

Abstract

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Human Resource Management Practices in Small- and Medium-Sized Enterprises in Egypt

Small- and medium-sized enterprises (SMEs) are significant contributors to economic performance in every country. Ironically, relatively little research has been undertaken in SMEs compared to large organizations. We know significantly more about factors contributing to the success of large organizations, particularly the role of employees and human resource management practices (HRM) than factors accounting for success of SMEs. This investigation addresses this gap. The present study examines the relationship of use of professional HRM practices and small- and medium-sized business performance in Egypt. Relatively little HRM research has been carried out in Egypt. One objective of this study is to begin to address this gap in understanding of factors contributing to organizational effectiveness in this country. It replicates an earlier study carried out in Turkey using the same measures. Data were collected from a single manager=professional respondent representative from 88 different SMEs in Alexandria and Cairo, Egypt, who completed a questionnaire that contained both open-ended and structured questions. Respondents indicated fairly widespread use of the HRM practices and rated their effectiveness generally highly as well. Respondents indicating both greater use of these HRM practices, and greater perceived effectiveness of their use, rated the effectiveness of their SME generally higher this year than last year. Personal demographic characteristics of the respondent, and characteristics of the SME, were relatively independent of the HRM practices, however. Implications for managerial practice and future research are offered.