



Human Resource Management System

HR works for SME Growth

The booming economy, friendlier regulations and more importantly, self-belief, are the reasons why the Small and Medium Enterprises (SME) sector in India, has experienced a rapid growth in the recent year. This has also enhanced appreciation of this sector's critical role in driving economic growth of the country.

Realising the potentially important role that SMEs can play in an emerging market like India, the Government is also planning to come up with more support for this sector. Small and Medium Enterprises (SMEs) in India will soon be assured of a guaranteed proportion of the government procurement market thanks to a new government scheme that would make it mandatory for government departments to buy 10 per cent of the services from small enterprises.

Whilst this provides a big opportunity for the SMEs, it also requires them to be more competitive. According to Charles Darwin, it is not necessarily the strongest and the largest species that survive, but the ones most responsive to change. The same rule applies not merely to biological species, but also to corporate organisations.

In order to catapult to the "bigger league" the SMEs need to align themselves to new ideas, processes and acquire a professional outlook by adopting the best management practices. In short, they need to change the ways of managing businesses.

Devising strategies is the first significant step towards achieving desired goals. However, the battle can be won only when these strategies get converted into action plans that can be implemented. The organisation then can create a foundation for collaboration by providing everyone with a holistic view of the company's strategies and helping them understand how their roles impact the overall performance of the organization.

It is therefore important that, not only the customers and suppliers, SMEs today also need to collaborate closely with their own employees, in order to increase the organisational efficiencies. Most bosses of SMEs are keen to keep a firm grip on people's matters only with themselves, rather than appoint an HR director or outsource to a third party. A recent survey by a leading SME recruitment and retention firm, showing that as many as 41% respondents acknowledging not spending enough resources on HR, reflects the consequence of that mindset.

Any organisation, be it a small start-up or large-sized corporate, employees are the centers around which that particular organisation revolves. That is why it is very important to be in touch with them and interact with them constantly and consistently. The more the involvement, the more the benefit for any entrepreneur. And, Information Technology can play a big role in achieving that involvement.

Today, human recourse management software can help an organisation in finding solutions to a wide range of issues in Human Resource Management. It can help the organisation to put the right people in the right jobs, develop their skill sets, reward the top performers, retain the key talents, and increase efficiency of its people. This means reduced costs, paperless work environment, an inspired workforce and more importantly, increased profits.

One must remember that today we are living in a global village, where our best resources are our people and their collective intelligence. That makes it imperative to adopt world-class business practices in order to become globally competitive.

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