H1a	.325	0.03
H1b	.267	0.01
H2	.355	0.00
H2a	.271	0.01
H2b	.291	0.00
H3	.426	0.00
H3a	.354	0.02
H3b	.356	0.03
H3c	.431	0.01

On the basis of above data, below hypothesis were accepted:

Hypotheses: -

H1: Strategic Manpower planning has a positive impact on recruitment & selection process of SMEs.

H1a: Strategic Manpower planning positively affect the alignment between HR planning system and business requirement

H1b: Strategic Manpower planning positively influences a firm willingness to invest in training and development for improving organizational performance

H2: Strategic Manpower planning and employees' productivity are positively related to each other.

H2a: Strategic Manpower planning positively influence the change management process within an SME.

H2b: Strategic Manpower planning positively affect employees' productivity while bridging the gap between an individual's jobs and skill set to perform the job

H3: There is a positive relationship between Strategic Manpower planning & organizational performance of SMEs in Ranchi, Jharkhand.

H3a: Manpower planning positively influences employees' retention in SMEs.

H3b: Manpower planning in SMEs positively affect employees' productivity and effectiveness.

H3c: Manpower planning in SMEs positive influence an organizational ability to predict the supply and demand of the workforce within a given period of time.

4.8 Perceived Importance of Strategic Manpower by Employees of Ranchi District

The perceptions of employees are an important factor that affect the overall intention to adopt and productivity of employees.

4.8.1 The purpose of adopting Strategic Manpower is not clear

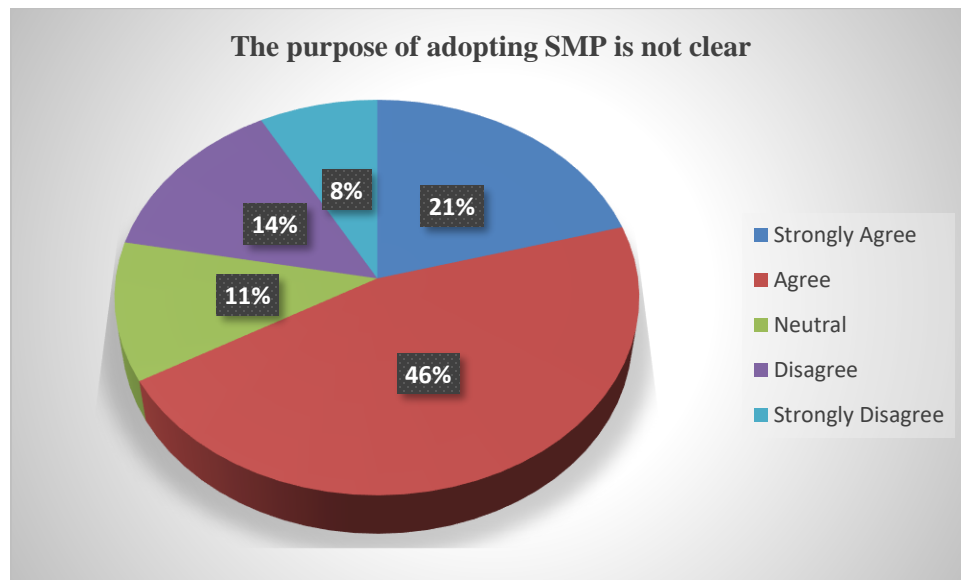


Figure 4.8.1: The purpose of adopting SMP is not clear

While responding to the question that whether the purpose of adopting Strategic Manpower was clear among the employees of the Ranchi's Small & Medium Enterprises, it was found that 21% of the respondents were strongly agreed that the purpose was not clear. Similarly, it was found that 46% of the respondents were agreed to the opinion that the purpose of adopting Strategic Manpower Planning in Small & Medium Enterprises were not clear. While responding to the same question, it was found that 11% of the respondents were neutral in this regard. In contrast, 14% of the respondents noted that the purpose of adopting Strategic Manpower was clear to their organization. This was further confirmed by 8% of the respondents, who were strongly disagreed with the opinion that the purpose of adopting Strategic Manpower was not clear to their organization. On the basis of table (4.8.1), it can be stated that Small & Medium Enterprises from employees believe that their Small & Medium Enterprises lack a clear purpose about adopting Strategic Manpower. This issue should be taken into account by Small & Medium Enterprises and it should be addressed by top management in order to ensure an easy adoption.

4.8.2 Adopting Strategic Manpower would not benefit to SMEs

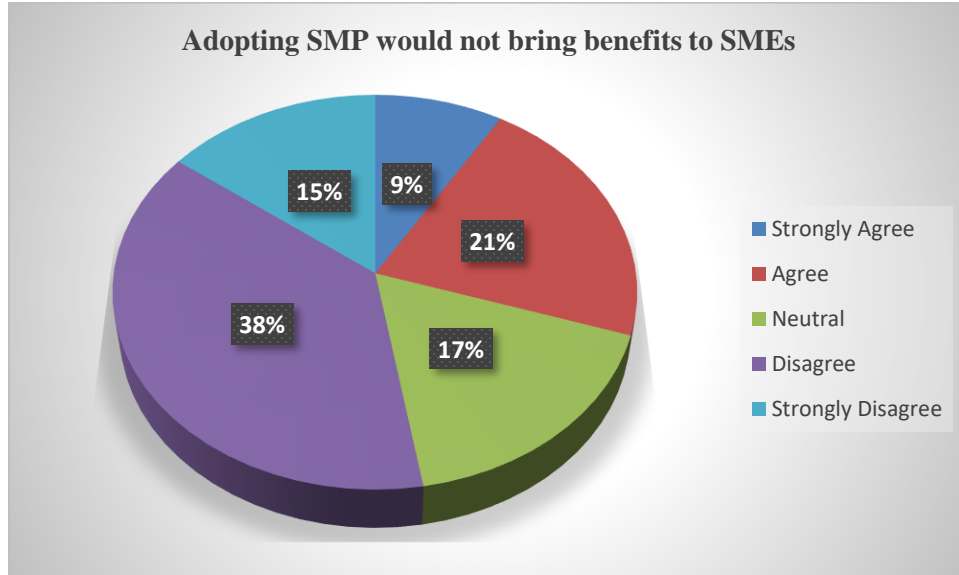


Figure 4.8.2: Adopting SMP would not bring benefits to SMEs

In the response to the question that was guided by measuring the perception of employees in relation to benefits of SMEs adoption, above data were illustrated. From the pie chart (4.8.2) it was found that only 9% of the respondents were strongly agreed with the opinion that “adopting Strategic Manpower would not benefit to SMEs”. In addition, it was found that 21% of the respondents were agreed the statement that adopting Strategic Manpower would not benefit to SMEs. In the response to the same question, it was found that 17% of the respondents were neutral in this regard. In contrast, 38% of the respondents disagreed with the opinion that adopting Strategic Manpower would not benefit to SMEs. This was further confirmed by 15% of the respondents, who were strongly disagreed with this opinion. On the basis of pie chart (4.8.2), it can be stated that 45% of employees from Small & Medium Enterprises perceive that their organization were likely to be benefited after adopting Strategic Manpower.

4.8.3 Inadequate reward for accomplishing the objectives of Strategic Manpower

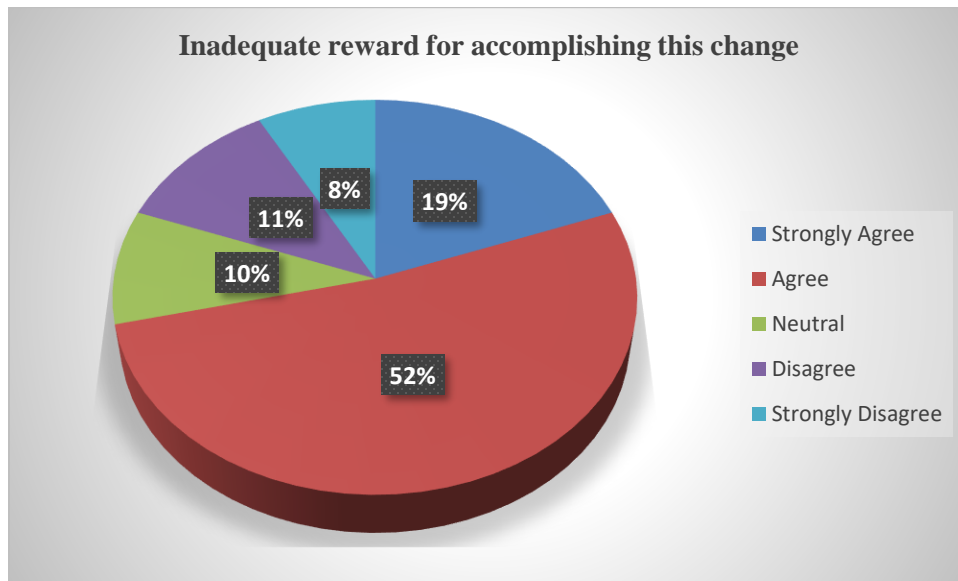


Figure 4.8.3: Inadequate reward for accomplishing this change

The above question illustrated the responses of the participants in terms of perceived reward after adoption of Strategic Manpower with SMEs of Ranchi district. In the response to the question, it was found that 19% of the respondents were strongly agreed with the opinion that “there was inadequate reward against the cost of Strategic Manpower implementation”. In addition, it was found that 52% of the respondents were agreed the statement there was inadequate reward against the cost of Strategic Manpower implementation. In the response to the same question, it was found that 10% of the respondents were neutral in this regard. In contrast, 11% of the respondents disagreed with the opinion that there was inadequate reward against the cost of Strategic Manpower implementation. This was further confirmed by 8% of the respondents, who were strongly disagreed with this opinion. In summary, it can be stated that the perception of employees towards adoption of Strategic Manpower within SMEs were

not very positive, as they believe that the rewards of adopting Strategic Manpower may not equate to the involved costs. This can be seen in the light of the first question that suggested, SMEs lack a clear purpose about why Strategic Manpower should be adopted by them.

4.8.4: Lack of necessary organizational support for adopting Strategic Manpower

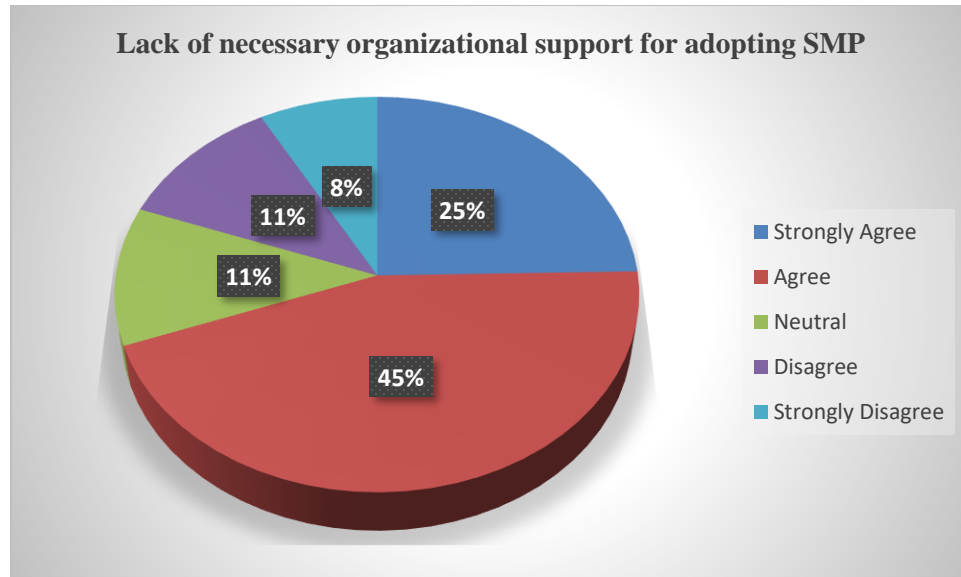


Figure 4.8.4: Lack of necessary organizational support for adopting SMP

When respondents were asked to register their perception about organizational support for adopting Strategic Manpower, it was found that 25% of the respondents were strongly agreed with the opinion that “there was a lack of necessary organizational support for adopting Strategic Manpower”. In addition, it was found that 45% of the respondents were agreed the statement that there was a lack of necessary organizational support for adopting Strategic Manpower. In the response to the same question, it was found that 11% of the respondents were neutral in this regard, while 11% of the respondents strongly disagreed with this opinion. It was also found that 8% of the respondents disagreed with the opinion there was a lack of necessary organizational support for adopting. Using the data from the above pie chart, it can be stated that 70%

of the SMEs employee perceive that their organizations lacked adequate support to adopt Strategic Manpower Planning process. Thus, it can be stated that organization support towards adoption of a formal Strategic Manpower Planning process was not very supportive within SMEs of Ranchi district.

4.8.5 Required skills and knowledge for this new planning process

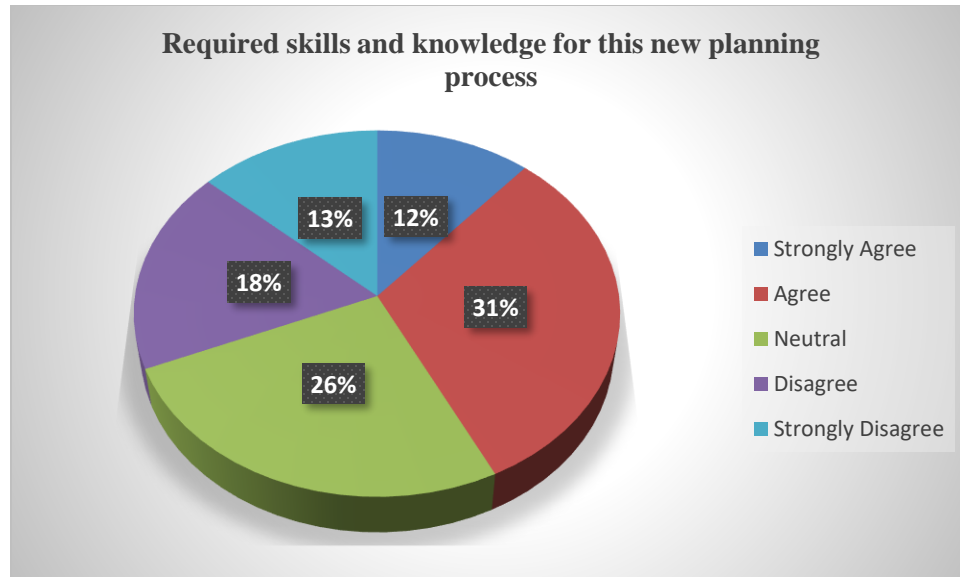


Figure 4.8.5: Required skills and knowledge for this new planning process

When respondents were asked to mark their perception about the presence of required skills and knowledge for this new planning process or effective adoption of SMP, it was found that 12% of the respondents were strongly agreed with the opinion that their organization had “required skills and knowledge for this new planning process”. In addition, it was found that 26% of the respondents were agreed this statement. In the response to the same question, it was found that 26% of the respondents were neutral in this regard, as they were no sure if their organization had required skills and knowledge for this new planning process of or effective adoption of Strategic Manpower Planning. It was also found that 18% of the respondents disagreed with the opinion they had required skills and knowledge for this new planning process. Using the data from the

above pie chart, it can be stated that more than 50% of the SMEs employee perceive that their organizations did not have required skills and knowledge for this new planning process.

CHAPTER V: RESULTS, DISCUSSION & CONCLUSION

CHAPTER V

RESULTS, DISCUSSION & CONCLUSION

5.1 Introduction

It is noted that the sustainable development of SMEs has a positive impact on economic development. Small & medium enterprises (SMEs) have been believed to contribute around 80% to economic development thus making it the fast-growing segment in the economy. It is also found that small & medium enterprises (SMEs) have contributed significantly to reducing poverty, stimulation the economy, creating jobs and promoting innovation (Osman, et al., 2011). Human Resource Management practices that are adopted by small & medium enterprises (SMEs) in Jharkhand, India is evaluated by functions types. The data is collected by using a qualitative method which is collected through the questions. The qualitative is used as such help in achieving the positive and socially responsible outcomes through the questionnaire.

5.2 Results

The present study draws attention to the prime challenge of strategic manpower planning, which has emerged from the systematic analysis of the literature. Firstly, it showed the human resource development in small and medium enterprises investigated and conceptualized several contexts, nations, practices, and other results. Nadler (1970) popularized the Human Resource Development, but it took till 1995 to be explored factually in the context of small & medium enterprises (SMEs). The present literature did not put any limitation on the year of publication. However, there are no factual

studies or theoretical hypotheses available across the database searched before the year 1995. As shown in 'Publication Distribution and Geographic Spread', the discussion about strategic manpower planning in small & medium enterprises (SMEs) is concerning the studies of Human Resource Development and small & medium enterprises (SMEs). A few studies were published either in the field of management or general HRM. The secluded nature of stream proposed it to be a niche area, which was not connected or communicated to academics other than the field of small & medium enterprises (SMEs) and Human Resource Development (HRD).

Secondly, until now most of the researches on strategic manpower planning in organizational performance in undertaken in the contexts of small & medium enterprises (SMEs) tried to realize the features of Human Resource Development (HRD) or identified individual and organizational results of Human Resource Development (HRD) in SME. Only a few works of literature and studies have been able to engage fundamentally with theories build on SME, which probably reinforced diverse conceptualizations and their operationalization in the existing literature. Besides, there was a considerable amount of diversification in regards to the design of research and the adopted approaches. Different approaches used presents diverse philosophical results, which as a result led to beginning a key challenge; how Human Resource Development (HRD) is defined. The issue continued to demonstrate a crucial challenge in the industry. The present study identified the limited reflection on the issue in regards to strategic planning in small & medium enterprises (SMEs).

Thirdly, the study also realized sufficient information and understanding of the idiosyncrasies of small & medium enterprises (SMEs), their distinct analytics with large

corporations, the challenges they go through and the positives that impacts their decisions engage with all forms of Human Resource Development (HRD). The reasons behind variations in Human Resource Development (HRD) practices between small and large businesses were theoretically underdeveloped and limited number of researches being done on the same. Most of the factual work on Human Resource Development (HRD) in small & medium enterprises (SMEs) did not seem to pay attention to other dimensions of the organization other than the size of the company as a way to discuss those characteristics and patterns of Human Resource Development (HRD) in the setting. Specifically, researchers failed to get the required attention to influence essential stakeholders in the setting of small & medium enterprises (SMEs), which comprises the role played by manager or owner, and the agency that was exercised by the individual employees.

The current literature proposed the need for context-sensitive and nuanced accounts of Human Resource Development (HRD). It highlighted and utilized the commanding perspectives of theories, which other studies made weak use of sturdy approaches and theories, and did not specify their stance. It found out the gap, which future studies must address. The present study identified the difference between small and large corporations are more than the scale of operations, and resulting theories need to come up based on the experience of a small firm. Besides, theories related to small & medium enterprises (SMEs) need consider limitations, motivations, and the uncertain conditions which small firms face and identify them from the ones which bigger organizations are facing.

5.3 Research Findings

5.3.1 Significance of Strategic Manpower Planning (SMP) for SMEs

- According to the findings of this research, it was identified that the employees working in Indian SMEs believe that there is no clear purpose stated by their businesses for the implementation of strategic manpower planning (SMP). Also, many employees have an opinion that the adoption of Human Resource planning does not benefit the small businesses. However, the opinions of Wickstrom (1981) contradicted the opinions of employees identified in this study. Wickstrom (1981) stated that the implementation of strategic manpower planning is significant for all businesses including small & medium enterprises (SMEs) as it helps in understanding whether the business or its departments are overstaffed or understaffed. Also, it benefits in filling the vacancies within the business timely. Reilly (1996) also had positive viewpoints about strategic manpower planning that signified manpower planning as a process of identifying human resource needs in the office, retaining talented staff, enabling creative work practices, investigating the background of future managers, etc.
- The findings of the current research indicated that in the opinion of the Ranchi small & medium enterprises (SMEs) employees, manpower planning is not supported by the higher authorities of the organization. They are reluctant to invest their time and resources in Human Resource planning considering the size of the business. Many of the employees also feel that the outcomes or rewards from the adoption of strategic manpower planning do not overpower the cost incurred in the implementation process within the small & medium enterprises

(SMEs). Therefore, according to the study results, strategic manpower planning is not considered much important in SMEs operating in Jharkhand, India. Contrarily, the opinions of researchers identified in the previous studies state the significance and effectiveness of strategic manpower planning in Indian small & medium enterprises (SMEs). In the opinions of Lunenburg (2012), effective Human Resource planning can help in achieving the best results and improving the efficiency of the business performance. The tools like Delphi technique, statistical trend analysis, etc. are beneficial in effective planning and forecasting of manpower and taking correct decisions in the business.

5.3.2 Advantages and disadvantages of Strategic Manpower Planning (SMP) for SMEs

- The findings of this study stated that some small & medium enterprises (SMEs) in Ranchi Jharkhand have adopted effective Human Resource practices within the business to attain growth and sustainability. These practices include recruitment and selection, training and development and performance management for getting better outcomes in the business. Direct supervision is undertaken in small & medium enterprises (SMEs) for assessing the performance of the staff members and employers are offered monetary rewards for good performance that helps in boosting the motivation and enhancing the dedication and performance of the employees. Similarly, Omar (2020) signified the benefits of the implementation of strategic manpower planning from the start of the business. The benefits include increased employee engagement, effective performance management, properly set rules and policies for salary and allowances, thus, increasing employee motivation and

satisfaction, etc. Past studies show that Drucker (2012) added some similar opinions in their study that the adoption of strategic manpower planning is beneficial for all organizations irrespective of their size and nature of work. It is believed that if the need for human resources is planned and managed appropriately, it helps in ensuring that the right and talented candidate is hired in the business for supporting the business structure as well as increasing the productivity of the firm.

- On the other hand, while talking about the disadvantages of implementation of the manpower planning process within the Indian small & medium enterprises (SMEs), the opinions of employees taken in this research were comprehended clearly. It was stated by the employees that many times the training and development of employees undertaken by the Human Resource within the small business is neglected by the line managers or not supported by the owners or managers due to lack of funds and infrastructure. Thus, it adversely affects the productivity and performance of the staff as well as the overall business. According to past studies, many disadvantages of the adoption of strategic manpower planning within the Indian small & medium enterprises (SMEs) were identified by different researchers. Dixit (2011) explored that due to a lack of skills and knowledge, the managers of small & medium enterprises (SMEs) might make inaccurate forecasts of the HR requirement which could increase the cost and also, waste the time of the business. Piderit (2000) stated in their study that the major disadvantage of strategic manpower planning implementation within small businesses is the employee resistance to change due to which it takes more time, energy and resources in motivating the staff to participate

in the implemented Human Resource practices. Also, trade unions oppose Human Resource planning within Indian small & medium enterprises (SMEs) as they feel that increases the burden of work among the staff and also increases unemployment among unskilled employees.

5.3.3 Major challenges or barriers affecting the implementation of Strategic Manpower Planning (SMP) in Small and Medium Enterprises (SMEs) of Ranchi District, Jharkhand

- The findings of this research noted that small & medium enterprises (SMEs) in the Ranchi district of Jharkhand face various challenges while implementing strategic Human Resource planning within the firm. Different barriers that affect the implementation process include lack of support from top management, lack of budget, lack of training and development opportunities for staff, perceived benefits of the strategic manpower planning etc. The findings of the previous study undertaken by Dixit, (2011) shared similar opinions in their study stating that Indian small & medium enterprises (SMEs) face many issues due to lack of proper infrastructure facilities, ineffective managerial skills of the owners or managers, etc. Furthermore, Agarwal and Jha (2015) explored in their study that lack of finance and credit facilities is one of the major problems faced by SMEs due to which they cannot invest huge funds in planning, research, manpower planning, and Human Resource management, etc.
- As per the findings of this study, the lack of training and development opportunities available to the employees working in small & medium enterprises (SMEs) in India affects their performance and also, results in dissatisfaction among the staff. Singh

et al. (2020) had some similar opinions in their research that identified small-scale businesses SMEs do not follow an effective training and development process due to lack of resources as effective training of staff requires investment and small & medium enterprises (SMEs) have a strict budget. The opinions Storey (2004) also stated that small & medium enterprises (SMEs) do not have highly qualified and trained employees due to budget and cost constraints and also, because these businesses are highly focused on short-term goals rather than long-term planning.

- Amin and Islam (2013) stated in a study that the use of the right tools for Human Resource planning in small businesses can help in attaining the best results in terms of matching the demand and supply of human resources within the industry. Also, various techniques can help in forecasting the requirement of the workforce in small & medium enterprises (SMEs) such as workforce analysis, regression analysis, ratio analysis, etc. Moreover, Coleman (1980) underlined that the effective implementation of Human Resource planning within small & medium enterprises (SMEs) positively results in improving the outcomes and performance of the business. However, according to the findings of this study, the viewpoints of the majority of the employees working in small & medium enterprises (SMEs) in the Ranchi district indicate that the perceived benefits of implementation of strategic manpower planning in small & medium enterprises (SMEs) are less than the cost involved in the adoption of this strategy. This is among the major reasons that stop the owners of small & medium enterprises (SMEs) to invest their time, energy and resources in undertaking strategic planning of human resources within the business.

5.3.4 Possible ways to overcome the barriers to Strategic Manpower Planning (SMP) in Small and Medium Enterprises (SMEs) of Ranchi District, Jharkhand

- Mullins (2005) recommended that managing resistance to change is one of the most significant ways of implementing strategic manpower planning in Indian small & medium enterprises (SMEs). The dedicated team members must focus on motivating the employees to participate in the change and give their ideas for better results within the business. Devos (2007) suggested in a study that the strategic leaders within small and medium-sized businesses can help in mitigating the resistance to change among the employees as well as the managers by explaining the need and significance of the change. The leaders of Ranchi small & medium enterprises (SMEs) can emphasize describing the benefits of strategic manpower planning for Indian small & medium enterprises (SMEs) to gain its benefits and attain success within the business. The results of the current study demonstrate that the dearth of experts in the human resources departments of Indian SMEs and the scarcity of funding have an impact on employee training and development programs as well as human resource planning. Therefore, small businesses must invest funds in the Human Resource department for hiring the right candidate and providing them with the right training as well as development opportunities as it could result in increasing the productivity of the employees and gaining success.
- The opinions of the employees gathered in the current study signified that the pay, training and promotion provided to the employees within the business help in increasing their motivation and improving their performance. This, in turn,

enhances the productivity and efficiency of the organization. Thus, Indian small & medium enterprises (SMEs) need to undertake proper Human Resource practices to train and manage the staff and increase their satisfaction and gain positive outcomes in the business. Effective management of human resources requires proper manpower planning and therefore, Indian small & medium enterprises (SMEs) owners must support the implementation of strategic manpower planning for enhancing the long-term survival and growth of the business. The findings of O'Neill et al. (2016) gave another suggestion for the implementation of change within small businesses in India. It was suggested that the owners of small & medium enterprises (SMEs) in developing countries should promote innovative and progressive organizational culture and motivate the employees to contribute their ideas and opinions regarding the change. Employee participation in the change process helps in the successful implementation of change and achieving success.

5.4 Discussion about the future direction

The current literature identified and discovered traditions and theoretical concepts that supported factual and conceptual studies on strategic planning and management in small & medium enterprises (SMEs). The findings of the study suggested that most of the studies have not utilized theories as a platform to improve the field's credibility. Whenever discussions on theoretical perspective are done, there is always an over-

reliance on a few small theories with limited supporting information about the innovation that extended the existing theories and adopted the new ones.

Based on the information collected in the present literature, it has been realized that there are three theoretical perspectives with the utility in Human Resource Development in context of small & medium enterprises (SMEs); theory of complex resource, the theory of upper echelons, and the theory of choice strategy. These three theories seemed a good fit to small & medium enterprises (SMEs) as they first seized informality, and emphasized the role of manager or owner, which founded to dominate the study, and propose effective explanations why small & medium enterprises (SMEs) adopted certain methods of Human Resource Development (HRD), which accounted for heterogeneity in the settings of small & medium enterprises (SMEs). The current literature acknowledged other theories including the theories of learning and training design were the cornerstone to the theories of Human Resource Development (HRD), which were utilized frequently in the present research paper. Therefore, the study emphasized suggested theories and addressed gaps and supported the field fundamentally.

The systematic review of the study realized the need for the resource-based view to informing factual investigations of Human Resource Development (HRD) in the context of small & medium enterprises (SMEs). Besides, it also represented a large amount of extension of the resource-based view that fits in context to SME. The complex resource-based view helped researchers to realize how the practices of Human Resource Development (HRD) emerged overtime informally rather than being planned or implemented strategically by the manager or owner of the organization. The systematic

review of the study highlighted that informality is related to the operations and rise of Human Resource Development (HRD) in small & medium enterprises (SMEs). However, the complex resource-based view raised the possibility of small & medium enterprises (SMEs) to utilize Human Resource Development (HRD) informally, which serves their needs in the best possible manner as it supports their strategic position.

In terms of the complex resource-based view, the study suggested that being informal is not only an evitable feature of Human Resource Development (HRD) in small & medium enterprises (SMEs) but also serves as an essential resource. The author argued about the value of the resource, which is grounded in sync with the operating context of the firm. When it comes to the context of SMEs, the informal practices helped with flexibility and built responsiveness as per the requirement of the organizational environment, which leads to competitive advantage. There was also evidence stating that the process of formation of strategies in SMEs was flexible enough to meet the requirement of changing the environment for businesses. The complex resource-based view suggested that small & medium enterprises (SMEs) would revise and make some changes in strategies as they get experienced.

The study found out that the process of strategy in small & medium enterprises (SMEs) seems to be dynamic that emphasize practices to match human resource with short term objectives rather than long term planning. It also concluded that the execution of structured approaches towards training and development along with the setting of small & medium enterprises (SMEs) may affect the response to day-to-day matters, which seem relatively urgent. The systematic review of the study showed light on the role of owners and managers, and their importance in the research of strategic manpower

planning in organizational performance in small & medium enterprises (SMEs). For instance, the study has identified the owner and manager's strategy of control as central to the practices of Human Resource Development (HRD), such as their desire to impose on how things are to be done. Given the role of owner and manager as a unit, the study suggested upper echelons theory, which is essential in theoretical perspective to realize cognitive characteristics, and its effect on the practices of human resource development. The theory of upper echelons put forward that the owners and managers would make all the decisions relating to the practices of Human Resource Development (HRD) based on their personal experience. The study also maintained that the power of predictability of this theory would be significant as small & medium enterprises (SMEs) are built around owner and managers, and reflect their own characteristics. Previous studies suggested that the characteristics and values of the owner and manager were essential to clarify why the adoption of such practices was required. Owners and managers act as per their understanding and influence the decision about management in small & medium enterprises (SMEs). It was also concluded from the literature that owners and managers have a particular understanding of the practices of Human Resource Development (HRD), and they learn due to experience, as a result they follow informal Human Resource Development (HRD) practices. They find less value in informal practices that can be utilized in small & medium enterprises (SMEs).

Besides, the study identified two issues concerning the theory of upper echelons, particularly in small & medium enterprises (SMEs). It suggested that the discretion of the manager and the demand of the job possibly influence their characteristics and values. It was found out that the greater the discretion, the greater the influence on their

characteristics. The research indicated that owners and managers have a challenging demand for the job as they have few subordinates, various challenging tasks, make a crucial investment for business success. It intimated about the managerial attention they can put on issues relating to Human Resource Development (HRD). Overall, the study concluded that the role of strategic manpower planning in organizational performance of SME is particularly impacts attributes of owner and managers on the outcomes of the organization. Smaller businesses are limited due to the inertia of the organization, with a typical decision-making process. Owners and managers control the top team and there were other essential constraints of resources.

The study further proposed valuable insights that supported the adoption of practices of Human Resource Development (HRD) in small & medium enterprises (SMEs) with strategic choice theory. The prime assumption that made it a strong fit for the small & medium enterprises (SMEs), it relates to the existence of a strong coalition that guides both action and choice of businesses. Center to this strong coalition is owner and managers who has control over the entire decision making. In all, the study concluded with the requirement of deepens and broaden the theoretical base of research about the role of strategic manpower and planning in small & medium enterprises (SMEs).

5.5 Recommendations

This section of the study emphasises recommending how small & medium enterprises (SMEs) in Ranchi, Jharkhand can embrace strategic manpower planning for enhancing the sustainability of the business. As it is known that manpower planning is a significant element for every organisation irrespective of its size, therefore, all small businesses must engage in effective planning for hiring the best and the most talented workforce

within the business for attaining higher competitive advantage and a great level of efficiency. The ways in which the small & medium enterprises (SMEs) in Ranchi can enhance strategic manpower planning are as follows:

5.5.1 Improving resource allocation in SMEs

It is significant for small businesses to allocate an adequate number of resources, both financial and human resources. This can help in effective research, hiring, training and development of the staff members that can result in improved efficiency and performance of the business. Thus, the Ranchi small & medium enterprises (SMEs) should invest funds for allocating better human resources within the organisation after analysing the need for the employees effectively (Singh et al. 2020). Better resource allocation can also help the SME in identifying the areas that require additional resources and thus, fulfilling that need rapidly can help the business in reaching its full potential and attaining success. The managers or owners of small & medium enterprises (SMEs) in Ranchi should focus on investing their time, energy and efforts in allocating the right and talented human resources within the business that fits the purpose and contribute their best for the betterment of the small & medium enterprises (SMEs) (Adla et al. 2019).

For improving resource allocation, the managers of SMEs in Ranchi should identify the resources that are needed, assess the effectiveness of the current human resources and then prepare a resource allocation plan. The resource allocation plan can help the business in filling the manpower gap by describing the need for a particular human resource and the task they will be accomplishing. The appropriate allocation of

resources can help the small & medium enterprises (SMEs) in meeting their short as well as long-term goals. The owners of the small & medium enterprises (SMEs) in Ranchi must ensure that the right person with the right set of skills is hired at the right time at the right job position for meeting the goals of the firm.

5.5.2 Strategic Leadership

The adoption of strategic leadership within the businesses can help the Ranchi small & medium enterprises (SMEs) in recognising and exploiting the available resources effectively for meeting the desired goals of the business. By adopting strategic leadership within the small & medium enterprises (SMEs), the managers or owners of small businesses in Ranchi can effectively coordinate all the resources and attain optimum utilisation of resources, thus, attaining success. The SMEs must follow strategic leadership, where leaders practice innovation, active listening, collaboration, empathy, a positive working environment, strong communication, humble behaviour with the staff members, etc. Strategic leadership behaviour within the workplace can help the employees in feeling a sense of belongingness towards the organisation and this results in improving their efficiency and performance as well as increasing their loyalty and retention (Singh et al. 2020).

The leaders of the small & medium enterprises (SMEs) should emphasise implementing strategic leadership for exercising specific talent initiatives and programs within the business for increasing employee interest, enthusiasm and engagement thus, encouraging the growth of the business. Strategic leadership can help the small & medium enterprises (SMEs) in taking the right decision related to the present and future hiring within the business and thus, identifying skilful employees for the business and

offering them training, empowering the workforce and encouraging them to attain their highest potential. The leaders of the small & medium enterprises (SMEs) in Ranchi should engage in strategic thinking and analyse the dynamic environment for bringing the necessary changes in the current workforce and working styles of the business for the better functioning of the business (Susanto et al. 2021).

5.5.3 Organisational Culture

The next important thing to be comprehended by the owners or managers of the Jharkhand small & medium enterprises (SMEs) is the role of organizational culture in managing the operations of the business. The managers and owners of Ranchi small & medium enterprises (SMEs) should understand the significance of the human resource planning and management in the business and the staff members must be treated as an asset with equality and respect to boost their morale and motivation and bring out the best in them. The owners of small & medium enterprises (SMEs) should promote a collaborative work culture where all the stakeholders are involved in the decision-making process and the planning regarding the long-term workforce is undertaken by coordinated decisions of all the important people of the business (Halim et al. 2019).

The owner of the small businesses operating in Ranchi Jharkhand should promote a culture of open communication. The communication with the small & medium enterprises (SMEs) should be two-sided; the staff should be encouraged to share their problems and clear their doubts. On the other hand, the managers must provide effective feedback to the staff for improving their performance, gain insights into the problems

faced by the employees within the workplace, etc. as it can help in retaining the right candidates in the business for the long-term (Iqbal et al. 2020).

5.5.4 Support from top management

The top management or the owners of the Ranchi small & medium enterprises (SMEs) must support strategic workforce planning to enhance the long-term survival of the business. The small businesses in Jharkhand avoid investing funds in HR planning, recruitment and selection which results in the hiring of incompetent candidates and thus, affecting the performance of the business. It is significant for the managers to give their time to identifying the gap in the demand and supply of the workforce and fulfilling the need by auditing the current workforce, preparing a plan and implementing the plan for fulfilling the workforce requirements of the business (Khan et al. 2013).

The top management of the small & medium enterprises (SMEs) in Ranchi should emphasise preparing a development plan for each employee by talking with the employees, assessing their current strengths and weaknesses and helping them in improving their skills and also creating an employee succession plan. The employees feel valued and this results in improving the performance and productivity of the staff and reducing employee turnover. When the employees feel supported by their employers, they try to give their best for the betterment of the organisation. Thus, the support from top-level management in small & medium enterprises (SMEs) can help in retaining the staff and improve the overall performance of the business (Langwell and Heaton, 2016).

5.6 Implication of research

1. The study found out that the process of strategy in small & medium enterprises (SMEs) seems to be dynamic that emphasize practices to match human resource with short term priorities rather than long term planning.
2. It also concluded that the execution of structured approaches towards training and development along with the setting of small & medium enterprises (SMEs) may affect the response to day-to-day matters, which seem relatively urgent.
3. The systematic review of the study showed light on the role of owners and managers, and their importance in the research of strategic manpower planning in organizational performance in small & medium enterprises (SMEs).
4. The study has identified the owner and manger's strategy of control as central to the practices of Human Resources Development, such as their desire to impose on how things are to be done. Given the role of owner and manager as a unit, the study suggested upper echelons theory, which is essential in theoretical perspective to realize cognitive characteristics, and its effect on the practices of human resource development.

5.7 Implication of Researcher

1. The owners of the small & medium enterprises (SMEs) in Ranchi must ensure that the right person with the right set of skills is hired at the right time at the right job position for meeting the goals of the firm.
2. As we known that manpower planning is a significant element for every organisation irrespective of its size, therefore, all small businesses must engage in effective planning

for hiring the best and the most talented workforce within the business for attaining higher competitive advantage and a great level of efficiency.

3. The owner or manager of the small & medium enterprises (SMEs) in Ranchi should engage in strategic thinking and analyse the dynamic environment for bringing the necessary changes in the current workforce and working styles of the business for the better functioning of the business.

5.8 Limitation of the study

As diligently quoted by Sir Henry Ford: ‘As we advance in life, we learn the limits of our abilities’. Due to constraints such as time and resource, every study has some limitations, which paves way for future research. Following are the limitations of the current study:

1. It is observed that respondents are reluctant to provide the information or giving renewed consent for the data provided by them. So unwillingness of the participants was the major hindrance in the research. It also obstructed the flow of research.
2. The study is limited to the six industrial zones of Ranchi District.
3. The sample size is minimum 10 %. As mentioned in the Source: Office of MSME, Ranchi, Jharkhand) & JCI, Kokar, Ranchi, Jharkhand. Further, due to time and resource constraints, the sample size was limited to 30 SMEs and 150 respondents, who were the managing heads or owners of SMEs.

4. The data used in this study is was collected before the COVID-19 pandemic, which might act as a limitation when understanding the contemporary business environment.
5. Last limitation of the current research is that there is a lot of scope of discussions. As the not more research has been done in the said area and not much information is provided on the sources available.

5.9 Future Scope for Research

1. Significant scope to broad – base this study across SME hubs – not only in the larger manufacturing hubs in Ranchi, Jharkhand. But also, across the other leading manufacturing states.
2. By enumerating a larger portion of the population or assembling a team of research academics, further study may be conducted to cover a larger number of SMEs and expand the sample size.
3. Future research may be on the topic of impact of Covid -19 on SMEs in different states of India.
4. Future research may be administration to cover to implement strategic manpower planning in new start-ups business in India and Abroad.

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Appendixes

Examining the Barriers of Strategic Manpower planning process in SMEs of Jharkhand (specially Ranchi District)

Survey Questionnaire for Strategic Manpower Planning (SMP)

1. Gender

- a) Male
- b) Female

2. Age

- a) 18-25 years
- b) 25-34 years
- c) 34-45 years
- d) Above 45 years

3. Experience

- a) 1-5 years
- b) 5-10 years
- c) 10-15 years
- d) More than 15 years

Survey Questionnaire for Strategic Manpower Planning (SMP)

On the basis of your prior experience, please answer following questions on the scale:

(1= strongly agree, 2= agree, 3= neutral, 4= disagree and 5= strongly disagree)

1. HR Systems- Human Resources Planning

		1	2	3	4	5
1	We have a formal system of Human Resources Planning					
2	My organization plans Human Resources requirement well in Advance					
3	HR planning system is aligned with business Requirement					
4	HR planning system is able to provide manpower as per business needs					
5	Human Resources Planning is considered as an important system in our organization					

2. HR Systems- Recruitment

		1	2	3	4	5
1	Recruitment system is properly documented and Followed					
2	The recruitment system encompasses a systematic approval of positions					
3	Required talent is available in time					

4	New joiners are found to be right fit for the job					
5	Recruitment system has a definite budget					

3. SMP: Top Management Attitude

		1	2	3	4	5
1	The top management takes initiatives to ensure effective manpower planning is at place					
2	The top management believes that human resources are extremely important					
3	Development of the subordinates is seen as an important part of the job by managers					
4	The top management is willing to invest for a new manpower planning process					
5	The top management of this organization makes efforts to identify and utilize the potential of the employees					
6	Top management is willing to provide training, if new systems are implemented					
7	Induction training is well planned					
8	Induction training is of sufficient duration					
9	Top management evaluates manpower planning process ever year					

10	Training of workers is given due importance in this Organization.					
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4. SMP: Resistance to Change

		1	2	3	4	5
1	The purpose of adopting SMP is not clear					
2	I believe that adopting SMP would not bring benefits to SMEs					
3	The cost of adopting SMP would be very high and it is not required					
4	I believe that there are inadequate reward for accomplishing this change					
5	There is a lack of necessary organizational support for adopting SMP in near future					
6	I expect a positive impact on productivity after adoption of SMP					
7	I believe that work patten would reaming similar after adoption of SMP					
8	I am treating this change as meaningful					
9	I believe that my organization has the required skills and knowledge for this new planning process					
10	My personal interests are not threatened by this change.					

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