



Impact of Innovative Strategic Human Resource Management Practices on the Performance of Small and Medium Enterprises – A Case Study of Karnataka

B K Sathyanarayana* and Nawal Kishor†

Abstract

Contemporary management practices indicate that many successful companies have recognised the strategic importance of human resources. The assumption emphasising the practice of SHRM is that people are the organization's vital resource and organizational performance largely depends on them. It is, therefore, appropriate that HRM policies and practices is formulated and executed effectively, so that HRM will make a substantial impact on firm performance. SHRM aims at to ensure that HRM is fully integrated with the strategy and the strategic needs of the firm, human resource policies are consistent both across hierarchies and human resource practices are adjusted, accepted and used by line managers and employees as part of their everyday work. The impact of the SHRM practices in an organization will decide the survival and growth of the organization itself.

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

* Associate Professor, Department of Commerce, B S V Arts and Commerce College for Women, Vijayanagar, Bangalore- 560040, Karnataka, India; bksathyanarayana48@gmail.com

† Professor in Commerce and Director, School of Management Studies, Indira Gandhi National Open University, Maidan Garhi, New Delhi-110068, India; nawalkishor35@hotmail.com

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.

Karnataka is considered as one of the most desired industrial location for setting industries in the country. Karnataka has emerged as the leader in IT & BT and knowledge based industrial sector. State has a number of traditional cottages, Handicrafts, Micro Enterprises like Handlooms, Power looms, silk weavers, Khadi and village industries etc. Small and Medium Enterprises (SMEs) form an important and growing segment of Karnataka's industrial sector. This study aims at evaluating the application and implementation of Strategic Human Resource Management (SHRM) practices for Small and Medium Enterprises (SMEs) and to examine its impact on organisational performance.

Keywords: Strategic human resource management, Small and medium enterprises, Innovation, Organisational performance

Introduction

In India, Small and Medium Enterprises (SMEs) accounts for 95% of the industrial units, providing 40% value addition in the manufacturing sector, contribute 6.25% to GDP. 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. They 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 defence production, technology - oriented industries, competitiveness in domestic and export markets and generate new entrepreneurs by providing knowledge and training. 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.

Karnataka is considered as one of the most desired industrial location for setting industries in the country. State has been consistently pursuing progressive outlook to meet the changing needs of the State's economy and industry. Karnataka is also considered one of the countries Industrialists State comprising large public sector industrial undertakings, large privately owned industries like steel sugar, textiles etc., in recent times, Karnataka has emerged as the leader in IT & BT and knowledge based industrial sector, making rapid strides in IT & computer related industries and biotechnology with a strong research and development base. The State has a number of traditional cottage, handicrafts, micro enterprises like handlooms, power looms, silk weavers, khadi and village industries etc.,.

SHRM aims at to ensure that HRM is fully integrated with the strategy and the strategic needs of the firm, human resource policies are consistent both across hierarchies and human resource practices are adjusted, accepted and used by line managers and employees as part of their everyday work Strategic HRM aims at to improve business performance through people and to meet the needs of the organization's employees. Employee well-being is or should be major concerns, but organizations in all sectors (private, public or voluntary) have to be business like in the sense that they are in the business of effectively and efficiently achieving their purpose whether this is to make profits, deliver a public service or undertake charitable functions.

A Small and Medium Enterprise (SME) is defined as one that is independently owned and operated and which is not dominant in its field of operation. Small Businesses play vital role in all over the world economy. Their importance stems from the fact that majority of the businesses in the world are small firms and they have been the main generators of employment for many decades

and have been hailed as incubators of innovation. They act as primary vehicles for creating general prosperity and economic growth in society because of their simplicity and flexibility.

The assumption underpinning the practice of SHRM is that people are the organization's key resource and organizational performance largely depends on them. If an appropriate range of HR policies and processes is developed and implemented effectively, then HR will make a substantial impact on firm performance. The impact of the SHRM practices in an organization will decide the survival and growth of the organization itself. It is very important to examine the relevance of the SHRM practices that are followed in an organization. Need for SHRM due to the reasons such as: globalization, the war for top talent, the increasing pressure on employees, continuing decline in employee loyalty, on-going decline in customer loyalty, the strenuous intervention of shareholders and Board of Directors, the increased speed of change etc.,

Literature Review

An effective and competitive human resource is the main key to the strength of organization in facing the challenges of the modern business. The importance of having a competitive human resource is synonymous with the success of modern organizations. An efficient and effective human resource will result in employee development that will ultimately lead to productivity and profitability of an organization. Human resource management is a system, a philosophy, policy and practices that can influence individuals that work in an organization. HRM activities include staffing, training and development, performance appraisal, compensation management, safety and health and industrial relations. According to Huang (2000), HRM Practices is one area that influences employees' intention to leave, levels of job satisfaction and organizational commitment. Since the concept of HRM become popular in the early 1980s, there have been increasing academic interest in the concept as well as research in the area. Early models of HRM (Beer, Spector, Lawrence, Miles, & Walton, 1984; Fombrum, Tichy & Devanna, 1984; Guest, 1989) were largely conceptual and not based on substantial empirical evidence

for their validity. The 1990s saw a substantial amount of empirical research carried out to find evidence on the link between HRM practices and performance

The essence of Strategic Human Resource Management (SHRM) is to study how business organizations establish linkage between Human Resource Management (HRM) and their business or organizational strategy. This means that business strategy is the main determinant factor of Human Resource (HR) strategy, followed by other internal or organizational and external or environmental factors (Armstrong, 2009; Beer et al., 1984; Boxall & Purcell, 2000, 2008; Delery & Doty, 1996; Fombrun, Tichy & Devanna, 1984; Miles & Snow, 1984; Schuler & Jackson, 1987, 1999). Michael Armstrong (2006) in the book *Strategic Human Resource Management: A Guide to Action* suggested what is often depicted as a gap between the rhetoric of strategic human resource management (SHRM) and the reality of strategy in action, characteristically provides the first guide to the realistic implementation of the high-sounding HR strategies that every practitioner, academic and consultant is now attempting to put into place. Christensen, Ralph (2006), in the book 'Roadmap To Strategic HR- Turning a Great Idea into a Business Reality' provided a practical approach for turning Human Resource into a crucial component of success through implementation of strategy. For more than a decade now, human resources professionals have sounded the drumbeat of change: HR must transform itself from an administrative function into a strategic business partner. Lengnick-Hall et al. (2009) identified seven themes across time in the SHRM literature: (1) explaining contingency perspectives and fit, (2) shifting from a focus on managing people to creating strategic contributions, (3) elaborating HR system components and structure, (4) expanding the scope of SHRM, (5) achieving HR implementation and execution, (6) measuring outcomes of SHRM, and (7) evaluating methodological issues. Each of these themes played a significant role in the evolution of the field. Empirical research has suggested a relation between HRM practices (whether as individual practices or as a bundle) and organizational performance (Paauwe 2009).

The studies by Galia and Legros (2003), Roffe (1999), Michie and Sheehan (1999), and Holbrook and Hughes (2003) suggested that good human resource practices have significant impact on the innovation performance of organizations. According to the findings of these studies, the organizations that focused on human resource practices such as training and development, sharing skills, extensive recruitment and selection, employment security, incentive reward systems, and innovative work practices produced not only the highest level of productivity but also enhanced their innovative activities. The increase importance of innovation to organizations is also reflected by the tremendous increases in the literature that address the role and nature of innovation (Johann Essen et. al, 2001).

Even though the new economy technology start-ups can embark on breakthrough innovations for building knowledge intensive businesses, SMEs generally need to innovate, even if incrementally, to ensure competitiveness. The National Knowledge Commission of India (NKC) report (2007) sees the following as primary barriers to innovation: excessive government regulation, lack of effective collaboration between industry and research conducted in universities / research laboratories, skill shortages, inability to move beyond the initial successful innovation and poor understanding of market dynamics. Both empirical studies as well as findings of the NKC study show that a small proportion of firms (about 30% of large firms and <10% of SMEs) partner with government agencies for the purpose of innovation. Unlike some established big firms, several SMEs have not adopted innovation as a strategic tool to achieve necessary competitiveness. Towards development, protection and exploitation of novel products / processes, SMEs (other than those in the knowledge-intensive sectors) generally display poor awareness of intellectual property issues. There is thus an overwhelming need for awareness and support.

On reviewing the existing literature, it appears that different studies on SHRM have linked SHRM with their wider aspects of environment, learning geographic, technological, global competitiveness, financial and production related factors, but the Strategic Human Resource Management for Small Business (SMEs)

seeks wider coverage of human aspects. Hence, this study is conducted to fill this gap.

Objectives of the Study

1. To study the association between Strategic HRM implementation and organisational performance.
2. To analyse the impact of innovative recruitment, performance appraisal, reward and compensation practices on organisational performance
3. To study the association between innovative talent acquisition and retention and the organisational performance
4. To examine the relationship between innovative retraining, redeployment practices and organisational performance.

Hypotheses

1. H0: There is no association between Strategic HRM implementation and organisational performance.
2. H0:- There is no association among the innovative recruitment, performance appraisal and compensation reward practice with the performance of the organisation
3. H0:- there is no association between innovative talent acquisition and retention with the organisational performance.
4. H0:- There is no association between innovative retraining, redeployment practices and organisational performance.

Methodology

A pilot study (n=170) was performed to explore the extent of SHRM presence in SMEs in Bangalore. The study depicted various SHRM drivers and organizational drivers and provided a foundation stone for the detailed follow up study which constituted 640 SME respondents in and around Bangalore District from both Manufacturing and Services Sector. A Questionnaire was constructed, which included 10 Sections of 45 items.

Different statistical techniques have been used to find out different relationships, such as Correlation Analysis, Chi Square, ANOVA, Regression Analysis, and Factor Analysis. Statistical Package for Social Science (SPSS-21) has been used as standard statistical software to analyse these complex relationships.

Discussions and Findings

Inferential statistics - Hypotheses tested

1. SHRM implementation in any organisation has an impact on the organisational overall performance, most of the cases the impact is favourable for the organisation. If not the case HR functions would not been considered an integral part of any organisation. However, the statistical evidence of this statement has to be ascertained in order to make it generalised. So in this part of the study it is tried to test this hypothesis for the statistical evidence in order to concrete the statement of implementing SHRM in any organisation more specifically in SMEs has a favourable impact on the overall performance of the organisation. So the null hypothesis under test is as follows:

1. H0: There is no association between Strategic HRM implementation and organisational performance.

Table 1. Correlation between Strategic HRM Implementation and Organisational Performance

| | | Perceived_ Organisation_ Performance | SHRM_ Implementation |
|--------------------------------------|---------------------|--------------------------------------|----------------------|
| Perceived_ Organisation_ Performance | Pearson Correlation | 1 | .525** |
| | Sig. (2-tailed) | | .000 |
| | N | 640 | 640 |
| SHRM_imple mentation | Pearson Correlation | .525** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 640 | 640 |

Source- Primary Data

Inference- This hypothesis is tested at a confidence level of 95% or at a significance level of 0.05. From the table 2 it can be observed that the correlation coefficient is 0.525 and the significance of the correlation coefficient is less than the significance level. So the null hypothesis is rejected under test statistically. Therefore it can be accepted that a correlation exists between the SHRM implementation and the organisational performance. The correlation coefficient is positive. So it can be inferred that the SHRM implementation and organisational performance is positively related, this means more favourable SHRM implementation in an organisation will have favourable impact on the overall organisational performance.

2. Innovative Recruitment One of the most important activity the HR team plays is recruiting the right candidate for the position. They implement some innovative recruitment practices to get the right candidate. One of the ways to achieve this is to recruit the persons with professional training and proper educational qualification is recruited for managerial position. So with their abilities they can guide the subordinates to achieve the organisational role. To get this kind of candidates' employee referral system is one of the best ways to attract more number of potential candidates to the recruitment process, so the probability of selecting the right candidate goes up, when the HR has a pool of potential candidate. So to get the best from the employee referral, the employees in the organisation should be communicated well in the organisation. Information about the current job vacancies at first communicated to the current employees in order to induce the employee referral programs. After the right candidate is recruited to the organisation a formal induction, orientation and familiarisation program is essential to make the new recruit understand the prevailing organisational environment and the people he/she is going to work with. After a proper candidate is selected for a particular role, it is necessary to have a periodic review of the new employee along with the old employees. This leads to innovative performance appraisals and reward and compensation practices. This satisfies the expectations of the employees. When an employee is happy with the organisation he/she is most likely to perform better and the collective efforts of the employees will increase the organisational performance.

Depending upon the hierarchical position one employee has in the organisation the performance appraisal reports forwarded. But if one employee is not satisfied with his/her appraisal he/she can appeal for revision on the appraisal to managers. The inter personal skill an employee possess has more weightage while evaluating the performance appraisal. When a supervisor is preparing the appraisal report of his/her subordinates he/she has to have a clear idea of key responsibility area of the employee, and the role of HR becomes more vital to communicate the exact responsibility of the employee to his/her supervisor. And with the role clarity the policies are also clearly explained to the line managers and supervisors. Repeated explanation of the role makes it more clear not only among the employees but also with the line managers and supervisors. The grading and rankings become more related to the performance, when there is role clarity. After the performance appraisal every employee wants the rewards or the compensation of the hard work they have done for the organisation, not necessarily this has to be a monetary benefit, there are many innovative ways to reward or compensate the performing employees. They can be provided with flexible working hours, they can be provided with more freedom a work, and many more. So in this part of the study we tried to find the correlation of the innovative recruitment practice, appraisal, rewards and compensation practices with the overall performance of the organisation. So the hypothesis under test is as follows:-

2. H0:- There is no association among the innovative recruitment, performance appraisal and compensation reward practice with the performance of the organisation.

Table 2. Correlation between the innovative recruitment, performance appraisal and compensation reward practice with the performance of the organization

| | | Correlations | | | |
|--|---------------------|--------------------------------------|---|---|--|
| | | Perceived_ Organisation_ Performance | SHRM_Practice_ Innovative_ Compensation_ Reward | SHRM_Practice_ Innovative_ Performance_ Appraisal | SHRM_Practice_ Innovative_ Recruitment |
| Perceived_ Organisation_ Performance | Pearson Correlation | 1 | .739** | .765** | .676** |
| | Sig. (2-tailed) | | .000 | .000 | .000 |
| SHRM_ Practice_ Innovative_ Compensation_ Reward | Pearson Correlation | .739** | 1 | .745** | .615** |
| | Sig. (2-tailed) | .000 | | .000 | .000 |
| SHRM_ Practice_ Innovative_ Performance_ Appraisal | Pearson Correlation | .765** | .745** | 1 | .767** |
| | Sig. (2-tailed) | .000 | .000 | | .000 |
| SHRM_ Practice_ Innovative_ Recruitment | Pearson Correlation | .676** | .615** | .767** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | |

Source- Primary Data

Inference

The correlation coefficient between the organisational performance and innovative recruitment is 0.676 and it is significant at 0.05 significance level. So it can be inferred that there is a strong positive significant correlation between the innovative recruitment practice and the organisational performance. Similarly the correlation coefficient between innovative performance appraisal and organisational performance is 0.765, and this coefficient is significant at 0.05 significance level. So it can be inferred that there is a strong positive correlation between the innovative performance appraisal and organisational performance. The correlation

coefficient between innovative reward and compensation and the organisational performance is 0.739 and this coefficient is statistically significant at 0.05 significance level. So it can be inferred that there is a strong correlation between innovative reward and compensation with organisational performance.

3. Innovative acquisition of talents and retention of these talents are always been the major challenge that every HR faces. This challenge has to be overcome by the HR to build a successful organisation, or more specifically developing the organisational performance. So in this part of study we tried to find out the correlation if exists between the innovative acquisition of talents and retention of those talents and the organisational performance. The null and alternative hypotheses under test are as follows:-

3. H0:- there is no association between innovative talent acquisition and retention with the organisational performance.

Table 3. Correlation between innovative talent acquisition and retention and the organizational performance

| | | Perceived_ Organisation_ Performance | Recruitmentretention |
|-------------------------------------|---------------------|--------------------------------------|----------------------|
| Perceived_Organisation_ Performance | Pearson Correlation | 1 | .768** |
| | Sig. (2-tailed) | | .000 |
| | N | 640 | 640 |
| Recrutmentretention | Pearson Correlation | .768** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 640 | 640 |

Source- Primary Data

Inference

The correlation coefficient is 0.768 and the correlation coefficient is statistically significant. So it can be inferred that there is a strong

positive statistically significant correlation between innovative talent acquisition and retention with the organisational performance.

4. Innovative retention of talents and the redeployment practices adopted by HR practice has always influenced the overall organisational performance. So in this part of study we tried to find the correlation between the innovative retention and redeployment of talents with the organisational performance. The hypotheses under test are as follows:-

4. H0:- There is no association between innovative retraining and redeployment practices and organisational performance.

Table 5: Correlation between innovative retraining and redeployment practices and organisational performance

| | | Perceived_ Organisation_ Performance | Retaining_ Redeployment_ Practice |
|---|---------------------|--------------------------------------|-----------------------------------|
| Perceived_ Organisation_ Performance | Pearson Correlation | 1 | .689** |
| | Sig. (2-tailed) | | .000 |
| | N | 640 | 640 |
| Innovative_ Retaining_ Redeployment_ Practice | Pearson Correlation | .689** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 640 | 640 |

Source- Primary Data

Inference

he correlation coefficient is 0. 689 and it is statistically significant. So it can be inferred that there is a strong positive correlation between innovative retention and redeployment practices adopted and the organisational performance. It was found that there is a statistically significant correlation between the organisational performance and many HR practices in the organisation.

Conclusion

In this study, an impact of innovative strategic human resource management practices on the performance of small and medium enterprises (SMEs) in Karnataka was examined to determine their relationships with the innovative recruitment, reward, compensation, retraining, redeployment, talent acquisition and retention practices of the 640 small and medium-sized enterprises (SMEs). There has been a statistically significant relationship between innovative strategic human resource management practices and organisational performance of the SMEs. These findings add support to previous studies that suggested relationships existed between human resource practices and innovation activity in business organisations. This finding is consistent with the earlier observations made by Galia and Legros (2003), Robbins and Coulter (1999), Roffe (1999), Michie and Sheehan (1999), and Holbrook and Hughes.

Overall findings of the study suggested that there is an impact of innovative strategic human resource management practices on the performance of small and medium enterprises (SMEs) in Karnataka. These findings offer several managerial implications for SMEs as well. The findings of this study indicate that there are positive significant relationships between innovative strategic human resource management practices and performance of SMEs.

References

- Barber, A.E., Wesson, M.J., Roberson, Q.M., & Taylor, S.A. (1999). A tale of two job markets: Organizational size and its effects on hiring practices and job search behavior. *Personnel Psychology*, 52, 841-868. doi 10.1111/i.1744-6570.1999.tb00182.x
- Becker, B., & Gerhart, B. (1996). The impact of human resource management on organizational Performance: Progress and prospects. *Academy of Management Journal*, 39(4): 779-80. doi 10.2307/256712
- Birley, S., and Westhead, P. (1994). A Taxonomy of Business Start-Up Reasons and their Impact on Firm Growth and Size. *Journal of Business Venturing*, 9, pp 7 -31. doi 10.1016/0883-9026(94)90024-8

- Bolino, M.C. and Turnley, W.H. (2003). Going the extra mile: cultivating and managing employee citizenship behavior. *Academy of Management Executive*, 17(3). doi 10.5465/ AME.2003.10954754
- Caccamese, L. (2012). 10 tips for SMEs to increase employee engagement (<http://www.greatplacetowork.com/publications-andevents/blogs-and-news/920-sizing-up-small-businesses#ixzz21pwO4WMH>, accessed on 20 July 2012)
- Cardon, M., & Stevens, C. (2004). Managing human resources in small organizations: What do we know? *Human Resource Management Review*, 14, 295-323. doi 10.1016/i.hrmr.2004.06.001
- Chee, P.L. (1986). *Small Industry in Malaysia*. Kuala Lumpur: Berita Publishing Sdn. Bhd.
- Christensen, Ralph. (2006). Roadmap to strategic HR: turning a great idea into a business reality. AMACOM.
- Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology*, 59, 501-528. doi 10.1111/i.1744-6570.2006.00045.x
- Competitiveness Forum. (2007). *the Investment Climate in Turkey Working Paper*, REF Publications.
- Cooper, A.C. eds. C. Kent, D. Sexton and Vesper, K. (1982). The Entrepreneurship -SmallBusiness Interface," in *Encyclopedia of Entrepreneurship*, , Englewood Cliffs, NJ: Prentice Hall.
- Cyert, R., and March, J. (1963). *A Behavioral Theory of the Firm*, Englewood Cliffs, NJ: Prentice Hall.
- Dart, J., Nag, I., & Sarkar, A. (1990). A comparative analysis of managerial practices among SMEs from Malaysia, Singapore and Thailand. *ASEAN Economic Bulletin*, 7(1), 84-95. doi 10.1355/AE7-1E
- Delery, J.E., & Doty, D.H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurationally performance predictions. *Academy of Management Journal*, 39(4), 802-835. doi 10.2307/256713
- Drucker, P. (1985). *Innovation and Entrepreneurship: Practice and Principles*. New York. doi 10.1080/07377366.1986.10401060

- Enterprise and Industry Publications. The new SME definition, User guide and model declaration, Extract of Article 2 of the Annex of Recommendation. 2003/361/EC.
- Entrepreneurs Memorandum (Part-II).Data on MSME sector. Development Commissioner, MSME
- Entrepreneurs Memorandum. (Part-II). Data on MSME sector. Development Commissioner, MSME.
- Government of India Ministry of Micro, Small and Medium Enterprises. Annual Report 2011-12. <http://www.msme.gov.in>
- Gupta, A., & Singhal, A. (1993). Managing human resources for innovation and creativity. *Research Technology Management*, volume 36(3), pp 41-48.<http://ec.europa.eu/enterprise/policies/sme/market>.
- Gupta, S. (2009). Employee engagement key to success for SMEs, (<http://www.smetimes.in/smetimes/news/topstories/2009/June/24/employee-engagement-key-to-success-for-smes6604.html>, accessed on 20th July 2012).
- Gurteen, D. (1998). Knowledge, creativity and innovation. *Journal of Knowledge Management*, 2(1). 5-13. doi 10.1108/13673279810800744
- Habbershon, T., Williams, M., and MacMillan, I. (2003). A Unified Systems Perspective of Family Firm Performance. *Journal of Business Venturing*, 18 (4), 451- 465.doi 10.1016/S0883-9026(03)00053-3
- Harel, H.G., & Tzafrir, S.S. (1999). The effects of human resource management practices on the perceptions of organizational and market performance of the firm. *Human Resource Management*, 38(3):185-200. doi 10.1002/(SICI)1099-050X(199923)38:3 <185::AID-HRM2>3.0.CO;2-Y
- Hashim, M.K. and Osman, I. (2003). An Evaluation of the Business Practices in Malaysian SMEs, *Malaysian Management Review*, 38(2), 1-8.
- Hayton, J.C. (2003). Strategic Human Capital Management in SMEs: An Empirical Study of Entrepreneurial Performance. *Human Resource Management*, 42(4), 375-391. doi 10.1002/hrm.10096
- Heneman, R.L., Tansky, J.W., and Camp, S.J. (2000). Human Resource Management Practices in Small and Medium Sized Enterprises: Unanswered Questions and Future Research perspectives. *Entrepreneurship Theory and Practice* 2.

- Innovation Readiness of Indian SMEs: Issues and Challenges (2012). FICCI MSME.
- Kotey, B., and Slade, P. (2005). Formal Human Resource Management Practices in Growing Small Firms. *Journal of Small Business Management*, 43 (1), 16 – 40. doi 10.1111/i.1540-627X.2004.00123x
- Leug, A. (2003). Different Ties for Different Needs: Recruitment Practices of Entrepreneurial Firms at Different Developmental Phases. *Human Resources Management*, 42(4), PP 303-320.
- Mankelov, G. (2008). Social responsibility paradox of small business human resource management practices. *The International Journal of Human Resource Management*, 19(12), 2171-2181 doi 10.1080/09585190802479405
- Ministry of Micro, Small and Medium Enterprises Annual Report 2011-12. Government of India. <http://www.msme.gov.in>
- Pfeffer, J. (1994). *Competitive Advantage through People: Unleashing the Power of the Work Force*. Boston: Harvard Business School Press.
- Pfeffer, J. (1998). Seven practices of successful organizations. *California Management Review*, 40(2), P 96-124. doi: 10.2307/41165935
- Pfeffer, J. (1998). *The Human Equation: Building Profits by Putting People First*. Boston, Mass. Harvard Business School Press.
- Rahman, M. (2006). A Study on the Problems and Prospects of Small-Scale Industries in Hill Districts of Assam. (Unpublished Ph.D Thesis), Department of Commerce, Assam University, Silchar. P.1.
- Roffe, Ian. (1999). Innovation and creativity in organizations: a review of the implications for training and development. *Journal of European Industrial Training*. Vol. 23 (4/5), 224-241.
- Saleh, A.S., and Ndubisi, N.O., (2006). SME Development in Malaysia: Domestic and Global Challenges. University of Wollongong, Working paper series, PP 06 - 03.
- Sethakaset, P., & Santimataneedol, T. (2008). The application of Human resource Management in Thai SMEs: A case study of Albatross Company Limited. Malardalen University, Bangkok.
- Shuman, J.C., and Seeger, J.A. (1986), The Theory and Practice of Strategic Management in Smaller Rapid Growth Firms. *American Journal of Small Business*, Summer, 7 – 18.

- SME.com (2012). Motivating your Employees, retrieved from <http://philippines.smetoolkit.org/philippine/en/content/en/6461/Motivating-your-Employees>, accessed on 17 July, 20
- Southwell, C. L., Spence, A. Habsich and Schmidpeter, R. Basingstoke, (2004). Engaging SMEs in Community and Social Issues, in Responsibility and Capital: The World of Small and Medium Sized Enterprises, Macmillan.
- Wiklund, J. (1998), Small Firm Growth and Performance: Entrepreneurship and Beyond: Jonkoping University. Jonkoping International Business School.
- Williamson, I.O., Cable, D.M., Aldrich, H.E. (2002). Smaller but not necessarily weaker: How small businesses can overcome barriers to recruitment, *Managing People in Entrepreneurial Organizations*, 5, 83-106. doi:10.1016/S1074-7540(02)05005-5
- Wong, K. Y. and Aspinwall, E. (2005). An empirical study of the important factors for knowledge-management adoption.
- www.Organisation for Economic Co-operation and Development.org.