

## PalArch's Journal of Archaeology of Egypt / Egyptology

### ENHANCING HUMAN RESOURCE PRACTICES IN SMALL STARTUP COMPANIES: AN EMPLOYEE'S PERSPECTIVE

*Huriyyah Ghazi Shanab<sup>1</sup>, Uzma Javed<sup>2</sup>*

<sup>1,2</sup> College of Business, Effat University, Qasr Khuzam St., Kilo. 2, Old Mecca Road.

P.O.BOX 34689, Jeddah 21478, Saudi Arabia,

Email: [1sbakhashwain@effatuniversity.edu.sa](mailto:1sbakhashwain@effatuniversity.edu.sa), [2ujaved@effatuniversity.edu.sa](mailto:2ujaved@effatuniversity.edu.sa)

**Huriyyah Ghazi Shana<sup>1</sup>, Uzma Javed. Enhancing Human Resource Practices in Small Startup Companies: An Employee's Perspective -- Palarch's Journal of Archaeology of Egypt/Egyptology 18(14), 14-23. ISSN 1567-214x**

**Additional Keywords and Phrases: Human Recourse Management; Human Resource Practices; Small Medium Enterprises; Firms; Saudi Arabia.**

#### **ABSTRACT**

Human Resource Management (HRM) is important for any types of organization without considering its size and capacity. Thus, this work has analyzed HRM ability domain practices in small medium enterprises at Jeddah, Saudi Arabia. The work focused on analyzing employee's perceptions on the recruitment and selection practices, and also training and development. This work was based on quantitative method. The sample size of this work was 34 respondents working in a small medium enterprise in Jeddah. Questionnaire was designed and used as data collection medium. Based on the recruitment and selection factor, the result of this work showed that employees are satisfied with the policy their institution offers for the hiring and selection policies. In addition, there is a considerable importance placed on the hiring process by their institution. As for training and development, the findings showed that the majority agreed that institution offers opportunities for training and development. Overall, the employee agrees that decent HRM practice exist in their institution.

#### **INTRODUCTION**

Human capital is a significant resource for associations as they are required for the organization to function smoothly [1]. Thus, HRM assumes a critical job in keeping up association aggressiveness. Any association intends to achieve achievement should concentrate vigorously on HRM, enlisting, choosing, preparing and creating representatives [2]. Vital HRM furnishes firms with the inner ability to adjust and change in accordance with their focused surroundings by adjusting HRM strategies and practices [2].

Instances of these arrangements and practices are enrollment and determination, preparing and advancement, and reward frameworks with business strategies. The company's capacity to create HRM practices lined up with business system is a wellspring of competitive nature [3]. HRM practices on business execution, to be specific preparing and advancement, collaboration, pay/motivating force, HR strategy, execution examination, and worker security help improve firms' business execution including representative's profitability, item quality and association's adaptability [3].

Enterprise is a unique idea to bind since it draws on different scholastic controls with varying points of view. Business enterprise can be characterized as the way towards making an incentive by uniting an extraordinary bundle of assets to exploit a chance [4]. An enterprising direction is basic for hierarchical survival and development in the present business environment [5]. Moreover, the present pattern towards learning serious ventures implies that aggressiveness progressively relies upon the administration of the social bases of individuals from associations [6]. Culture, demeanors, qualities and promise to workers, at that point, are progressively vital to the achievement of firms – of all genre and sizes [6].

HRM practice can add to understanding issues looked by the enterprising firm. Different precedents are the commitment of HRM practices to the survival of new pursuits, and the effect of asset securing, assignment and development in rapidly growing firms [7]. Indeed, HRM would appear to be one of the more fundamental administrative choice territories influencing corporate business enterprise [7].

Several studies have been reported on HRM practices in organization and entrepreneurship. Nolan and Garavan [8] evaluated the linkages among human asset (HR) frameworks, social atmospheres, and representative helping conduct, and found that HR frameworks advances social atmospheres in terms of inspiration and sustenance of helping conduct. Mostafa et al. [9] inspected the connections between representatives' view of superior HR practice use in their job gatherings and found that HR practice use at the specific type of employment group level is optimistically related. In addition, Sheehan [10] inspected HRM practices in terms of fundamental application for SMEs and found that HRM practices is found to significantly upgrade the effectiveness of the enterprise. Allen et al. [11] analyzed the impacts of commitment-based HRM practice on the execution of independent ventures and found that HRM application depend on pioneers' perspectives on worker responsibility and are identified with income development. Sajuyigbe et al. [12] analyzed the effect of HRM practices on execution of little scale organizations in Osun, Nigeria and found that money related assets and firm size were central point that had critical impact on reception of HRM practices. Lai et al. [13] inspected the immediate connection between HRM practices and private company execution in the United Kingdom, and found that specific HR strategies and practices may improve the firm's execution. Rauch and Hatak [14] inspected the impact HRM practice execution of small and medium firms, and result showed a positive and direct connection between the organization performance and HRM practice.

The Kingdom of Saudi Arabia is biggest population region in the Middle East. It is one of the world's best 20 most focused economies and alluring speculation goal in the Middle East [15]. It is a financial monster in its area, with 25% of the world's demonstrated oil holds [15]. In the course of the most recent couple of years, business endeavors have seen remarkable development in Saudi Arabia where SMEs of Saudi Arabia bolster expansive associations in promoting and providing materials [16]. To the author's best knowledge, minimal work has been reported [16] regarding HRM practices in SME firm of Saudi Arabia. Thus, this work has examined on how employees who work in SMEs in Saudi Arabia perceive HRM practices in ability domain functions in their workplace. This work has focused HRM practices in ability domain in Saudi entrepreneurial firms in Jeddah.

## **METHODOLOGY**

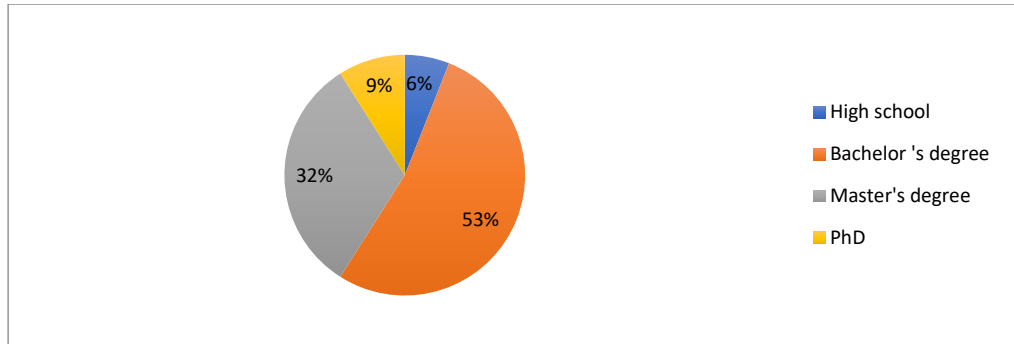
The purpose of this work was to investigate and examine HR ability practices and the effectiveness of those practices from the employees' perspective in private SMEs in Jeddah. Thus, the sample population for this study was concentrated on employees in SMEs who experienced HR ability practices in their organizations that are located in Jeddah. The total sample was 34 employees who own or work in a small medium enterprise in Jeddah.

This work utilized quantitative approach and questionnaire was used to gather the required information. The questionnaire was divided into three main sections. First section consisted of questions on employee's perceptions on the recruitment and selection practices. The second part consisted of questions on training and development, whereas third part consisted of demographic information. In addition, employees were assured of the confidentiality of the information provided by them and that their participation is entirely voluntary. Descriptive method was used in this survey. The survey was sent through email, LinkedIn and WhatsApp to those who owns\works in a small medium enterprise. The data were analyzed in terms of basic statistic and were presented in figure form.

## **RESULT AND DISCUSSION**

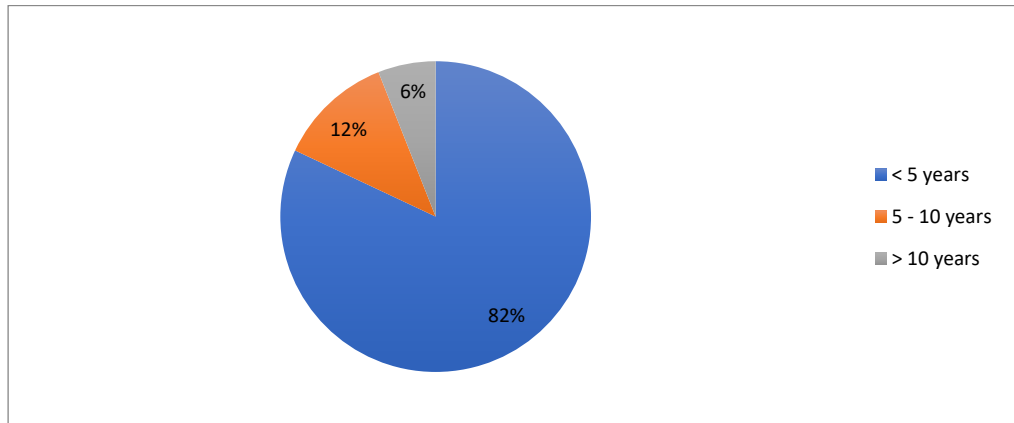
### ***Respondent's Demographics***

The questionnaire was distributed to employees in private sectors who work or own a small medium enterprise. The respondents' profile is reported as follow. The overall number of respondents for this work was 34, of which 35% were females and 65% were male employees. The majority of the participants were between the ages of 20 – 30 while 44% of them were between the ages of 31 – 40 years. Based on Figure 1, 35% of the participants hold a bachelor's degree, 32% had Master's Degree, 9% of them have PhD, and only 6% have a high school or a diploma.

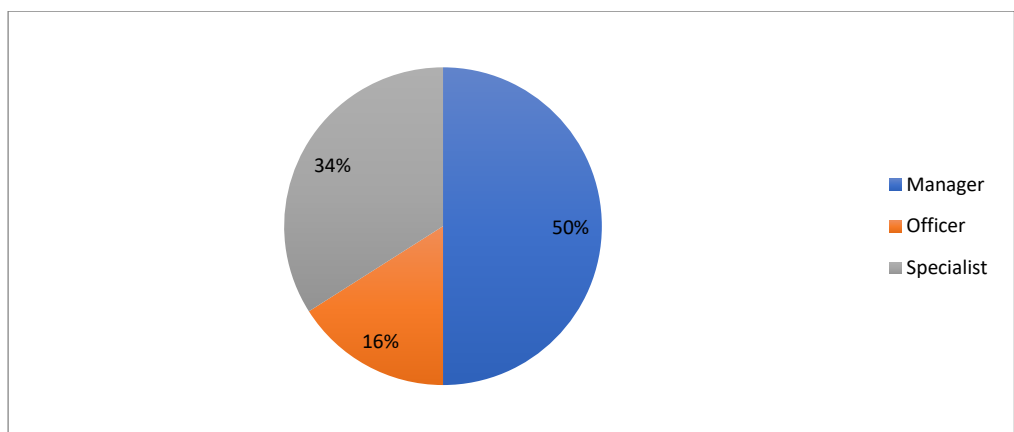


**Figure 1: Education Background**

As seen in Figure 2, the sample consisted of 82% of employees whom have less than 5 years of experience in their workplace, 12% of them have 5 - 10 years of experience while the remaining 6% have more than 10 years of experience. Based on Figure 3, around 50% of the sample have a managerial level positions in their firms.



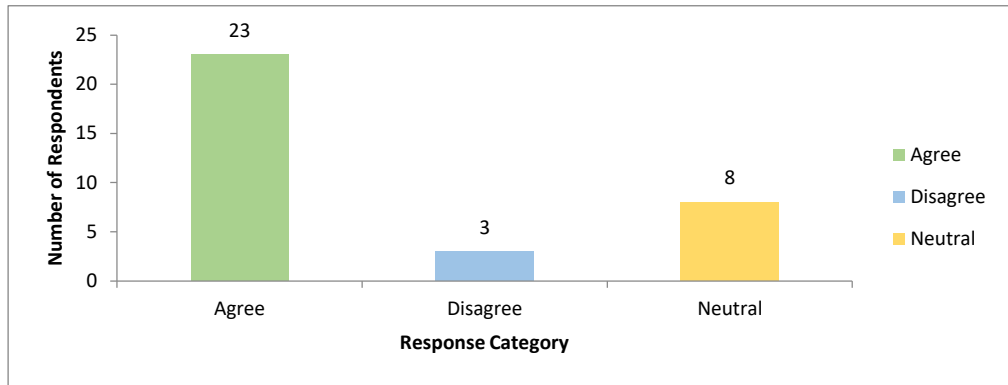
**Figure 2: Length Of Service**



**Figure 3: Job Position**

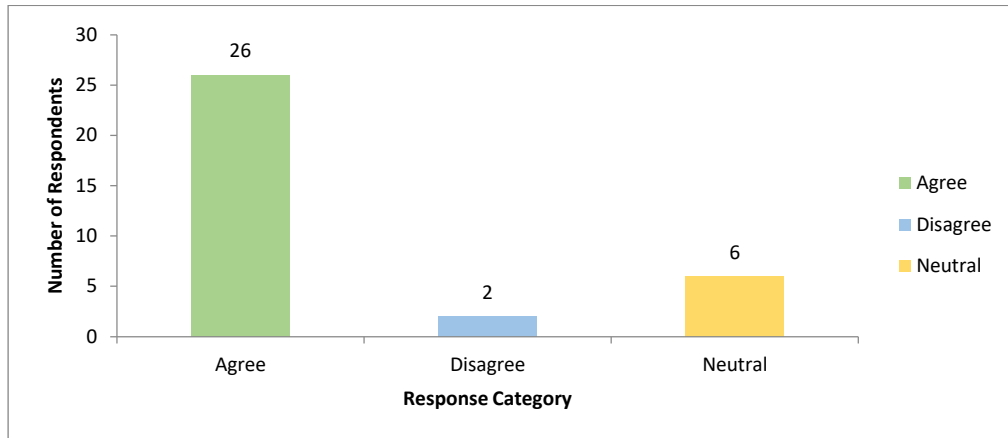
***Recruitment and Selection***

In the questionnaire, participants were asked four questions regarding recruitment and selection. The purpose of the questions was to measure the selection and hiring procedure in their workplace, in which majority of the respondents' answers were positive. For the first question, based on Figure 4, 23 respondents agreed that their institution's hiring policy and process is fair, 3 respondents disagreed and 8 respondents answered neither agree nor disagree.



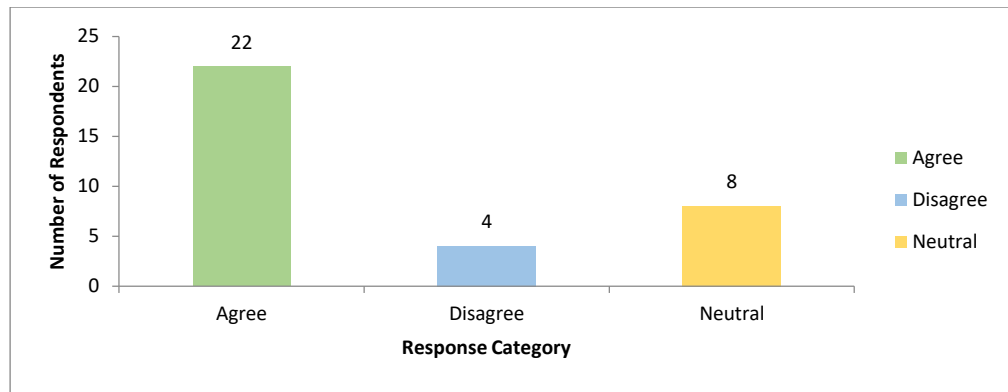
**Figure 4:** Institution’s Hiring Policy and Process

Next, the second question asked whether there is a considerable importance is placed on the hiring process by their institution. Thus, based on Figure 5, 26 respondents agreed, 2 of respondents disagreed and the remaining 6 respondents neither agree nor disagree.

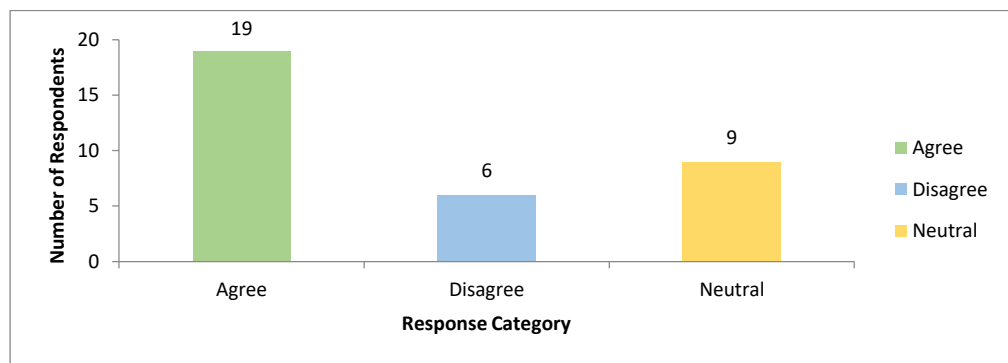


**Figure 5:** Importance Is Placed On The Hiring Process By Institution

For the third question, based on Figure 6, 22 respondents agreed that there are extensive efforts made by their institution in the selection of new workers\employees, 4 respondents disagreed and 8 respondents decided to neither agree nor disagree. As for the final question asked if their institution hires only the very best people for the job, based on Figure 7, 19 respondents agreed, 6 respondents disagreed, and the remaining 9 respondents neither agreed nor disagreed. Thus, overall, employees are satisfied with the procedures and fairness their institution offers for the hiring and selection policies.



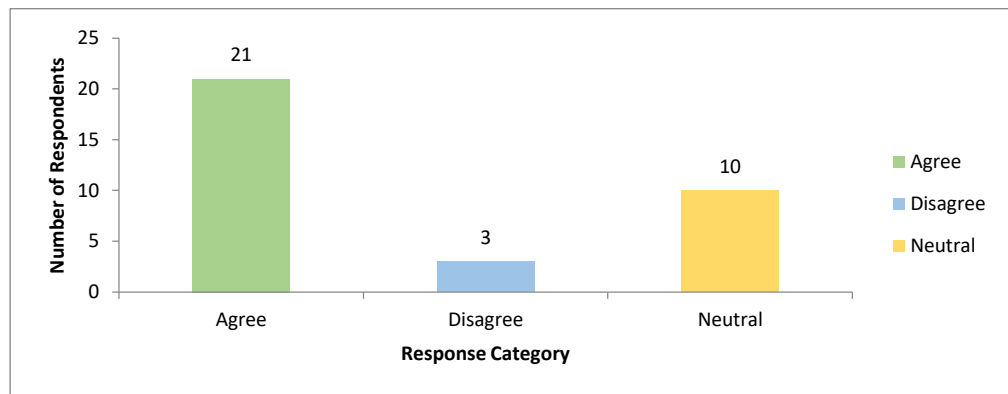
**Figure 6:** Extensive Efforts Are Made By The Institution In The Selection Of New Employees



**Figure 7:** Institution Hires Only The Very Best People For The Job

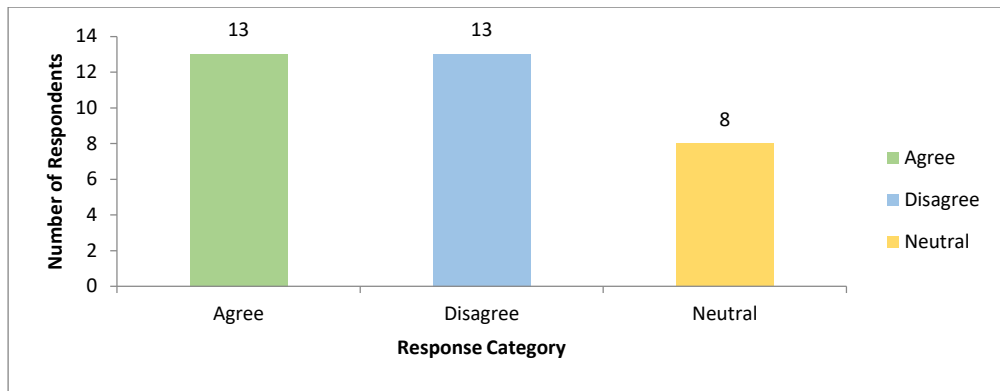
***Training and Development***

In this part of the questionnaire, participants were asked four questions regarding their training and development practices in their organization. The first question was whether their institution offers opportunities for training and development. Based on Figure 8, 21 people responded with a yes, 3 of them said no, and 10 people neither agreed nor disagreed.



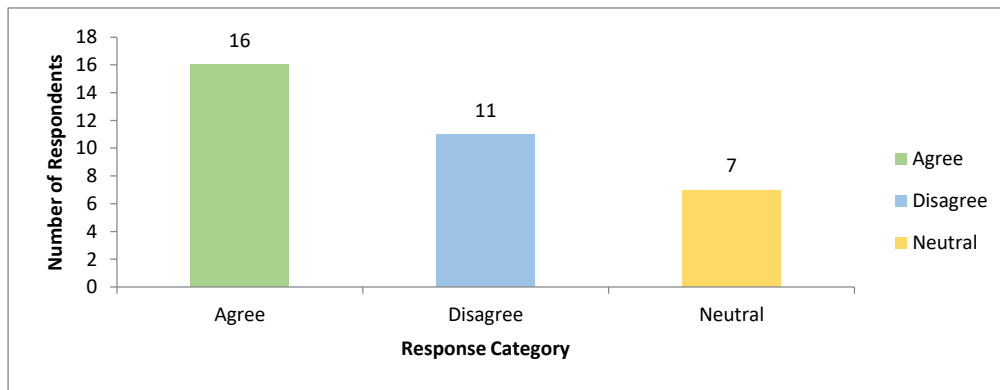
**Figure 8:** Institution Offers Opportunities For Training And Development

In the second question asked if in their opinion, the number of training programs provided for employees by the institution are sufficient, based on Figure 9, 13 people agreed, 13 people disagreed, and 8 people neither agreed nor disagreed.



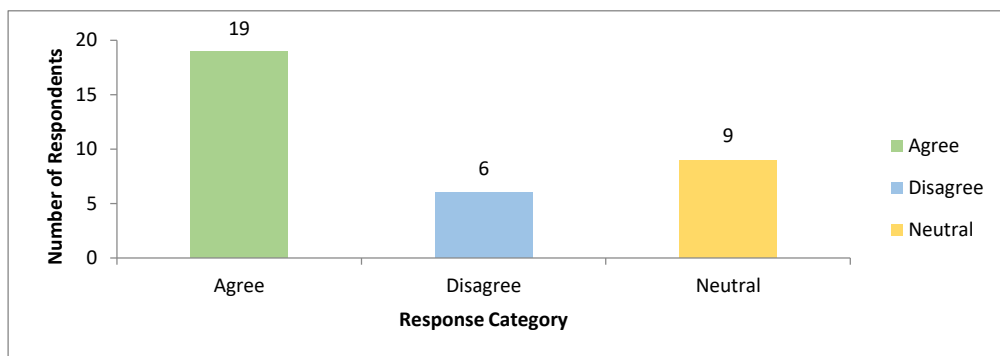
**Figure 9:** Training Programs Provided Are Sufficient

For third question, based on Figure 10, 16 people agreed to the question whether when their job involves new tasks, they are properly trained, 11 people disagreed, and 7 of them neither agreed nor disagreed.



**Figure 10:** Workers Are Properly Trained For New Task

The final question asked if their institution provides excellent opportunities for personal skills development, based on Figure 11, 19 people agreed, 6 of them disagreed, and the remaining 9 of them neither agreed nor disagreed.



**Figure 11: Institution Provides Excellent Opportunities For Personal Skills Development****OVERALL DISCUSSION**

Thus, overall, this work analyzed regarding employee's perception of HR ability domain practices, employees were asked about their perception on three main key areas in the ability domain, which are recruitment, selection, training and development. With regard to recruitment and selection, majority agree that their institution's hiring policy and process is fair. Thus this is inline with the work reported by Vanhala and Ritala [17] where a good HRM practice will ensure that there is a fairness in employee hiring policy and this will develop the performance of the organization.

Next, the finding of this work showed that there is a considerable importance placed on the hiring process by their institution. Work done by Adam et al.[18] stated that HRM plays a key role in ensuring significant attention and detail is given to all hiring process and this was inline with the finding of this work. In addition, result of this work showed that majority agreed that there is a very extensive efforts made by their institution in the selection of new employees, which exhibited a good HRM practice and this is agreed by the work of Sajuyigbe et al.[12] an organization that takes a huge step in choosing their work personnel is displaying a noble HRM practice. The final outcome of this work showed most respondents agreed that institution hires only the very best people for the job and this is inline with previous reported work of Lai et al. [13] where organization will demand the best employee for a better performance and work environment.

As for training and development, the findings of this work showed that the majority agreed that their institution offers opportunities for training and development and this basic requirement of good HRM practice as reported by Tracey [7] and it is inline with this work. In addition, the result also showed that while most of participants agreed, the other half disagreed that the number of training programs provided for employees by their institution are sufficient. On the other hand, the majority agreed that when their job involves new tasks, they are properly trained and this is agreed by the work of Nolan and Garavan [8], as was stated that training is important for a new and specified task, and it is the responsibility of human resource to facilitate it. Lastly, the majority agreed that their institution provides excellent opportunities for personal skills development which showed a good HRM practice by the institution and this reflects a positive HRM action as agreed by Tracey [7] and by Nolan and Garavan [8] where it was reported that a good HRM practice should provide enough opportunities for the employee's development

In this part of the questionnaire, participants were asked four questions regarding their training and development practices in their organization.

**CONCLUSION**

The perception of employees who work in SMEs in Saudi Arabia on HRM practices in terms of its role was analyzed in this work. The analyzed work



focused on employee's perceptions on the recruitment and selection practices, and also training and development. The outcome of this work showed that the respondent had decent perception of HRM practices in their institution at Saudi Arabia. However, this work only covered HR practices from an employees' perspective in few organizations in Jeddah - Saudi Arabia. Thus for future work, the authors highly recommend to study a broad range of SMEs and examine other HRM practices domains as well such as motivation and opportunity to participate in decision-making.

## REFERENCES

- Scott, W. R. (2015). *Organizations and organizing: Rational, natural and open systems perspectives*. Routledge.
- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2017). *Human resource management: Gaining a competitive advantage*. New York, NY: McGraw-Hill Education.
- Armstrong, M., & Taylor, S. (2014). *Armstrong's handbook of human resource management practice*. Kogan Page Publishers.
- DeCenzo, D. A., Robbins, S. P., & Verhulst, S. L. (2016). *Fundamentals of Human Resource Management, Binder Ready Version*. John Wiley & Sons.
- Koryak, O., Mole, K. F., Lockett, A., Hayton, J. C., Ucbasaran, D., & Hodgkinson, G. P. (2015). Entrepreneurial leadership, capabilities and firm growth. *International Small Business Journal*, 33(1), 89-105.
- Mosakowski, E. (2017). Overcoming resource disadvantages in entrepreneurial firms: When less is more. *Strategic entrepreneurship: Creating a new mindset*, 106-126.
- Tracey, W. R. (2016). *The human resources glossary: The complete desk reference for HR executives, managers, and practitioners*. CRC Press
- Nolan, C. T., & Garavan, T. N. (2016). Human resource development in SMEs: a systematic review of the literature. *International Journal of Management Reviews*, 18(1), 85-107.
- Mostafa, A. M. S., Gould-Williams, J. S., & Bottomley, P. (2015). High-performance human resource practices and employee outcomes: the mediating role of public service motivation. *Public Administration Review*, 75(5), 747-757.
- Sheehan, M. (2014). Human resource management and performance: Evidence from small and medium-sized firms. *International Small Business Journal*, 32(5), 545-570.
- Allen, M. R., Ericksen, J., & Collins, C. J. (2013). Human resource management, employee exchange relationships, and performance in small businesses. *Human Resource Management*, 52(2), 153-173.
- Sajuyigbe, A. S., Ojokuku, R. M., & Ogunwoye, A. B. (2014). Human resource management practices and small scale business performance: Evidence from Osun state, south western Nigeria. *Journal of Emerging Trends in Economics and Management Sciences*, 5(7), 1-6.
- Lai, Y., Saridakis, G., & Johnstone, S. (2017). Human resource practices, employee attitudes and small firm performance. *International Small Business Journal*, 35(4), 470-494.
- Rauch, A., & Hatak, I. (2016). A meta-analysis of different HR-enhancing practices and performance of small and medium sized firms. *Journal of*

- business venturing*, 31(5), 485-504.
- Rawashdeh, A., & Al-namlah, L. (2017). Factors influencing electronic data interchange adoption among small and medium enterprises in Saudi Arabia. *Asian Journal of Business and Accounting*, 10(2), 253-280.
- Mohammad, A. Q. (2015). Employee Recruitment, Selection and Retention in Saudi Arabian Family Owned Small and Medium Scale Enterprises (SME'S). *Kuwait Chapter of Arabian Journal of Business and Management Review*, 33(2581), 1-16.
- Vanhala, M., & Ritala, P. (2016). HRM practices, impersonal trust and organizational innovativeness. *Journal of Managerial Psychology*, 31(1), 95-109.
- Adam, O. A. S., Ogolla, D., & Maore, S. (2017). Influence of human resource hiring practices on performance of United Nations agencies in Mogadishu, Somalia. *International Academic Journal of Human Resource and Business Administration*, 2(3), 677-701.