

Are MSME Employer of Choice? - An Empirical Enquiry

Sanskriti Joseph and S. K. Indurkar

Institute of Management, Pt. Ravishankar Shukla University, Raipur (CG), 492010

Abstract:

The start-up boons and entrepreneurial insights of young entrepreneurs have brought a renaissance in the Indian MSME sector in India. Small and medium sector industries in India are offering a host of employment opportunities to skilled and unskilled labour along with a vast array of innovative products and service offerings. Ahmed and Sanu (2016) indicated that MSME sector is approximately going to employ 80.52 million people in near future. The advent of a pandemic like covid has shrunk the job markets and job markets have witnessed a steep decline in their job offerings. Tripathi (2020) highlighted that pandemic in India has contracted the earnings of MSME by 20% thus causing huge impacts on employability and generation of employment in this sector. Further lack of manpower planning coupled with a low orientation towards training has increased the problems related to attraction and retention of manpower in MSMEs in India. Ambler and Borrow (1996) have indicated that employer branding is key to retention and acquisition of employees in competitive labour markets. The covid situation in India has necessitated the understanding of employing the right man for the right job to make optimum utilization of scarce resources. Further a huge distress amongst job aspirants as they are unable to connect with their future employers due to strict covid protocols. Social media in various cases has come to the rescue where recruitment advertisements are published by companies through various social media platforms to reach the right talent base. In the current scenario where the job market is shrinking and employability is decreasing the present paper is an attempt to understand whether MSMEs can become an employer of choice.

Key Words: MSME, employer branding, manpower planning, social media

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I. Introduction:

The approach is always guided by the need of Indian Markets. Employer branding practices in the MSME sector are also a leading example of this standard. Purushottam et al (2019) indicated that financial constraints and lack of loyal employees are still the basic problems of MSMEs. He further opined that employees in the MSME sector feel that the practice of employer branding is still in its novice stage in the MSME sector. MSME sector in India faced an unprecedented situation with the advent of the Pandemic. The bottlenecks in meeting the dwindling demand side of its products and services led to an extreme disparity in the sector. The Government of India with its handy financial packages has made a gigantic effort to revive its MSMEs sector. This has forced the MSMEs to come up with a strategic plan to work for their survival. Gudi et. al (2021) underlined the problem of the MSME sector in India by highlighting that the downfall in economic activities reduced productivity leading to a loss in employment opportunities which in turn brought uncertainty with respect to income generation and survival. Further, the process of branding is almost absent in the MSME sector in India as well as abroad. The management of MSME perceives branding as a futile exercise as they feel that trading can be done without branding. Setiawati (2019) highlighted that lack of use of communication channels to promote themselves as a brand has led to the loss of market for MSME. Srinivasan and Kunjangad (2019) further highlighted that the MSME sector is working with various dilemmas. They focus on short-term strategies and ignore efficient demand management practices which can be better handled by innovation and equipped manpower.

The feeling of uncertainty related to job markets is causing huge pressure on individuals who are now termed as Covid batch and are facing problems with their career progressions. The effect of the pandemic had a direct effect on their examination and results which were caused by delays in sessions due to country-wide lockdowns. They are eagerly looking for a career opening in the MSME sector. They are the internet generation and they usually use Social media to enquire about jobs in their relevant fields. Social recruitment is becoming a recommended source for tracing potential employees. Hamdan et. al (2019) used the promotion optimisation model to understand the impact of the promotion mix on prospective clients. Their study concluded that the perception of the receiver of a message with respect to mutual trust and responsibility related to a media determines its success. Grzesiuk and Wawer (2018) conducted a survey of 100 Polish companies to understand

their employer branding strategy with respect to external brand communication using social media. They deduced from their study that it is still in its nascent stage as the majority of companies have an underdeveloped approach to employer branding practices. Kucherov and Zhiltsova (2021) studied the opinions of final-year students with regard to social recruitment and employer branding. They found out that information accessibility and employee engagement were key parameters that made use of social media an important parameter for developing employer attractiveness and helped in the attraction of new talents. In the above backdrop the paper studies two Issues:

1. Perception of Managers of MSMEs and potential applicants with regards to instrumental factors for Employer attractiveness.
2. Impact of Social Media in social recruitment.

Operational Terminologies

Employer Branding: Aggerholm et al (2011) indicated that employer branding is a strategic branding discipline where sustainable employer-employee relationships are created by understanding the expectation of both management and employees with respect to the employer brand.

Employer Attractiveness: Sivertzen (2013) conceptualised an employer attractiveness scale which highlighted that innovation, psychological value, usage, and social media lead to an employer's reputation and attractiveness.

Instrumental Factors: Instrumental factors are tangible, physical, and objective elements which define something in terms of its attractiveness. Kumari and Gordhan (2018) opined that instrumental factors like career opportunities, work-life balance, and corporate responsibility exhibited by a company are a few instrumental factors that define the attractiveness of a company in terms of an employer.

Social Media: Caleb and Hayes (2015) opined that social media are internet-based channels that help in the dissemination of information and representation of self with the help of user-generated content.

Social recruitment: Doherty (2010) highlighted that strategically the companies are using social media platforms like Facebook, Twitter, Linked In, and YouTube to generate awareness regarding employment opportunities available in their organisations.

II. Research Methodology:

The data was collected online from 500 students (250 management students and 250 engineering students) studying in selected engineering and management institutions in Chhattisgarh. The data was collected with the help of a well-structured questionnaire by the researcher. The questionnaire was divided into two parts. Part one was dedicated to demographic profile and part two was dedicated to questions related to attributes affecting employer of choice in MSMEs in the state of Chhattisgarh. Further data was also collected from managers of 100 selected MSMEs registered under the “*Udyam Akanksha*” scheme of the department of commerce and industry, Government of CG.

Findings of the study:

The data was collected through structured questionnaires and statistical tests like the Z test, and correlations were used to analyse the data to come to meaningful conclusions. The results of statistical inferences are discussed below:

Opinion of Job aspirants and Managers of selected MSMEs regarding instrumental factors which can influence MSMEs to become an employer of choice.

The researcher analysed the data using the Z test to compare the expectations of employers of MSMEs and the aspirations of potential employees to understand how more employability can be generated in the MSMEs sector. The results are summarised as under:

Instrumental Factors	Mann Whitney U	Wilcoxon W	Z	Sig.
Safety of the Job	987	1970	-2.775	0.00
Promotion Opportunities	921	1841	-.0545	0.835
Higher Compensation Package	932	1860	-.1806	0.00
Overseas Assignment	928	1851	-1.88	0.729
Working Ambience	1873	2358	-0.363	0.00
Skill development training	946	1932	-1.51	0.835
Wok life balance	987	2988	-0.232	0.00
Attractive job contents	845	1693	-0.551	0.829
Convenient Location	1654	2942	-1.69	0.929
Flexible working environment	835	1942	-0.55	0.865

It was found that the perception of managers of selected MSME and job aspirants differ on parameters like job security, compensation package, work atmosphere and work-life balance as the calculated value of Z

was -2.775, -0.1806, -0.363, and -0.232 at 0.00 significance level with respect to instrumental factor job. The results highlight the pressure of productivity and efficiency on MSMEs in the state of Chhattisgarh under frequent lockdowns. The aspirations of job aspirants strictly adhere to Maslow's Hierarchy of needs which professes that all employees potential or actual will always be motivated to fulfill their physiological, security, and social needs. In contrast to their liking, the employers of MSMEs are unable to match their demands of high compensation packages, job security, work-life balance, and a good work atmosphere as they are still unable to predict the uncertain future in covid times. They are looking for employees who will adjust to their present circumstances and work together to make the situations stable in the future.

Opinion of Job aspirants regarding the choice of social media for the job recruitment advertisement

S No:	Particulars	Mean	SD	1	2	3	4	5	6	7	8	9
1	Engagement with job applicants	42.16	21.2	1								
2	Highlighting company culture	38.22	4.82	0.65	1							
3	Involvement of Reference Group	49.16	22.10	0.86	0.89	1						
4	Consistency of Message	35.29	28.93	0.91	0.74	0.89	1					
5	Linked In	37.61	14.11	0.92	0.73	0.91	0.95	1				
6	Twitter	44.22	10.92	0.72	0.56	0.93	0.90	0.88	1			
7	Facebook	39.22	14.29	0.77	0.61	0.82	0.87	0.81	0.72	1		
8	Instagram	46.71	11.32	0.54	0.52	0.75	0.72	0.72	0.82	0.54	1	
9	YouTube	45.51	19.20	0.51	0.57	0.51	0.42	0.52	0.71	0.63	0.58	1

The researcher asked the respondents who are interested in working in MSMEs to give their opinion on effectiveness parameters related to recruitment advertisement on social media on social media platforms like Linked In, Twitter, Facebook, Instagram, and youtube. It was found that Engagement with Job applicants, highlighting company culture, and consistency of message were best in Linked In with the calculated value of r being 0.92, 0.73, and 0.95 respectively. Further involvement of the reference group can be done better with Twitter as the calculated value of r was 0.93.

Managerial Implications of the Study

Manpower planning is a very traditional practice in human resource management. But it seems that the MSMEs operations in India were not equipped to manage human resources. Lockdown and migration of labours coupled with long periods of no work due to pandemics have brought the employment markets to a standstill. Rationally the law of demand highlights that when the supply is more and demand is less manpower can be acquired at lesser prices. The objective of social cost benefits and the attempts to CSR have come to the rescue at this stage. The job aspirants as the study shows are still giving preferences to their physiological needs. They wish to acquire a job that will provide them with competitive compensation, job security, and a good working atmosphere. Further, work-life balance has also come up as a much-demanded factor while seeking jobs. Pandemic has re-instilled the need for social acceptance and people are ready to spend time with family at friends in comparison to working long hours for immediate progress. In contrast to the traditional thinking of job aspirants, the managers of MSMEs are facing bigger problems to keep their operations working. They are looking for employees who are ready to work at lower packages for longer hours compromising their personal life to manage their professional lives with the hope of making a better and more comfortable future. The recent market crunch has put pressure on them to maximise productivity and minimise cost.

Further, the study also attempted to understand whether social recruiting is actually successful in Indian job Markets, especially MSMEs. Attempts were made to understand whether social recruiting can help in employer branding. It was found that Engagement with Job applicants, highlighting company culture, and consistency of message were best on Linked In. Further involvement of the reference group can be done better with Twitter. So Linked In and Twitter to some extent can be used by employers to communicate their USP as an employer of choice.

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