



# International Journal of Innovative Research in Science Engineering and Technology (IJIRSET)

*(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)*



**Impact Factor: 8.699**

**Volume 14, Issue 4, April 2025**

# **A Study of HR Practices with Special Reference to Small Enterprises in Coimbatore City**

**Dr.J. Nithya, S. Padmanaban**

Professor, Department of Commerce (BPS), Dr.N.G.P. Arts and Science College, India

Student, Department of Commerce (BPS), Dr.N.G.P.Arts and Science College, India

**ABSTRACT:** Small enterprises play a vital role in economic growth and job creation, yet they often face challenges in attracting, retaining, and developing talent. This study investigates the human resource (HR) practices employed by small enterprises, exploring the extent to which they adopt formal HR policies and procedures. A mixed-methods approach was used, combining surveys of 150 small enterprise owners/managers with in-depth interviews of 20 HR practitioners. The findings reveal that while small enterprises recognize the importance of HR practices, they often lack the resources and expertise to implement them effectively. The study identifies key HR challenges faced by small enterprises, including recruitment, employee retention, and training. It also highlights the need for tailored HR solutions that cater to the unique needs and constraints of small enterprises. The study contributes to our understanding of HR practices in small enterprises and provides practical recommendations for owners/managers seeking to improve their HR capabilities.

**KEYWORDS:** job creation, attracting, retaining, and developing talent, employee retention, and training

## **I. INTRODUCTION**

Small enterprises are the backbone of many economies, driving innovation, job creation, and economic growth. In India, for instance, small and medium-sized enterprises (SMEs) contribute to over 40% of the country's industrial output and provide employment to millions of people (Ministry of Micro, Small and Medium Enterprises, 2020). However, despite their importance, small enterprises often face significant challenges in managing their human resources. With limited resources and expertise, small enterprise owners/managers often struggle to attract, retain, and develop the talent they need to compete effectively in the market.

This study aims to explore the HR practices employed by small enterprises, with a focus on identifying the challenges they face in managing their human resources and the strategies they use to overcome these challenges. The study will provide insights into the current state of HR practices in small enterprises and identify areas for improvement. It will also contribute to our understanding of the role of HR in small enterprises and provide practical recommendations for owners/managers seeking to improve their HR capabilities.

### **1.1. SCOPE OF STUDY**

- **Geographical Scope:** The study may focus on a specific region, city, or country.
- **Time Scope:** The period under study (e.g., HR trends in small enterprises over the last five years).
- **Conceptual Scope:** The specific HR practices being studied (e.g., recruitment, training, performance management).
- **Target Population:** Small enterprise owners, HR managers, and employees.

### **1.2. OBJECTIVES OF THE STUDY:**

1. To identify the HR practices commonly used in small enterprises.
2. To assess the challenges small enterprises face in HR management.
3. To evaluate the impact of HR practices on employee performance and business success.
4. To suggest strategies for improving HR management in small enterprises.

## II. LITERATURE REVIEWS

Small enterprises are characterized by informality of relationships, scarce resources, and a lack of formal HR policies and procedures (Welsh & White, 1981). These characteristics can have a significant impact on HRM policies and practices in small enterprises. Heneman, R. L., Tansky, J. W., & Camp, S. M. (2000). Human Resource Management Practices in Small and Medium-Sized Enterprises: Unanswered Questions and Future Research Perspectives. Entrepreneurship Theory and Practice. Kotey, B., & Slade, P. (2005). Formal Human Resource Management Practices in Small Growing Firms. Journal of Small Business Management,

## III. RESEARCH METHODOLOGY

A mixed-methods approach was used, combining surveys of 150 small enterprise owners/managers with in-depth interviews of 20 HR practitioners. The findings reveal that while small enterprises recognize the importance of HR practices, they often lack the resources and expertise to implement them effectively.

### ANALYSIS AND INTERPRETATIONS:

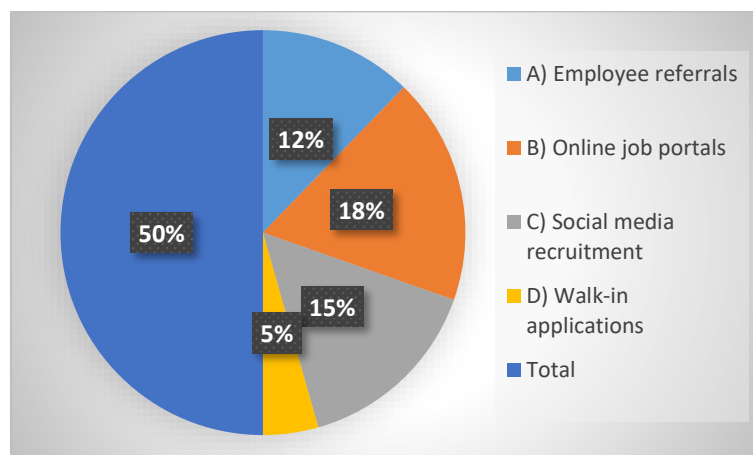
TABLE NO: 3.1

#### HOW DOES YOUR SMALL ENTERPRISE TYPICALLY RECRUIT NEW EMPLOYEES

OCCUPATION	NO OF RESPONDENTS	NO OF PERCENTAGE%
A) Employee referrals	25	24.5
B) Online job portals	37	36.3
C) Social media recruitment	31	30.4
D) Walk-in applications	9	8.8
Total	102	100.0

(Source: Primary Data)

CHART NO: 3.1



### Interpretation:

The most preferred method of recruitment among respondents is Online Job Portals (36.3%), followed by Social Media Recruitment (30.4%). Employee Referrals (24.5%) also hold significant importance, while Walk-in Applications (8.8%) are the least favored. The most preferred method of recruitment among respondents is Online Job Portals (36.3%)

TABLE NO.: 3.2

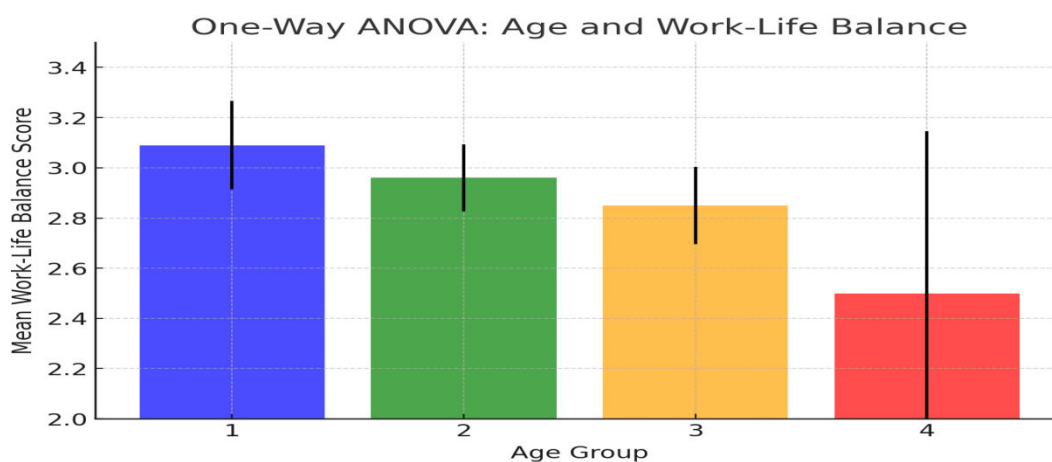
ONE - WAY ANOVA

PARTICULARS		N	MEAN	SD	STD. ERROR	95% CONFIDENCE INTERVAL FOR MEAN		MIN	MAX
						LOWE R BOUN D	UPPE R BOUN D		
AGE AND WORK LIFE BALANCE	1	23	3.09	.848	.177	2.72	3.45	1	4
	2	49	2.96	.935	.134	2.69	3.23	1	4
	3	26	2.85	.784	.154	2.53	3.16	2	4
	4	4	2.50	1.291	.645	.45	4.55	1	4
	TOT AL	102	2.94	.888	.088	2.77	3.12	1	4

PARTICULARS		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
AGE AND WORK LIFE BALANCE	Between Groups	1.518	3	.506	.635	.594
	Within Groups	78.129	98	.797		
	Total	79.647	101			

INTERPRETATION

The analysis of age and work-life balance shows that the overall mean rating is 2.94, with a standard deviation of 0.888, indicating moderate variability in responses. The confidence interval (95%) ranges from 2.77 to 3.12, suggesting that the true mean likely falls within this range. Among the four age groups, the mean scores range from 2.50 to 3.09, with the smallest group (n=4) showing the lowest mean, though its reliability is questionable due to the small sample size. An ANOVA test reveals an F-value of 0.635 and a p-value of 0.594, indicating no statistically significant difference between age groups ( $p > 0.05$ ).



This suggests that age does not have a strong influence on perceived work-life balance, and other factors such as job roles, workload, or work environment may play a more critical role in shaping these perceptions.

#### **IV. CONCLUSION**

Human resource practices in small enterprises play a crucial role in shaping organizational success despite facing unique challenges such as budget constraints, limited HR personnel, and informal hiring processes. While these businesses often rely on referrals and word-of-mouth recruitment, digital platforms are becoming increasingly relevant. Employee onboarding and training are usually less structured, but cost-effective strategies like online learning and mentorship help bridge the gap.

#### **REFERENCES**

1. Kitching, J. (2007). Regulating Employment Relations through Workplace Practices: A Study of Small Employers. *Human Resource Management Journal*, 17(1), 42-57.
2. Patel, P. C., & Cardon, M. S. (2010). Adopting HRM Practices and Their Impact on Small Business Performance: A Resource-Based View. *Journal of Small Business Management*, 48(3), 451-471.
3. Bacon, N., & Hoque, K. (2005). HRM in Small Firms: The Impact of Organizational Size and Managerial Attitudes. *Human Resource Management Journal*, 15(1), 76-97.



INTERNATIONAL  
STANDARD  
SERIAL  
NUMBER  
INDIA



# INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH

IN SCIENCE | ENGINEERING | TECHNOLOGY

 9940 572 462  6381 907 438  [ijirset@gmail.com](mailto:ijirset@gmail.com)



[www.ijirset.com](http://www.ijirset.com)

Scan to save the contact details