



HRM: Enhancing People
Management in Regional SMEs



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Background

Dr Julie Davies, with her research team, and in partnership with five European universities has been working on an EU project called SHARPEN that explores challenges associated with human resource management (HRM) in small and medium-sized enterprises (SMEs): <https://efis.tul.cz/sharpen/>. Regional SMEs outside major cities experience challenges in attracting talented people to join their workforce. Often in regional SMEs, HRM policies and practices are informal and employer branding is weak.

SHARPEN's work is timely and important: SMEs represent the overwhelming majority of businesses across Europe. In the UK they account for 99.7% of businesses, and 54% of the total workforce. Graduates, however, are often reticent about working for regionally based SMEs after graduation, favouring larger organisations in larger urban centres. SHARPEN was established to investigate these issues, and to develop practical responses and solutions in collaboration with students, employers, government bodies and professional bodies. Key impacts of the project include an e-handbook, workshops, student study weeks in cross-cultural teams, and the development of a university level course designed to teach quality HRM knowledge and skills to its students through a combination of classroom learning and placements within SMEs. A case study and co-production approach has supported collaborations and networking. A workshop for ethnic minority owned/managed SMEs in Yorkshire is also being organised.

Findings

The research revealed that SMEs face a range of challenges in terms of HRM. These include social inclusion, especially the recruitment and retention of non-traditional workers such as older and younger workers, immigrants, disabled and part-time workers. A shift in attitudes towards the demographics of the workforce could open up roles to other kinds of workers such as migrants, volunteers, interns and those who require flexible working arrangements. Alongside this, regional SMEs can offer a range of opportunities for those workers who, when young graduates, may have preferred to work in larger cities, but are now looking for somewhere more affordable where they can buy a home and start a family. They represent a skilled and experienced potential workforce, and through the right kind of engagement, combined with strategic corporate branding, they could prove to be a valuable resource for recruitment.

Overall, the research findings demonstrated that regional SMEs face a range of HRM challenges to professionalise how people are managed. Indeed, HR in SMEs is largely ignored in university level text books and curricula, which has led to a gap in knowledge and a lack of the right skills to address the issues for SMEs in regional locations across Europe.

Impact

The SHARPEN research project ultimately resulted in an innovative 12-week curriculum aimed at those wishing to better understand and develop their skills for HRM within SMEs. The curriculum combined classroom based learning with placements in SMEs with the learners developing case studies that were ultimately designed to be applied in assisting the SMEs in overcoming their HRM challenges and improving organisational practice.

In the UK, six Huddersfield Business School Master's students were placed locally in Kirkwood Hospice to carry out field research and produce a case study to support the Hospice to establish staff inductions, support employee assistance and staffing policies. Many employees within the hospice work in very challenging roles which demand high levels of compassion. Kirkwood introduced an Employee Assistance Programme and an employee benefit programme to provide ongoing support and help employees attend work consistently. Since implementation of these measures, staff sickness absence has reduced by 10%. The costs of the programme were recovered within six months, through savings made on engaging bank nurses to cover shifts affected by sickness absence. Thanks to insights gained at Kirkwood, we are also working with Hospice UK and the CIPD on mentoring and coaching for HR hospice managers in the UK. In collaboration with Hospice UK and CIPD, we are in talks to launch a national award scheme to showcase innovative HR practices in hospice SMEs.

Within the SHARPEN project, across the five European partners, there are similar examples of how students from undergraduate to doctoral study, have positively contributed to the strategy and operation of the regional SMEs with which they have collaborated. They have evidenced improvements across the board in terms of staff retention and satisfaction, employer branding, the use of social media, and developing sustainable networks.