

Chapter 12

Human Resources Management and Its Contribution to Colombian SME Sustainability

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ABSTRACT

Based on the hypothesis that human resources management directly depends on a set of organizational components that are the core for SMEs sustainability, this chapter expands previous findings in the literature. Based on a multiple regression analysis and MMOM (modernization model for organization management) implementation in 246 Colombian SMEs (small and medium enterprises), the authors show that some organizational components explain and generate 64.86% of human resources management best practices.

INTRODUCTION

The importance of this article is based on its contribution to Colombian SMEs (Small and Medium Enterprises) of several organizational components such as: Associativity, corporate culture, organizational structure and production management, as resulting factors of the multiple regression study developed by applying MMOM (Model of Modernization for Organizational Management) in 246 Colombian companies between 2004 and 2015, which have a positive impact on human resources management as core of entrepreneurial sustainability.

DOI: 10.4018/978-1-7998-2019-2.ch012

Taking into account the foregoing, there are several factors which are essential for a company to be sustainable over time, being the most important the holistic integration of workers with the resources or working tools required, such as 1) The organization of work characterized by autonomous groups, where rotation of duties and polyvalence prevail, 2) the organization of action based on personal interrelations of workers, and 3) this greater interconnectivity requires that the organization of the human resources management is based on collaboration, trust and good labor relations (Mejía-Giraldo, Bravo-Castillo, & Montoya-Serrano, 2013)

In the case of human resources management in Colombian SMEs, this article is significantly relevant because SMEs do not sufficiently value it, as stated by Campuzano, Ziadet, and Echeverria (2016) as follows:

1. Human Talent Management policies in SMEs are incipient.
2. Production standards are not defined.
3. Entrepreneurs are empirical leaders.
4. There are no administrative policies to diminish personnel mobility.
5. There are no clear motivation policies.

This research is also very important because there is a contribution of knowledge in an area that has not been widely investigated, as assured by Campuzano, *et al.* (2016), who infer that according to the results reported by Academic Google, it was shown that the number of publications on Human Talent Management in SMEs is minimal. On the other hand, the few publications reported contributing very little to classify particulars of Human Talent Management in SMEs. These articles do not explicitly describe the methods used in the research nor do the minimum characteristics of the SMEs studied, and they only list what are supposed to be the SMEs' weaknesses.

As previously mentioned, the proposal of this study is based on the contribution of the organizational components that explain human resources management in Colombian SMEs and how they must mark their development, and, in turn, how human resources management must contribute so Associativity, organizational culture, organizational structure, and production management are developed in SMEs with the best management practices, so they take the company to its sustainability (Pérez-Uribe & Ramírez-Garzón, 2015).

This purpose is based on the hypothesis that "Human resources management directly depends on a set of organizational components that are the core for SMEs sustainability." This hypothesis is proven when the multiple regression analysis made with the data of 246 Colombian SMEs showed that the organizational components of Associativity, organizational structure, corporate culture, and production management explain in 64.86% human resources management as a predominant factor for the sustainability of the SMEs is analyzed.

The structure of this article is as follows: Section 2 puts into context the importance of SMEs in Colombia; section 3 shows the concepts that describe a world-class human resources management; section 4 describes the method developed in the research and the results after applying the statistical methods used, both for the SMEs sample and the analysis of the information using multiple regression; section 5 shows the findings of applying the structural analysis with multiple regression; section 6 focuses on the discussion outlining the components that explain human resources management in Colombian SMEs; section 7 presents a proposal for SME's entrepreneurs to develop a world-class human resources management and section 8 shows the conclusions of this research.

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