Chapter 08

ANALYSIS OF INTEGRATED SYSTEM FOR WORKFORCE MANAGEMENT AND ITS ADVANTAGES TO MEDIUM, SMALL AND MICRO BUSINESSES

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ABSTRACT

SMEs make up a disproportionately big portion of the business sector in developing nations. Many economic sectors should thank SMEs for the prevalence of innovation and healthy competition because of their contributions. Many different types of micro and small businesses are visible on a daily basis, from the photocopy shop in the local market to the chaat stall that sets up every night in the town centre to the home décor retailer on the outskirts of town

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8.1 INTRODUCTION

Management theory and practice have undergone fast evolution, supplementation, and exclusion in the past. As a consequence, many new management ideas have emerged, many of whose acronyms are unfamiliar even to those with extensive training in the subject (for example TPM, DDM, MBP, MBO, HRM). The Quality Management System (QMS) based on ISO 9000:2000, the Environmental Management System (EMS) based on EMS ISO 14000, the Occupational Health and Safety Management System (OHSMS) based on OHSAS ISO 18000 (presently 45001), the Risk Management System (RMS) based on RM ISO 17000, and others in the works all emerged as a result of the quality and environmental movements that emerged in the 1990s. It is clear to anyone operating on IMS that there are no standard elements that may neither easily nor effectively be applied to activity and size of the organization, despite the fact that every standard tries to explain that these standards are applicable equally to any organizations regardless of their activities, size, and structure. Numerous publications by ISO and other international quality organizations that promote the use of quality management systems (QMS) and SMEs as standards in a wide range of activities, thereby assisting the target organizations in overcoming difficulties associated with the implementation of these standards and realizing the internal and external benefits to which they are entitled, provide further confirmation of this.

8.2 ABOUT SME

Businesses with less than a specific number of employees or annual sales are considered "small" or "medium" in size, or "small and medium-sized" (SMEs or SMBs). Numerous multilateral institutions, including the World Bank, the European Union, the United Nations, and the World Trade Organization, all use the acronym "SME" to refer to smalland medium-sized enterprises (WTO).

Small and medium-sized enterprises (SMEs) may often be found in greater abundance than giant corporations in any given national economy. Small and Medium-sized Enterprises (SMEs) account for 98 percent of all companies in Australia, generate 33 percent of the country's GDP, and provide jobs for 4.7 million people. About 99.5% of Chilean businesses were considered SMEs in the 2014 fiscal year. About 62% of the labour force in Tunisia is engaged by businesses with less than 100 people, the vast majority of whom are independent contractors. Small and medium-sized enterprises (SMEs) in the United States account for 50% of total employment yet produce only 40% of GDP.

Small and medium-sized businesses (SMEs) make up a disproportionately big portion of the business sector in developing nations. Many economic sectors should thank SMEs for the prevalence of innovation and healthy competition because of their contributions. Small and medium-sized enterprises (SMEs) are both the primary generators of new employment and the primary targets of job elimination and reduction.

8.3 DIFFERENCE BETWEEN MICRO, SMALL AND MEDIUM ENTERPRISES

Businesses range from mom-and-pop shops in the neighborhood to multinational conglomerates with hundreds of locations. Depending on the needs for human resources, these businesses employ a wide range of staff members. The initial investment needed to launch such businesses is often modest. Many different types of micro and small businesses are visible on a daily basis, from the photocopy shop in the local market to the chaat stall that sets up every night in the town centre to the home décor retailer on the outskirts of town. With the new redefinition of MSMEs, the government raised the investment maximum, added a turnover condition, and eliminated distinctions between manufacturing and service businesses.

According to the latest update, "medium firms" are defined as those with a capital expenditure of more than Rs 10 crore but less than Rs 50 crore and a revenue of between Rs 50 crore and Rs 250 crore. Companies with an investment range of 1–10 crore and a revenue range of 5–50 crore fall under the category of small companies. Finally, micro-enterprises are classified as businesses that have an investment of up to Rs 1 crore and arevenue of less than Rs 5 crore.

8.4 INTEGRATED MANAGEMENT SYSTEM

When a company implements an Integrated Management System (IMS), all of its processes, procedures, and Standards are brought together and managed by a

single set of rules. Businesses may save time and effort by addressing all aspects of their management system at once with this merger. A well-implemented IMS eliminates the need for separate tools, saving time and effort. One Standard audit is all that's needed instead of separate audits for each. When these procedures are coupled with the help of an IMS, they may meet all of the Standards' demands at once.

8.5 BENEFITS OF AN IMS

- **Performance**

  Streamlined procedures and continual improvement can help to push business withbetter quality, improved health and safety, and increased productivity.

- **Speed and cost-effectiveness**

  The system's initial investment and ongoing upkeep might be minimized with integrated management that allows for the sharing of jobs and procedures. This may save resources and free up senior personnel to focus on other priorities by combiningthe audit and management review into a single process.

- **Consistency**

  Simplify life by integrating systems. The operations will be more consistent and rational if the use standardized systems and work together. It will highlight shared corporate objectives and provide company with sharper, more focused targets for growth.

8.6 WORKFORCE MANAGEMENT

The overall goal of workforce management is to optimize basic business functions. From employee scheduling to tracking employee performance, workforce management software aims to ensure everything runs as smoothly and effectively as possible. Some businesses use different software for each function. More commonly, businesses use software that’s able to do more than just a handful of tasks. Some of the most tedious tasks that workforce management software helps with are scheduling and record management. There’s a lot to keep track of for the purposes of record keeping, and improper record management can result in hefty penalties. Workforce management integration can help to eliminate the burden of those time-consuming tasks by helping to generate schedules and keep records of business affairs with little effort on the person.

8.7 WORKFORCE MANAGEMENT SYSTEM

Workforce management pulls together disparate information. Here are some of the areasand data collected.

- **Real-time data collection:** With workforce management software, data on employee performance, staffing levels and other areas to eliminate as much wasted time as possibleand more efficiently allocate resources.
- **Field service management (FSM):** The employees might not always be able to perform their tasks from the comfort of their own homes or offices, and the may have a field service team. Unknown environments present new variables and challenges. FSM is designed to help track and dispatch field technicians and typically include vehicle tracking, scheduling, inventory management and even customer payment and feedback tools. As a note, some companies view FSM as a different category of software that is not a part of core workforce management.
- **Human resources management (HRM):** Data from the human resources management system like employee files, including contractors and seasonal workers, is integrated withthe workforce management system.
- **Training management (TM):** Administer, track and report on trainings for employees. Trainings can be for compliance and safety purposes, or just a way to streamline employee education on things like new equipment or processes.
- **Performance management (PM) and monitoring:** Set goals or key performance indicators with employees and then track their progress. Schedule regular evaluations and allow for employee feedback to keep them engaged and to improve strategy. PM and monitoring also keeps a record for employees and teams so new managers and others can see a history of performance to gain perspective. This also helps spot top performers, aswell as some who may need improvement.
- **Recruiting:** Bringing the right number of employees with the skillset to match the needs of business is not an easy task. It's more than just reactionary filling vacated job posts. It involves identifying areas of possible growth or bottlenecks and matching workforce with strategic goals.
- **Budgeting:** In a typical annual budget process, leadership and finance will likely agree on a budget and approximate headcount for the year. But that budget will not articulate what that means for individual teams and this is when workforce management comes in. Detailed human capital management information about

historical trends, including turnover, recruiting and realistic timelines will help flesh out the budget.

- **Demand forecasting:** Advanced technology in the system can predict changes and needsin staffing levels and make recommendations on actions to take.
- **Scheduling:** In addition to basic scheduling functions, workforce management software can integrate with other data sources, such as call center volume, store-level data from POS systems and sales forecasts, to predict staffing needs and automate scheduling.
- **Analytics:** Workforce analytics help demonstrate return on investment evidence, track employee productivity and shed light on workforce planning. can also use the analytics to identify a specific workforce related issue and develop a plan to address it. For example, might have a high turnover. By analyzing the data, may be able to identify trends for teams with high turnover rates and dive into the data to identify common characteristics.
- **Time clock:** Employees might scan a badge to clock in. But more advanced software uses GPS and mobile applications to track employee work hours. It can even account formeals, breaks and overtime and holiday pay.
- **Leave and absence management:** Accrual policies are customizable, and employees and managers can use it to view, request and approve time off.

8.8 INTEGRATED WORKFORCE MANAGEMENT SYSTEMS FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

Gure and Karugu (2018) determined the effect that strategic management techniques have on the productivity of small and medium-sized enterprises (SMEs) in Nairobi County, Kenya. The study's particular goals were to examine the impact of low-cost leadership, differentiation, focus, and combination tactics on the success of small and medium-sized enterprises (SMEs) in Nairobi City County. The study's theoretical foundations were the resource-based perspective theory, the resource dependency theory, and Porter's generic strategies model. The empirical research investigated the effects of Porter's general competitive strategies on the financial performance of small and medium-sized enterprises (SMEs), including the cost leadership strategy, differentiation strategy, focus strategy, and combination strategy. Descriptive research methods were employed for this investigation. The sample was made up of youth-owned SMEs located in the 17 functional sub-counties of Nairobi City County. One hundred business owners participated in the survey. Thirty people were randomly

selected from all of the sub- counties to represent 30 percent of the sample population. The major source of information was a semi-structured questionnaire that the participants filled out on their own time. Descriptive statistics (percentages, frequencies, means, and standard deviations) were used in SPSS for data analysis, and the results were shown graphically (in the form of tables, charts, and graphs) and tabulated. The research found that Michael Porter's generic methods of competitive advantage, such low-cost leadership, differentiation, focus, and combination strategies, had a major impact on the performance of SMEs in Nairobi City County, Kenya. Changes in SME organizational performance was 85.11% explicable by the factors. The organizational performance of SMEs increased by 0.655 per unit increase in the adoption of low-cost leadership strategies, 0.876 per unit increase in the adoption of differentiation strategies, 0.945 per unit increase in the adoption of focus strategies, and 0.860 per unit increase in the application of combination strategies (Baglioni, 2018).

Aremu et al. (2018) 's study makes a framework proposal that was developed using data collected through questionnaire. In the Nigerian state of Oyo, 217 businesses of varying sizes were sent the specifically developed questionnaire. In order to get the most relevant answers, we narrowed the survey participants down to CEOs, MDs, and managers. Once data collection was finished,

Partial Least Squares Structural Equation modelling was used to examine the empirical data. The findings show that the adoption of the ERP system by medium-sized enterprises to boost their performance is significantly influenced by both organizational structure and technology development. The success of an organization in this aspect depends on how well it adopts ERP systems. This research presents an improved theoretical framework for studying the critical aspects of ERP system adoption, which has important implications for businesses of medium size. This paper's novel perspective stems in partfrom its use of a three-dimensional framework.

Turner and Ledwith (2018) look at the traits of SMEs that encourage them to adopt such methods, and they examine the pros and cons of doing so. They performed web-based surveys and interviews with 19 businesses. Small and medium-sized enterprises (SMEs) tailor their project management strategies to their specific needs. The implemented procedures are geared toward the needs of the consumer. Small and medium-sized enterprises (SMEs) believe that the benefits of project management exceed the costs, but the perceived bureaucracy and overhead has been the major impediment to its implementation.

Belhadi et al. (2018) investigated and analyze the ways in which lean has been used in SMEs located in developing nations. Therefore, survey research was

conducted with a sample of 84 SMEs in North Africa to gather exploratory empirical evidences. In addition, statistical analysis was done to evaluate the state of lean in SMEs around the area. Even while SMEs have acknowledged the critical need of lean, relatively little progress has been made in this area. These results may prompt more in-depth research on the best ways to increase leanadoption in developing nations.

Sangwan and Choudhary (2018) aimed to do two things: (a) create a statistically sound and valid model of performance measures (PMs) for monitoring the environmental behavior of various businesses; and (b) compare and contrast these businesses according to their commitment to environmentally friendly policies and procedures. Based on data collected from the industrial sector, a new model for PM has been presented. With the use of structural equation modelling, the generated model has been tried and true. Using hierarchical cluster analysis and one-way ANOVA, they compared the GM performance across industries and company sizes in India's manufacturing sector. It seems that the data point to product design and top-level management support as the primary PMs responsible for the success of GM practices. The chemical, automobile, food, and pharmaceutical industries have all been proven to perform very well. It has also been discovered that when it comes to GM practices, large-scale firms do better than medium-sized ones, which perform better than tiny and micro enterprises. The questionnaire's indicators and variables are judgement calls, and the data comes only from Indian manufacturing firms. The suggested approach may be used by governments, trade organizations, and non-governmental organizations to evaluate the environmental impact of the manufacturing sector. Different policy-influencing and -making agencies may utilize the benchmarking to shape future policies aimed at progress. The industry as a whole may utilize the data to better compete with its peers. The paper's main contribution is an empirical assessment of green performance benchmarks for manufacturing businesses across sectors and sizes. Using hierarchical cluster analysis and one-way ANOVA, they compared the levels of GM performance across industries of varying sizes and specializations.

8.9 OBJECTIVES

To analyze integrated systems for workforce management and its advantages to medium, small, and micro businesses.

a) Explore the various element of Workforce Management.
b) Investigate the factors influencing the Integrated Systems for Workforce Management.
c) Find the factor which influences the Workforce Management in Medium, Small and Micro Businesses.

8.10 RESEARCH METHODOLOGY/ REQUIREMENTS OF THE RESEARCH WORK

This scope of IMS integration in Medium, Small, And Micro Businesses under the study used exploratory research along with analytical method. This approach starts with collecting specific observations, which are then utilized to draw generalized inferences from the study's results. The inductive technique was chosen because it considers the study environment and is best for small qualitative samples. Inductive was chosen for these reasons. However, the inductive method's main drawback is that it develops generalized hypotheses and conclusions based on a small number of observations, which casts doubt on the study's results. This method mainly used questionnaire response analysis using collection of data of primary response.

i. Statement of Research Problem

Although the employment generated by SMEs is huge, they sometimes turn out to be temporary in nature. This is because quite a number of SMEs die out before they cross the five-year threshold. This results in further unemployment. SMEs have been criticized in the past for their staggering rate of bankruptcy. Sometimes in order to survive and be in the race, SMEs flood the market with cheap products and services. Although such produce can temporarily replace the original product it often cannot survive the competition. This completely ruins the brand image and the value of the aspiring SME. And one of the major challenges which has been the recently has come in focus as Lackof integrated solution for work force management.

ii. Research Design

The validity of the self-made questionnaire that was presented to employees working in medium, small, and micro businesses was backed by the statistically significant findings of expected correlations and group differences. It was discovered that respondents who watched Medium, Small, and Micro Businesses on a more regular basis were already acquainted with the new patterns introduced by IMS. A more nuanced and individualized scale of cultural values based on fashion is now being constructed. Through the use of aquestionnaire, the responses of a certain group have been gathered.

iii. Limitation

- Demographic area is very limited.
- Respondent data has very limited.
- Limited number of questions has only been raised in order to keep the privacy ofemployee.

8.11 SCOPE OF THIS RESEARCH

As a result, there are benefits and drawbacks to running a small or medium-sized business. The government's efforts to promote entrepreneurship by establishing climate- friendly laws and accessible funding mechanisms need careful planning and execution. Prospective business owners are encouraged by liberal policies to take the jump, which benefits both them and society. SMEs have the potential to significantly increase long- term income, opportunities, and GDP. An Integrated Management System (IMS) integrates and manages a company's processes, procedures, and Standards. This merger may save time and effort by tackling all management system issues at once. A well-implemented IMS saves time and effort. Instead of individual audits, one standard audit is sufficient. These methods can fulfil all Standards requirements using an IMS. So, this research tries to investigated the implementation of IMS for Medium, Small, And Micro Businesses.

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