



Business Knowledge and Information Technology of Functional Managers with Reference to Sme's in Coimbatore City

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ABSTRACT

SME Chamber of India has decided to start various activities to empower and educate the SME Sector by organising various trade promotional activities in India and abroad. The thousands of small and tiny industries including ancillaries and jobbing units have helped Coimbatore to be recognised as a signature of South India. Globalisation and internationalization lead to the growth of multinationals, mobility of labour, capital and technology and increased global competition. The following are the objectives of the study, To analyse the HR competencies of functional managers in the engineering SME's in Coimbatore city. The study has used only primary data. They data have collected from executives of engineering SME's in Coimbatore city and very few data would be collected from secondary sources like newspapers, magazines, journals, books and websites and So on. A convenient random sampling technique has used this study. Descriptive analysis and Reliability analysis used in this study. Period of the study from November 2012 to February 2013. Suggested this study, Functional Managers need to be able to leverage technology for business practices and use information technology to deliver value to their customer, further argues that the pace of technological innovation will continue to accelerate. Conclude this study, This study also sows that business practices related competencies are also significantly related to administrative expert and employee champion role.

KEYWORDS: Business Knowledge, Information Technology, Functional Managers, SME

1.1 INTRODUCTION

Indian SMEs represent the model of socio-economic policies of Government which emphasized job creation at all levels of income stratum and diffusion of economic power in the hands of few, discouraging monopolistic practices of production and marketing; and contributing to growth of economy and foreign exchange earning with low import-intensive operations.

Indian SMEs also play a significant role for Nation development through high contribution to Domestic Production, Significant Export Earnings, Low Investment Requirements, Operational Flexibility, Location Wise Mobility, Low Intensive Imports, Capacities to Develop Appropriate Indigenous Technology, Import Substitution, Contribution towards Defense Production, Technology, Oriented Industries, Competitiveness in Domestic and Export Markets and Generate new entrepreneurs by providing knowledge and training.

SMEs that have strong technological base, innovative, inventive, international business outlook, competitive spirit and willingness to restructure them can withstand the Present challenges and come out successfully to contribute 22% to GDP.

Despite their high enthusiasm and inherent capabilities to grow, SMEs in India are also facing a number of problems like sub-optimal scale of operation, technological obsolescence, supply chain inefficiencies, increasing domestic and global competition, fund shortages, change in manufacturing strategies and turbulent and uncertain market scenario. To survive with such issues and compete with large and global enterprises, SMEs need to adopt innovative approaches in their operations.

1.2. CHALLENGES TO SME SECTOR

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, non availability of highly skilled labour at affordable cost, follow-up with various government agencies to resolve problems etc.

1.3 ROLE OF SME'S IN INDIA

To empower the SME Sector to take its rightful place as the growth engine

of Indian economy, it is necessary to support the SMEs, educate and empower them to make optimum utilization of the resources, both human and economic, to achieve success. The SMEs need to be educated and informed of the latest developments taking place globally and helped to acquire skills necessary to keep pace with the global developments.

SME Chamber of India has decided to start various activities to empower and educate the SME Sector by organising various trade promotional activities in India and abroad. Also provide assistance and support for the promotion of domestic business as well as export promotion of the SME sector.

1.4. SME'S IN COIMBATORE CITY

Coimbatore is one of the few big industrial towns of Tamil Nadu. The city is well connected to its region by road, rail and air. The thousands of small and tiny industries including ancillaries and jobbing units have helped Coimbatore to be recognised as a signature of South India. The industries in Coimbatore are producing a variety of engineering products and components accessories to cater to the needs of the country. The primary capital income of Tamil Nadu comes from the output of these industries. Popularly known as the Manchester of South India, Coimbatore is house to the textile industries, to automotive part components, technical institutes and a lot of entrepreneurs.

World class textile machinery manufacturing company with technology from Europe, infact Swiss. We had a very enterprising group of entrepreneurs who were controlling almost 80% of the market share in the pump industry. Then we have the spinning sector. So, may be the opportunities what was there for the people in Chennai or in Bangalore, Bangalore was full of public sector companies like ISRO, HMT, you name the type of public sector, it was available there. Lot of auto clusters available in Chennai. The entrepreneurship of Coimbatore brought Coimbatore not only map of India, but also to global map. So, the spirit was here, the fundamentals were here.

1.5. ROLE OF FUNCTIONAL MANAGER IN SME

1. A functional manager is responsible for one of the principle elements of the organisation, such as production, marketing, finance, etc. He has to provide functional services in his disciplines and for supporting all; the projects in the organisation.

2. The functional manger has line authority over this personnel in the project. He is responsible through the chain of command for his department. A functional manager tends to concentrate on the activities of his discipline.

3. Each functional manger tends to emphasise his own function. Sometimes, this tendency creates conflict in the organisation. Since the responsibility of the functional manager is limited to his area, he seeks to make that area as efficient and effective as possible, often without regard to the effect of his function on others or on the basic task which the organisation has to perform.

1.6. STATEMENT OF THE PROBLEM

Globalisation and internationalization lead to the growth of multinationals, mobility of labour, capital and technology and increased global competition. This has led to increase the convergence of managerial and human resource practices. This gives rise to greater need to know how managers in various parts of the world cope up with the issues and problems related to the HR competencies of peer group professionals in the engineering SME's. Further the cross-national HR studies are crucial to the development and growth in the field of human resource management. This is particularly so in view of HR Competencies and Strategic Roles namely Strategic **Contribution, Personal Credibility** HR Knowledge, Business Knowledge, Knowledge on Usage of Technology and so on. These studies widen the scope of current research literature and for Functional managers Competencies and Strategic Roles of Peer Group Professionals in the engineering SME's.

1.7. OBJECTIVES OF THE STUDY

The following are the objectives of the study

1. To analyse the HR competencies of functional managers in the engineering SME's in Coimbatore city.
2. To offer suitable suggestion, based on the findings of the study to Functional Manager's Competencies and Strategic Roles of Peer Group Professionals in the engineering SME's

1.8. HYPOTHESIS OF THE STUDY

H₀ There is no factors influencing of functional managers and Strategic Roles of Peer Group Professionals in the engineering SME's.

H₁ There is factors influencing of functional managers and Strategic Roles of Peer Group Professionals in the engineering SME's.

1.9. SCOPE OF THE STUDY

The study has been undertaken mainly to highlight current Functional Manager roles to executives of engineering SME's in Coimbatore city. The study is confined to Coimbatore city. The sample respondents are the executives of engineering SME's in Coimbatore city.

1.10. METHODOLOGY & RESEARCH DESIGN

Methodology is the backbone of the research programme. It directs the researcher to conduct the research in a systematic process which enables the out coming with accuracy. Hence it is mandatory to adopt a right mode of study to derive the conclusion with result. The study has used only primary data. They data have collected from executives of engineering SME's in Coimbatore city and very few data would be collected from secondary sources like newspapers, magazines, journals, books and websites and So on. The sample size restricted to hundred in executives of engineering SME's in Coimbatore city. A convenient random sampling technique has used this study. Descriptive analysis and Reliability analysis used in this study. Period of the study from November 2012 to February 2013.

1.11. LIMITATIONS OF THE STUDY

Undoubtedly the results and finding of the study can be applied directly to any other areas. Due to limitations of time and money consideration, the sample size has been restricted to hundred executives from engineering SME's in Coimbatore city.

Table 1
Reliability of Scales and Item - Construct Loadings - Factors Related To Business Knowledge of Functional Managers

Sl. No.	Items	Scale mean if item deleted	Cronbach's alpha if item deleted
1	Knowledge of mission and vision of the organization.	39.75	.846
2	Knowledge of the industry in general and the business operations of your firm.	39.91	.773

3	Knowledge of the manufacturing process and business strategies.	40.03	.759
4	Knowledge of the marketing strategies, supply chain and customers.	40.35	.768
5	Knowledge of the financial position, strategies and investment plans.	40.16	.774
6	Knowledge of the corporate social commitments of the unit.	40.38	.756
7	Knowledge of the competitors of the firm in the market.	40.21	.758
8	Knowledge of the business acumen of functional areas.	39.98	.781
9	Knowledge of the external customers, suppliers and competitors.	39.73	.787
10	Knowledge of the portfolio of the business which add value.	40.14	.775
11	Knowledge of the labour issues/ collective bargaining.	39.98	.768
12	Knowledge of the wealth creating activities of the firm.	40.01	.771
MEAN			43.69
VARIANCE			45.712
STD. DEVIATION			6.761
CRONBACH'S ALPHA			0.791
NO OF ITEMS			12

The reliability of scales used in this study was calculated by Cronbach's coefficient alpha. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. Based upon the formula $\alpha = \frac{rk}{[1 + (k - 1) r]}$ where k is the number of items considered and r is the mean of the inter-item correlations the size of alpha is determined by both the number of items in the scale and the mean inter-item correlations. The coefficient alpha values exceeded the minimum standard of .70. It's provided good estimates of internal consistency reliability. As shown in Table 4, coefficient alpha values ranged from .774 to .846 for all the Business Knowledge of Functional Managers. All variables obtained an acceptable level of a coefficient alpha above .70, indicating that the scales used in this study were reliable. It should also be noted that an alpha of .791 is probably a reasonable goal. It should also be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in the scale, it does not mean that the scale is unidimensional.

Table 2
Reliability of Scales and Item-Construct Loadings- Factors Related to Knowledge on Usage of Technology by the Managers.

Sl. No.	Items	Scale mean if item deleted	Cronbach's alpha if item deleted
1	Computer literacy.	27.97	.799
2	Develop Human Resource information system in the organization.	28.51	.799
3	Maintenance of computerized employee inventory.	28.23	.798
4	Skill in using online recruitment, tests, interview and training programmes.	28.22	.793
5	Online employee surveys on employee motivation, satisfaction etc.,	28.42	.788
6	Performance appraisal methods focused in employee development.	28.13	.811
7	Knowledge of HR outsourcing.	28.28	.788
8	Knowledge of HR cost reduction methods.	27.83	.817
9	Application of IT in HR processes.	27.47	.809
MEAN			31.63
VARIANCE			29.397
STD. DEVIATION			5.422
CRONBACH'S ALPHA			0.819
NO. OF ITEMS			9

Above table reveals that all the nine items related to Knowledge on Usage of Technology by the Managers, are reliable as the Cronbach alpha coefficient of 0.819. It is greater than the threshold level of 0.70. It's provided good estimates of internal consistency reliability and also coefficient alpha values ranged from .788 to .819 for all the strategies. It is indicating that the scales used in this study were reliable. It clearly indicates that above scale items are consistent with each other and they are reliable measures, so that it can be used for next analysis.

I.12. SUGGESTIONS OF THIS STUDY

1.To become key players in the organization, Functional Managers must understand the business or industry of the company they serve. Key areas of knowledge include applied understanding of the integrated value chain and the firm's value proposition. The labour factor, representing institutional constraints such as labour legislation, is the third factor that constitutes the domain of business knowledge. Human resources professionals must understand how their business or agency operates. This includes the organisation's strategy, how the organization makes money or achieves its primary purpose. Its technological processes and organizational capabilities etc. Therefore, Functional Managers should develop their knowledge of such areas as finance, marketing, operations and general management.

2.Functional Managers need to be able to leverage technology for business practices and use information technology to deliver value to their customer, further argues that the pace of technological innovation will

continue to accelerate. Functional Managers can take advantage of these change by automating business processes and becoming more effective in communicating with its internal and external customers. More importantly, by absorbing the latest technology, Functional Managers can project a forward looking image that will help it earn the respect of skeptical colleagues.

I.13. CONCLUSION

The findings of this research show that functional managers professional in the manufacturing companies of the south India of Coimbatore are lacking in business related human resource competencies. This is one of the main barriers to be surmounted if local functional managers are to become strategic partners in their organizations. The findings of this research also show that functional managers in the manufacturing companies of the south India of Coimbatore are lacking in their capacity to play in important role as a strategic partner and agent for change. Furthermore, their lack of certain competencies also serves as a barrier to them becoming a well-integrated strategic partner. It is clearly seen in this study that business related competencies are significantly related to strategic partner and change agent role. This study also shows that business practices related competencies are also significantly related to administrative expert and employee champion role.

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