

Review paper

HUMAN RESOURCE MANAGEMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES: CONCEPTUAL FRAMEWORK

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Abstract. *A contemporary approach to human resource management that involves specific practices, policies and systems which influence employees' behavior, their attitudes and work performance is typical for large organizations. As for smaller enterprises, there is a widely accepted opinion that human resource management is not necessary, and is not cost effective. Such approach to employees is wrong, because increased competition imposes on small, as well as on large organizations, the need for better understanding and managing of all available resources. This paper discusses the possibilities and constraints for the application of some basic human resource management practices in small and medium-sized enterprises. Based on a comprehensive literature review, the authors suggest two conceptual models of human resource management. The first one is simple and therefore appropriate for application in micro and small enterprises. The second one is much more suitable for use in medium-sized enterprises, which have potential for further growth.*

Key Words: *human resource management, human resource practices, micro, small and medium-sized enterprises.*

1. INTRODUCTION

For many decades the problem of the optimal way of managing human resources in organizations has been attracting the attention of many scholars and practitioners around the world. A specific contribution to the development of human resource management (HRM) is given by numerous studies which showed a positive relationship between HRM practices and business performances (see Moorthy et al., 2012; Young, 2009; Katou & Budhwar, 2010; Combs et al., 2006; Huselid, 1995; Ostroff, 1995).

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From the standpoint of this paper it is important to emphasize that the development of HRM has been primarily oriented towards the needs of large organizations. Managing human resources in small organizations is an insufficiently researched area, not only in academic studies, but also in practice. There is a widely accepted opinion that human resource management is not necessary for small and medium-sized enterprises (SMEs), and is not cost effective for small organizations. Consequently, the owners and managers of SMEs often ignored human resource management issues, such as professional and objective selection, employee training and development, performance appraisal, and so on. Such an approach to employees is wrong, because increased competition imposes on small, as well as on large organizations, the need for better understanding and managing of all available resources. Furthermore, it should be noted that because of market conditions such as information asymmetry, uncertainty, and turbulence, SMEs are much more vulnerable than large enterprises. Effective HRM is especially significant for SMEs with growth potential, and for SMEs which strive to commercialize innovations. It can be said that HRM practices, such as training and development, are necessary prerequisites for the survival, and further growth and development of an enterprise. Additionally, many fast growing SMEs have the problem of finding and retaining high quality employees (Fraza, 1998). An appropriate and effective HRM system can help owners and managers of small and medium-sized enterprises to solve such human resource issues.

In research context, HRM in small and medium-sized enterprises has gained importance only in recent decades. Accordingly, so far, a relatively small number of studies and researches in this field have been done. Heneman and Berkley (1999) found that between 1984 and 1999 only 17 articles on the subject of HRM in small and medium-sized enterprises were published in relevant academic journals. Significantly, a larger number of papers that examine HRM practices in small and medium-sized enterprises and/or their impact on business performance have been written in the last ten years, which confirms that there has been actualization of this issue.

In the first section of this paper, we discuss the importance of human resource management in small and medium-sized enterprises. In the second part of the paper, we analyze the results of empirical research that highlight the relationship between HRM practices and SMEs performances. In the third part, we present the basic features of HRM concept in small and medium-sized enterprises.

The main objective of this paper is to analyze the possibilities and constraints for the application of some basic HRM practices in small and medium-sized enterprises. The analysis starts with the assumption that the application of basic HRM practices such as human resource planning, selection, training and development, and retention of employees, has a long-term impact on the improvement of SMEs performance. The purpose of this paper is the development of conceptual models of HRM in the micro, small and medium-sized enterprises, based on the knowledge of significance, characteristics and limitations of human resource management in these enterprises.

2. THE IMPORTANCE OF HUMAN RESOURCE MANAGEMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES

Human resource management as a business function in the organization derives and combines the tasks and activities related to the employees. Schermerhorn (2001) defines

human resource management as the "process of attracting, developing, and maintaining a talented and energetic workforce to support organizational mission, objectives, and strategies" (p. 240). But, in our opinion, this definition only partly reflects the core of HRM in an organization. It is a much more comprehensive definition which says that human resource management as a new concept encompasses "the policies, practices, and systems that influence employees' behaviour, attitudes, and performance" (Noe et al., 2010, p. 2). According to these authors, some of the most important HRM practices that support the organization's business strategy are: human resource planning, recruiting and selection of employees, training and development, performance management and compensation management.

The development of HRM concept has been primarily oriented to the needs of large organizations. What is more, over time the focus of HRM practices has mainly been on multinational corporations. Management and development of human resources in small organizations, which is the main subject of this paper, is a neglected field in practice, as well as in academic research. Therefore "usefulness and effectiveness of human resource practices in the performance of SMEs have not been clearly defined" (Omolo, Oginda, & Oso, 2012, p. 140). According to Harrison (1997), most of the literature and general knowledge of human resource management in SMEs ensues from the study of these activities in large companies. However, as Curran and Blackburn (2001) emphasize small business context is a challenging research area because small does not mean simple and small business is not just a scaled down version of a larger one. Furthermore, SMEs¹ have a different structure, available resources and management of activities and processes, and it is not uncommon that even philosophy of the existence of small business is significantly different compared to a large one. Accordingly, it is important to highlight that "all human resource management activities in a small business require different forms of acting compared to large corporations" (Petkovic & Berberovic, 2013, p. 273).

The general statement that human resources are the only renewable resource that can provide multiple creation of value-added by combination of other resources is relevant for large organizations as well as for the small ones. In addition, growing competition, which particularly affects SMEs, imposes the need for better understanding and controlling of all factors of production, including human resources. Finally, an additional reason for considering the optimal way of managing human resource in small and medium-sized enterprises is the positive impact of these activities on business performance.

Over time, the number of studies that examined and elucidated the relationship between human resource management and business performance has grown. Most of these studies suggest a positive link between HRM practices and various indicators of organizational and financial performance. A recent meta-analysis conducted by Combs et al.

¹ Given the level of development of each country, the entrepreneurial tradition, interest of government institutions to support small business, unemployment rate and other macroeconomic indicators, the criteria which are taken into account in categorizing small, medium and large enterprises are different from country to country. In other words, there is no universally agreed definition of an SME. However, in the most common definitions, the number of employees and size of assets or turnover in an SME are used as main criteria for categorizing enterprises by their size. In this paper, the only criteria used for classifying enterprises according to their size was the number of employees. The European Union standardized the definition for companies with up to 10 employees as micro enterprises, fewer than 50 employees as small and those with fewer than 250 as medium (See more details in European Commission, *The New SME Definition - User guide and model declaration*, 2012, p. 14).

(2006) offers perhaps the most comprehensive view of the relationship between human resource management and business performance. These authors have carried out the statistical aggregation of the results of 92 studies done between 1990 and 2005, in which 19,319 companies around the world were observed. It should be noted that in the aforementioned 92 studies human resource management was observed through 13 activities, and the success of the company was observed through 5 sets of indicators. As regards the indicators of companies' success, the majority of studies have used accounting ratios. The results of this meta-analysis showed that the observed HRM practices had a positive impact on the success of the company. However, it is worth noting that mainly large companies were observed throughout these and related researches.

While the first studies about the impact of HRM on the performance of large companies were done in the early decades of the twentieth century, researches on the impact of HRM on the performance of SMEs are of a recent date and they are not so numerous. For example, Heneman and Berkley (1999) found that in the period from 1984 to 1999 only 17 articles were published in relevant academic journals on the topic of human resource management in small and medium-sized enterprises. Yet, in recent years the number of studies that suggest that human resource management is relevant for the small firm context has increased considerably. Some of these papers will be summarized and discussed in the next part of this section.

On the sample of 394 SMEs, Young (2009) found a significant correlation between various HRM practices (such as human resource planning, training and performance appraisal) and the degree of business success in the SMEs in Hong Kong, which is *inter alia* expressed by gross income. Thus, Spearman Rank Correlation shows a significant correlation between human resource planning ($r = 0.64$), training ($r = 0.69$), performance appraisal ($r = 0.83$) and business success. Beside other reasons, this research is important because small and medium-sized enterprise accounted for over 98% of the total businesses in Hong Kong.

Based on the data collected in 300 small and medium-sized enterprises in Malaysia, a group of authors (Moorthy et al., 2012) found a significant negative relationship between inadequate human resource management and the performance of the observed companies. In other words, they found that poor human resource management in SMEs leads to lower business performance. As the authors of this study note, these findings are consistent with similar researches that have previously been conducted in this country (see Adnan, Abdullah, & Ahmad, 2011; Islam & Siengthai, 2010).

In a study conducted among 800 small businesses in the Netherlands, de Kok and den Hartog (2006a) have found that high performance work systems (HPWS²) are associated with higher labour productivity, higher profits and more innovativeness, which is crucial for small and medium-sized enterprises. As these authors suggest, "HPWS may enhance the ability of small firms to select, develop, and motivate a workforce that produces superior and innovative employee output" (de Kok & den Hartog, 2006a, p. 39).

² A high performance work system (HPWS) can be defined as a set of HRM practices that together "select, develop, retain, and motivate a workforce that possesses superior abilities (...); that applies their abilities in their work-related activities; and whose work-related activities (...) result in these firms achieving superior intermediate indicators of firm performance (...) and sustainable competitive advantage" (Way, 2002 as cited in de Kok & den Hartog, 2006a, p. 13).

Among the HRM practices, training and development are the most notable as a subject of observation of a large number of researchers. Accordingly, there are a number of studies that examine links between training and development of employees and the performance of small and medium-sized enterprises. So, on the sample of 120 German companies of up to 50 employees, Rauch and Fres (2005) found a positive relationship between employee development and business success. Litz and Stewart (2000) found similar results, but they studied the relationship between training and business performance.

Based on their research results Chandler and McEvoy (2000) suggest that investment in training and linking the incentive compensation with results of performance appraisal, affects the reduction of fluctuations rate, increase productivity, and improve work performances. Two years later, Reid and Harris (2002) found that the most successful small and medium-sized companies, on average, invested more in staff training. Finally, some authors argue that investment in training increases the probability of survival of small and medium-sized enterprises (Ibrahim & Ellis, 2003; English, 2001).

3. SPECIFICITY OF HUMAN RESOURCE MANAGEMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES

The capabilities to manage human resources in small and medium-sized enterprises are significantly different in terms of the features of large companies. The specificity of HRM practices in small and medium-sized enterprises lies in this observation.

Empirical studies that were carried out in the late eighties and nineties of the twentieth century showed that small organizations perform activities of human resource management in an informal and flexible manner compared to the large organizations (Barron, Black, & Loewenstein, 1987; Hornsby & Kuratko, 1990).

In general, small businesses pay far less attention to HRM practices than large enterprises do (De Kok & Uhlaner, 2001). For example, staffing in small enterprises is usually conducted by personal contacts and recommendations, training is not formalized and is carried out on the basis of *ad hoc* decisions, and things are similar when it comes to the evaluation of work performance. This way of managing human resources in small organizations is not unusual, because the professional human resource management activities often generate large costs (Klaas, McClendon, & Gainey, 2000).

3.1. Human resource planning in small and medium-sized enterprises

In the "knowledge-based" economy companies are faced with a double challenge; one is the need for more highly trained employees, and the other is a shortage of qualified labour on the labour market (Audretsch & Thurik, 2001). As they are not aware of this challenge, small businesses usually do not take into account the future demand and needs for the specific profiles of employees. In other words, small businesses usually do not perform timely planning of human resources. Although many small businesses create a business plan, this document most often does not include a component of human resources, which means that the business plan of small businesses does not carry out correctly the assessment of the required number and competence of employees in the future. This is not unusual if we take into consideration the fact that small enterprises often pre-

pare a business plan because they are formally compelled to do so by external founders and not because they consider that business planning is relevant.

Although small enterprises are not able to perform human resource planning using sophisticated methods, techniques and analysis which are available to large organizations, they should have a development vision, and therefore, a rough estimate of the future needs for the employees. In addition, the owners or managers of small and medium-sized enterprises must pay attention to the ways of solving the possible problem of employees' deficit, especially if they predict a lack of the high-profile workers who are deficient at the labour market. With regards to this issue, it is important that owners or managers of small businesses make a plan for the development of existing employees to new positions within organisations.

A special challenge for entrepreneurs occurs during growth and development of the business, with regards to the transition from entrepreneurial to professional management. In accordance with the aforementioned, a very important issue in the process of human resource planning is succession planning or at least replacement planning. Although succession planning is seen as an important process by most large businesses, it is often overlooked by small and medium-sized enterprises. This question is particularly problematic in the family business. "Succession Planning (...) can be defined as a purposeful and systematic effort made by an organization to ensure leadership continuity, retain and develop knowledge and intellectual capital for the future, and encourage individual employee growth and development" (Schein, 1997 as cited in Caruso, Groehler, & Perry, 2005). Succession planning is usually a complex process for the owners of SMEs because many factors need to be considered. Some of them are: determining the value of the business, choosing and working with potential successor(s), communicating the succession plan with interested parties, etc. Beside the complexity of this process, succession planning can be traumatic for the owners because they are most often emotionally attached to their businesses. However, if the owner of a small business holds all the responsibility and control in his hands, he often endangers the survival of the enterprise. Without a clear succession plan many small businesses fail and do not survive for more than two generations. Therefore, it is essential that a business owner makes timely and proper planning and development of a competent successor.

3.2. Human resources employment in small and medium-sized enterprises

Regardless of the company size, the employment process involves two activities of the human resource management - recruitment and selection of candidates. Recruitment is the process of attracting potential employees for vacant positions with the necessary knowledge, abilities, skills and personal characteristics required for successful job performance. "Small and/or new firms are likely to have more problems in recruiting employees, because they lack both the resources and the legitimacy" (Cardon, 2003 as cited in de Kok & den Hartog, 2006b, p. 9).

Several studies on human resource management in small and medium-sized enterprises show that smaller organizations prefer an informal approach to staffing issues, and prefer recruitment methods which are cheap and can be controlled directly by the owner/manager of the enterprise (Cardon & Stevens, 2004, Barrett & Mayson, 2007; Baron, 2003; Mazzarol, 2003; Heneman & Berkley; Matlay, 1999). Cardon and Stevens (2004) argue that recruitment decision and recruitment process in SMEs are most often *ad hoc*. When it

comes to recruitment source smaller organizations prefer referrals, which are recommended job applicants and/or applicants familiar to the owner/manager of the enterprise. Researches conducted by Kotey and Slade (2005) in Australia and by groups of authors in the United Kingdom (Cassell et al., 2002) confirm assertion that recommendations are the most prevalent form of recruitment in small organizations. Through their research Kotey and Slade (2005) found out that the use of more formal sources and methods of recruitment, such as agencies for employment mediation or advertising of job vacancies, increases with enterprise growth. This is a logical conclusion because with the business growth informal sources of potential employees (friends, relatives and acquaintances) are exhausted and cannot adequately respond to the development needs of the enterprise.

After recruitment of potential employees, a selection process follows. According to Armstrong (2009), "the aim of selection is to assess the suitability of candidates by predicting the extent to which they will be able to carry out a role successfully" (p. 529). Selection is usually carried out through the use of a few methods, including the analysis of CV and job applications, interview and various forms of testing candidates (from professional to psychological tests). Best results can be obtained with the combined use of multiple selection methods. However, as with the recruitment, researches show that small organizations prefer simpler and cheaper methods of selection (Barrett & Mayson 2005; Kotey & Slade, 2005). Results of these researches suggest that most used selection methods are informal interviews between the candidates and the owners/managers, and probation. Furthermore, Kotey & Slade (2005) have found out that with enterprise growing the range of selection techniques, which the owners/managers of small organizations use, becomes wider. In the growth stage of the organization there are fewer candidates from a pool of relatives and acquaintances. Consequently, the costs of recruitment are increasing, as well as the risk in the selection process. Therefore, it is desirable to use a combination of several selection techniques, such as checking biographical information, interview with the candidates, and testing knowledge and skills which candidates claim to have.

In small organizations the interview represents the largest threat to an objective selection because the owners/managers who perform the interview with candidates are usually not trained and most often they rely on their own intuition. In order to increase objectivity of this selection method, the interview has to be standardized, and the questions should be focused on the assessment of candidates' competence. By this, the interviewer would acquire a broader insight into the profile of candidates, especially in terms of their knowledge, abilities, skills and traits. Growing enterprises which have an increasing need for objective and professional selection can leave this activity to specialized agencies, but this will cause additional costs. However, as long as marginal revenues caused by hiring an adequate person via specialized agency are higher or equal to the marginal costs of using the services of the agency, it is worth using its services. Also, it is necessary to estimate the risk of increasing costs of employee turnover which is often the result of poor assessment of entrepreneurs/managers in the selection process. In addition to the above Ciavarella et al. (2004) state that the level of formalization and professionalization of recruitment and selection processes depends on the education of the business owner and his or her personal characteristics such as willingness to accept innovation and change.

3.3. Training and development in small and medium-sized enterprises

Rapid technological changes, increasing complexity and turbulence of the business environment, the growing gap between business requirements and the knowledge acquired in the formal education are only some of the factors which are imposed on the companies, regardless of their size, needs for continuous training and development of employees. According to Bahtijarevic-Siber (1999) "investment in training and development of employees is a key indicator of understanding what is happening in today's business and competition" (p. 717). Enterprise development and staff development are directly connected. In other words, an enterprise cannot be developed without the development of its human resources.

The design and implementation of an effective system of training and development is a challenge for small and medium-sized enterprises, because such programs generate costs in the present, while almost all of the potential outcomes of training and development will accrue in the future. However, the increasing complexity and scope of work, continuous development of technologies, and intense competition, make training and development of employees necessary. Besides, trained employees provide a competitive advantage to the business that, once acquired, is not easy to be copied by competitors (Hatten, 2012).

Regardless of company size, training should be conducted in a systematic manner. For example, the analysis of training needs and development plan should be the basis for deciding on employee training. Small and medium-sized businesses often do not perform analysis of training needs, and make decisions related to these issues *ad hoc*. Generally, employees in SMEs are much less likely to receive training than employees in larger organizations (Bannock, 2005; Westhead & Storey, 1997). According to Patton (2005) critical factors that limit small organizations to become more engaged in the field of training and staff development are lack of time and financial resources, business owners are often not aware of the benefits and effects of training and development, and they are not familiar with available training methods. Mazur and Coleman (2008) suggest that mentoring as a form of training and development of younger and less experienced workers is an efficient solution for small organizations. This approach to the staff development would be focused on both the needs of employees and the needs of the enterprise. In addition to mentoring, useful methods of employee development are extension and rotation of jobs.

In small and medium-sized enterprises training and development of owners and/or managers are very important. A recent pilot research based on GEM methodology, which is conducted in Serbia, shows that entrepreneurs have only modest enterprise skills and they need additional training (Cvijanovic, Rodica, Vojnovic, & Zivkovic, 2013). Training and development programs for owners/managers should cover a wide range of topics in finance, accounting, marketing, entrepreneurship, and management (leadership, motivation, communication) because this newly acquired knowledge can significantly facilitate the process of making good business decisions.

3.4. Performance appraisal in small and medium-sized enterprises

In theory, performance management is considered a cornerstone because the results of performance appraisal provide relevant information for quality decision-making on the training of employees, their promotion, career development, and rewarding (Zolak Poljasevic, 2011). In large organizations, performance management includes several activities which

define performance (define work standards and expectations of the employee), measure or assess performance (performance appraisal) and feed back performance information.

As the results of research in a number of studies (Knuckey et al., 2002; Gilbert & Jones, 2000; Hornsby & Kuratko, 1990) show, a formal performance appraisal is rarely carried out in small organizations, and performance management is implemented even more rarely. One reason for this is the possibility of frequent interaction between managers and employees, where a manager can in an informal way identify and point out to employees omissions in the performance of their work duties.

Regardless of the fact that small organizations do not have real possibilities, nor any need to introduce a formal system of performance management, or at least performance appraisal, it is very important that the owners/managers monitor and evaluate their employees. Based on the performance appraisal or informal, but objective observations, the owners/managers should highlight and reward employees who achieve better performance and contribute more to the overall success of the company. On the other hand, when concerned about employees who had inferior performance, the owners/managers need to inform them about their weaknesses and about the ways in which they can improve their performance. Therefore, this issue is closely linked to the improvement of the performance of the organization, but also with the motivation of employees and building their loyalty to the company.

3.5. Retention of employees in small and medium-sized enterprises

Small and medium-sized enterprises are often faced with the problem of loyalty and employee retention. This challenge is particularly acute when it comes to employees with high growth potential. Some authors argue that a small organisation "has more difficulty in retaining employees because they are more likely to have lower levels of employer legitimacy than larger firms" (Williamson, 2000 as cited in Coetzer et al., 2007, p. 20). The most common reasons why SMEs are considered to be inadequate employers are limited space for the promotion and career development, and lack of financial resources to offer attractive compensation for the most successful employees (Marlow, 2000; Patton, Marlow, & Hannon, 2000). These are the reasons why SMEs have to work harder and to be innovative in their efforts to retain talented workers. "Creative and innovative use of various benefits can significantly contribute to increased employee satisfaction and their sense of loyalty to the organization" (Ilic & Zolak Poljasevic, 2011, p. 43). It is important to emphasize that the retention programs and activities often cost less than the recruitment, selection, training and development of new employees. Unfortunately, many small and medium-sized businesses do not realize the importance of this activity and let best employees leave their company and become employed with the competitors.

Given that SMEs often cannot compete with large organizations in terms of wages that they can offer to their employees (Burrett & Khan, 2004), small and medium-sized enterprises should focus on the creation of a pleasant working environment and on the increase of employees' satisfaction with their tasks and roles in the organization (Tsai et al., 2007; Maierhofer, Kabanoff, & Griffin, 2002). In addition, smaller organizations have a wide variety of intangible motivation strategies such as job enrichment, participative management style, employee participation in decision-making process, flexible working time, recognition of achievements, and other forms of raising motivation and building loyalty of employees.

4. CONCEPTUAL MODELS OF HUMAN RESOURCE MANAGEMENT IN MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

Researches in the field of human resource management most often treat micro, small and medium-sized enterprises as a whole (the abbreviation is SMEs). But in developing models for managing human resources it is necessary to make a distinction between micro and small enterprises, and medium-sized enterprises.

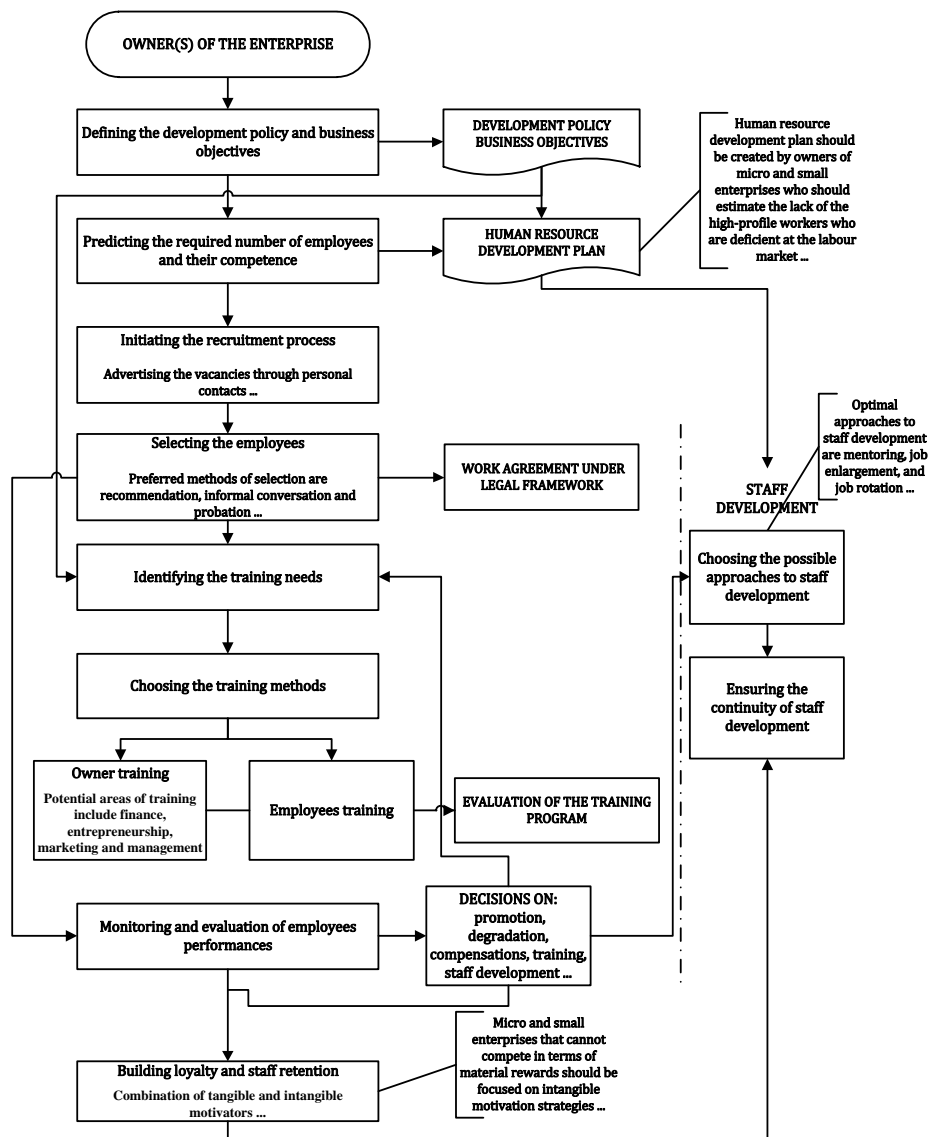


Fig. 1 Conceptual model of human resource management in micro and small enterprises

In accordance with the aforementioned we propose two conceptual models for managing human resources. The first model is simple and can be applied in micro and small enterprises. The second model is adequate for use in medium-sized enterprises, i.e. enterprises that employ more than 50 employees and have the potential for further growth and development.

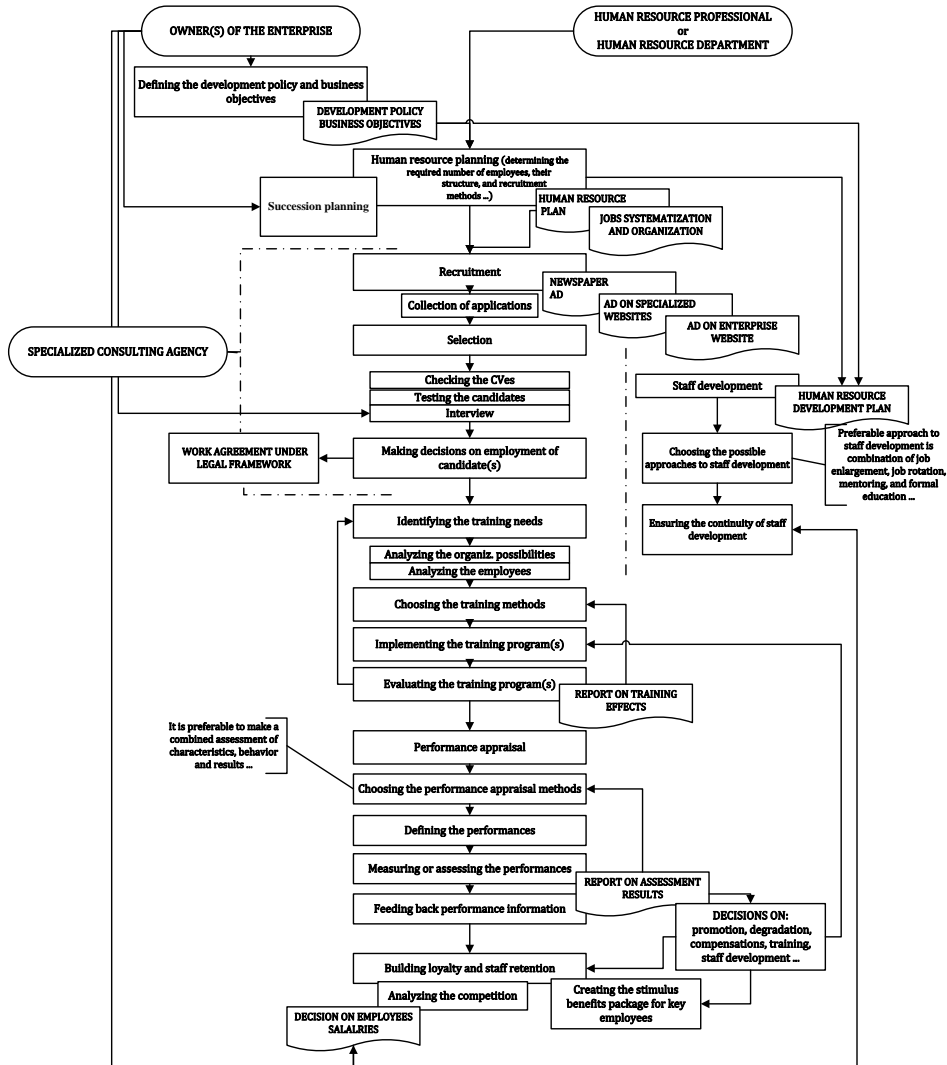


Fig. 2 Conceptual model of human resource management in medium-size enterprises

Due to the small number of employees and the simple organizational structure it is unusual for micro and small enterprises to have a department for human resource management. Furthermore, micro enterprises do not need to employ a human resource professional. In organizations of this type and size all management activities are

generally performed by the business owner. However, with the growth of the company and with the inevitable increase in the number of employees, organizational structure and business processes become more complex, and this is one of the reasons why a mode of managing of the employees must be changed. First of all, it is necessary that the business owner delegates part of management functions and activities to professional managers.

As it can be seen from the proposed model, it is desirable that in the medium-sized enterprises some of the specific activities of human resource management are formalized. In other words, enterprises with more than 50 employees that have a potential for further growth and development should begin working towards the establishment of human resources department.

5. CONCLUSION

Human resource management has been the subject of researches among scholars and practitioners since the early decades of the twentieth century. Throughout the world a number of studies were conducted with an aim to clarify the impact of HRM on different aspects of the companies' success. As a result of these studies, a number of theories and models of human resource management emerged, but they are mostly focused on large enterprises. Even if some of the above mentioned studies included small organisations in their research sample, small and medium-sized organisations have not been the subject of particular researches. However, more intensive studying and researching in the field of human resource management in small and medium-sized enterprises has begun in the last two decades.

Based on a comprehensive literature review, it was concluded that most researches in the field of human resource management treat micro, small and medium-sized enterprises as a unique study subject. But in developing models for managing human resources, it has to be noted that this approach is incorrect. Treating micro, small and medium-sized enterprises as a unique study subject is wrong primarily because of significant differences in the number of employees between micro and medium-sized enterprises, but also because of the specificity of micro and small enterprises in relation to the medium-sized enterprises.

Due to limited resources in the early stages of businesses, as well as small and simple organization structure, it is reasonable and expected that business owners perform all key management positions, including human resource management. The problem usually occurs when growth and development of enterprises surpass management skills of their owners. When it comes to the growth of businesses and enterprises the most correct approach is to delegate some of management functions to professional managers. At this stage of business development it is advisable that owners of the enterprises engage human resource professionals, and later if the enterprise still continues to grow it would be necessary to think and act towards the establishment of human resources department. In accordance with the aforementioned, two models for human resource management are proposed in this paper. The first one is simple and therefore appropriate for application in enterprises of up to 50 employees in which an owner or director still handles all management duties and responsibilities. The other one is more complex and much more appropriate for use in medium-sized companies, because this model suggests sharing of human resource activities between owners and human resource professionals or newly established human resources department. Moreover, the second model proposes much more

human resource activities in comparison to the first model, which is necessary because of the higher number of employees.

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MENADŽMENT LJUDSKIH RESURSA U MALIM I SREDNJI PREDUZEĆIMA: KONCEPTUALNI OKVIR

Savremeni pristup upravljanju ljudskim resursima koji podrazumeva specifične prakse, politike i sisteme kojima se utiče na ponašanje zaposlenih, njihove stavove i radnu uspešnost, najčešće je zastupljen u velikim organizacijama. Kada su u pitanju mala i srednja preduzeća ustaljeno je mišljenje da upravljanje ljudskim resursima nije potrebno i nije isplativo. Ovakav pristup je pogrešan, jer sve veća konkurencija nameće malim, isto kao i velikim organizacijama, potrebu boljeg razumevanja i upravljanja svim raspoloživim resursima. U ovom radu razmatrane mogućnosti i ograničenja primene menadžmenta ljudskih resursa u malim i srednjim preduzećima. Na osnovu sveobuhvatnog pregleda literature autori predlažu dva konceptualna modela za upravljanje ljudskim resursima. Prvi model je jednostavan i može se primeniti u mikro i malim preduzećima. Drugi model je adekvatan za primenu u preduzećima srednje veličine, koja imaju potencijal za dalji rast.

Ključne reči: menadžment ljudskih resursa, prakse menadžmenta ljudskih resursa, mikro, mala i srednja preduzeća.