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Human resources management concepts: implementation in small business

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Abstract: The scientific achievements of the management sciences discipline propose a number of management concepts and methods, which if implemented can induce a number of benefits for the modern companies. One of these categories are human resources management concepts, whose importance refers to the personal function, as one of the key elements of the management systems of the modern organizations, including those of the SME sector companies. Taking this into account, the aim of the article is to identify the range and measure benefits and threats of the implementation of selected human resources management concepts in small business. In order to achieve it, a research survey was conducted among 356 micro, small and medium sized companies from the European Union. 3 scientific hypotheses were proposed, and the verification of the research model has been done using the multi linear regression analysis. The results indicate that the scope of the HRM concepts implementation in the researched entities depend most of all from the level of formalism and integration on the functional HRM strategy, and of the level of controlled resources. Increase of the scope of the HRM concepts implementation, allows at the same time to achieve a number of opportunities, characteristic for ideas of the HRM in small business.

Keywords: *methods and concepts of management, human resources management, small business.*

Introduction

Human resources management is one of the basic functional areas of the organizations, which offers a number of managerial solutions (concepts and methods), which if implemented in business practice (Armstrong, Taylor, 2014) increase the performance of the modern enterprises (Crook *et al.*, 2011), including those of the SME's (Carlson *et. al.*, 2006; King-Kauanui *et al.*, 2006). In today's rapid speed of changes we witness, it is essential for the companies to look for hidden and available resources, which can be achieved at relatively low costs compared to the benefits and opportunities (and sometimes threats) that can be achieved by unleashing them.

Taking the above into account, the article's aim is to identify the range and measure the benefits and threats of the implementation of chosen human resources management concepts

in small business. In order to achieve it, a research survey was conducted on 356 micro, small and medium sized enterprises from the EU. 3 research hypotheses were proposed, and the verification of the model was done via multi linear regression analysis. Because the article focuses on innovative solutions of the human resources management concepts in a small business, this research is part of a research project no. 2015/17/B/HS4/00988, funded by the National Center of Science, Poland.

Literature Review

Human resources management is a terms increasingly used by today's business. This concept refers to the philosophy, policies, procedures and standards related to managing employees within organizations. It is especially concerned with all activities that influence attracting, motivating, developing and retaining employees which drive the organization to its success (Sims, 2002). The speed of changes in today's businesses and all the processes in this area, including technological ones, a future leader must look in HR area from different perspective, with more foresight and accuracy (Losey, Meisinger, Ulrich, 2005).

Referring the argument above, human resource management is crucial for each business entity. Taking into account the number and important economic and social roles of micro, small and medium size companies in many countries around the world (Ayyagari et al., 2007; Robu, 2013), it is essential that these entities should recognize and utilize the possibilities that lie within this area. At the same time SME sector companies are very important support and the main driving force for the European Union economy (Schmiemann 2009; Wymenga *et al.*, 2012) and for the regional and local development (Baptista *et al.*, 2008).

The small business category (including micro, small and medium-sized enterprises) is defined on the basis of different qualitative and quantitative criteria (Berisha and Pula 2015). The most important qualitative characteristics of the small businesses are (Storey, Greene, 2010; Bridge, O'Neill, 2013): crucial meaning of position, knowledge, experience and even intuition of the owner, majority of the operations that take place in the local and regional market, shortage of tangible resources, growth and development that is based on low level capital requiring solutions, operations based on reaction rather than on long term planning, and short time for adapting to the market requirements and fluctuations. On the other hand, small business companies are directly and formally defined in the European Union by the quantitative criteria based on the European Commission Recommendation (2003) and the European Commission Regulation (2004), using the following ones: annual average employment level, annual turnover value and total value of assets. The limits of the small business category are set on the level of 249 employees and an annual turnover value of EUR 50 million or annual balance sheet total of EUR 43 million. Additionally, capital/ownership connections are taking into account.

Effective use of the concepts and methods of human resources management can accelerate growth and development of modern enterprises, reflected in the higher level of economic and financial indicators. Not all the solutions are possible to be implemented however in the small business. It needs to be carefully thought, what is applicable, how to successfully apply it, when to do so, and what the company wishes to achieve through it. It needs to be highlighted, that not all solutions applicable for large entities are applicable for the small ones (Welsh and White, 1981; Bannier and Zahn, 2012). The small business

relies heavily on the intuition of its owner and its operations are based on limited resources, while the big business have strategic plans for the future and have much more resources at its disposal. Research conducted by K.B. Massey and N. Campbell (2013) indicated that many small business owners-managers lack important knowledge related to labor law compliance and human resources management.

The management sciences theory suggest many concepts and methods in the HRM area (Martin, 2010), however it is not the aim of this article to mention and concentrate on all of them. The selected ones present themselves as very interesting from the perspective of today's economy and small business companies practice, and from researched opinions there is a growth trend regarding these. As for the concepts themselves, which are part of the research presented in this article, these are:

- life-long learning - given as constant education and improvement process, allowing to increase competencies and the level of knowledge (even outside of the commonly followed education path) (Aspin, 2007),
- human resources internationalization - as a result of multinational companies entering new markets, the transfer of labor force takes place, which has massively change the perception of the HRM process (Benscoter, 2012; Chang, Chang, 2015),
- the use of social media - which has widely opened the new recruitment channel for the professionals in this area. We can mention linkedin, goldenline and many other dedicated portals, which serve as a non-traditional, however gaining more and more acceptance, recruitment area. In many cases it serves as a tool allowing to skip the CV screening stage of the recruitment (Sivertzen et al., 2013),
- the use of e-learning platforms - which serves as an alternative for traditional in-classes process. By the use of information technology it allows interaction, focused learning, and reduced cost (Buzzetto-More, 2007). It can be mentioned as well that this tool allows to implement the culture of constant development and education in the organization,
- the use of analytical tools to measure efficiency - these tools allow to daily measure the efficiency of the employees. They can be used to identify the issues employees encounter and immediate elimination of it, creating a bond with aim to increase efficiency and productivity (Torres-Coronas, Arias-Oliva, 2009),
- work-life balance - it is especially important concerning the new generations entering the labor market, which characterize itself with good education, creativity, dynamics, and ability to sacrifice, however very much appreciating private time. This generation, commonly known as Y generation, values life more than professional work. Companies meet those expectations with flexible work time, work from home possibility and other benefits (Dhar, 2008),
- talent management - as a integrated, ongoing process of recruitment, development, and retention of high promise and potential candidates that will highly contribute to the development of the organization (Gia-Pham, 2008),
- increased role of women in the organizations - the duty of modern organizations is to provide today's women with the same status and position, as man have within the organizations. For this argument is definitely a fact that women have comparable education level and skills that allow them to actively compete on the labor market (Castilla, 2008),

- outsourcing in HR area - the main fields concerning this point are: payroll management, administration of company's resources, human resources management systems, retention solutions. The threat concerning this kind of activity is definitely the break of connection between talent management and the strategy of the entity, however very beneficial is significant cost reduction (Hunter, Saunders, 2007),
- supporting employees in the age 50+ - even though these employees often have difficulties in changing jobs due to progressing age, they are the source of knowledge and coaches for junior employees, who seek coaches and mentors that efficiently transfer the knowledge and experience to them (Grzesiak, 2014),
- supporting employees with personal problems - the employees that undergo personal problem may have temporarily lower efficiency and productivity at work, however based on the potential of the employee, the company should assess whether it is in its interest to accept it and support the employee in solving those problems as soon as possible (ex. unpaid leave, financial support in terms of loan etc.), and then using the full potential again or not. Additionally this kind of support helps to develop unique gratitude connection between the employee and its employer (Grant *et al.*, 2008).

The approach towards implementation of the HRM concepts may differ significantly per company (Brewster, Mayrhofer, 2012). It depends strongly on the level formalization of the human resources management system (Kotey and Slade, 2005; Barrett and Mayson, 2007). Part of the companies base their system on the existing and codified strategy, and harmonize certain methods together with their long term planning and goals, while some perform those actions in not properly planned and coordinated way. It is visible when a large enterprise will be compared to an average small business. Large enterprises base their operations on strategic aims and long term planning, while the actions taken in the small business rely heavily on the owner's intuition and approach an decisions, leaving this field often without structured approach. Together with the above considerations, an important factor are company's resources. Many of the discussed concepts require investments (Shaw *et al.*, 2013). Moreover in order to succeed, proper organizational and socio-cultural infrastructure is required. Presented considerations lead to formulate the following research hypothesis:

H1: The scope of implementation of the human resources management concepts in small business is significantly, directly and positively dependent on formalism and integration level of functional strategy in the human resources area and the level of resources controlled by the enterprise.

Certainly implementation of the HRM concepts is accompanied by both opportunities (or benefits) and threats (Wood, Wall, 2007; Schaufeli, Salanova, 2007; Dwivedula *et al.*, 2015). As for the benefits, the following can be included:

- development of the human resources competencies,
- higher level of employees engagement,
- moving part of the responsibility and pressure from the owners to subordinates by delegating task and segregation of duties,
- improvement of brand perception on the labor market,
- reducing the turnover level of the human resources.

As for the threats, the below can be mentioned:

- transformation of the organizational culture in not desired direction,
- high costs of implementation in the HRM area,

- reduced motivation of the employees not covered by HRM concepts,
 - reduced efficiency of the employees not covered by HRM concepts,
 - disorganizations and distortions connected with implementation of the HRM concepts.
- The above arguments lead to formulate the following research hypothesizes:

H2: The scope of implementation of the human resources management concepts significantly and directly increases the level of human resources management opportunities in small business companies.

H3: The scope of implementation of the human resources management concepts significantly and directly reduces the level of human resources management threats in small business companies.

The verification of the research hypothesizes may serve as a guide for owners and managers of the SME sector companies in how to increase the opportunities and reduce the threats connected with implementation of the HRM concepts in their companies.

The Methodology and Research Model

In order to achieve the article's aim and to verify the research hypothesizes, theory testing research approach was used (Lancaster, 2007, p. 28), in which quantitative study was conducted on the random sample of 356 micro, small and medium sized companies from the European Union. The cognitive value of the analysis is based on nomothetic research approach (Salvatore, Valsiner, 2010), which is common for the social character opinion research (Babbie, 2014) directed towards the search for the general properties and utilizing the statistical methods to show the results of the research on the given sample of enterprises.

As a research method, the survey research (Sapsford, 2007) was selected and used, which is one of the methods recommended in the research on human resources management and development concepts (Akinci, Saunders, 2015). As a research technique, CSAQ - *Computerized Self-Administered Questionnaire* was used (Callegaroet *al.*, 2015), and the questionnaire application was a survey platform available for respondents at www.webankieta.pl.

In order to determine the size of the surveyed companies used the criteria of uniform, formal definition of micro, small and medium-sized enterprises obligatory in the European Union were used. These criteria were formulated by the EU Commission (2015) and the following were taken into account: (1) the average annual level of employment (in terms of full time employees), (2) the level of turnover, and (3) the level of the entities assets. Additionally, only autonomous companies, were taken into account, meaning those whose capital/ownership relations did not exceed 25%.

Based on participants declaration, the following were identified in the research sample: 235 (66%) micro, 89 (25%) small and 32 (9%) medium-sized enterprises. Analyzed companies mostly operated as individual companies (55%) in service sector (69%), in the local market (42%). Majority of the companies operated over 20 years (31%) or between 5 to 10 years (29%), more often in the traditional (71%) then advanced technology (29%) businesses. The specifics of the research technique indicate that all analyzed companies have internet access and use electronic mail actively. The respondents were mostly owners (65%), less frequently managers (22%) or other authorized employees (13%) of

these companies, which had the knowledge over the company's operations and human resources management practices within them. They were mostly men (58%), people between the age of 31 to 50 years (60%), and people with higher education (84%) in technical (36%) or economic fields (31%). The detailed characteristics of the surveyed enterprises and respondents is presented in table 1.

Table 1: Detailed characteristics of the surveyed enterprises and respondents

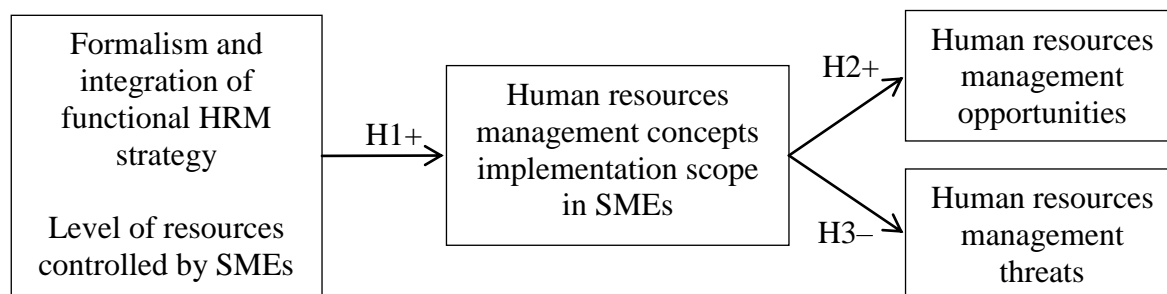
Variable	Number	Percentage
Legal form of the company		
Individual company	195	55%
Private/general partnership	55	15%
Limited liability company	85	24%
Joint stock company	8	2%
Cooperative	13	4%
Dominant sector of operations		
Trade	61	17%
Service	246	69%
Production	49	14%
Range of market operations		
Local	45	13%
Regional	65	18%
National	149	42%
International	97	27%
Company age		
Up to 5 years	27	7%
Over 5 to 10 years	103	29%
Over 10 to 15 years	67	19%
Over 15 to 20 years	50	14%
Over 20 years	109	31%
Gender of respondent		
Male	151	42%
Female	205	58%
Position of respondent		
Owner	231	65%
Manager	79	22%
Delegated employee	46	13%
Age of respondent		
Up to 30 years	38	11%
31-40 years	123	34%
41-50 years	92	26%
Above 50 years	103	29%
Respondent education level		
College/University	299	84%
High	53	15%
Professional	4	1%

(Source: Own work based on survey results)

The research model assumes that the range of implementation of the actions connected with human resources management concepts is significantly, directly and positively dependent from formalism and integration of functional strategy in the area of human

resources management and of the level of the resources, the an entity has (H1). On the other side however it significantly and directly increases human resources management opportunities (H2) and reduces the level of human resources management threats (H3). The proposed research model is presented in figure 1.

Figure 1: Research Model



(Source: own work based on theoretical considerations)

The statistical analysis was conducted in the IBM SPSS Statistics (Wagner, 2015). The following methods and statistical tools common for social sciences research methodology were used (Yang, 2010):

- frequency analysis as a basic statistic and analysis of arithmetic mean as measure of location,
- Pearson’s correlation coefficient r_{xy} and Spearman’s correlation coefficient r_s and their significance tests as a measures of interdependence of phenomena,
- analysis of multiple linear regression to evaluate the effect of impact the independent variables on the dependent variable.

To interpret the level of interdependence of phenomena, an approach based on a proposal made by J. Cohen (1992), was adopted, adjusted to fit the specific nature of behavioral research, the use of which is recommended to evaluate social opinions in management science (Dixon, Woolner, 2012). The following interdependence scores were taken as cutoff scores of the linear correlation coefficient: 0.1 - weak; 0.3 - medium; 0.5 - strong, 0.7 – very strong.

The assessment of level of resources controlled by surveyed companies, human resources management opportunities and threats were compared to the results of the main competitors, which allows to achieve more complete measure and more precise positioning of the company in the market area. This approach is recommended especially in the research of the resources and the performance of the companies (Kohet *et al.*, 2007; Keh *et al.*, 2007).

To assess the reliability of the used scales, alfa L. Cronbach (1951) indicator was used, allowing to rate the level of integrity taking place between many items of the defined synthetic variable (Hair *et al.*, 2006). As acceptable level of this indicator, the following was taken, alfa Cr. > 0.7 (Burns, Burns, 2008; Sarstedt, Mooi 2014).

Results and Discussion

In the first stage of the research, the analysis of the implementation of the actions connected with chosen human resources management concepts took place. The results

indicate that the analyzed SME sector companies make use of the proposed concepts in relatively high degree (the average for the researched companies is at the level of 5 concepts). The range of the implementation is statistically dependent from the size of the researched entities, $r_s (N = 356) = 0.16, p < 0.01$, however the value of the correlation coefficient shows weak dependence. The detailed range of the implementation of the actions from the chose human resources management concepts in the researched companies is presented in table 2.

Table 2: The degree of implementation of the actions from the chosen human resources concepts in chosen companies.

Human resources management concept	Overall in the sample		Micro companies		Small companies		Medium companies	
	N	%	N	%	N	%	N	%
Life Long Learning	225	63%	150	64%	53	60%	22	69%
Internationalization of the human resources	61	17%	34	14%	20	22%	7	22%
The usage of the social media	220	62%	151	64%	50	56%	19	59%
The usage of the e-learning platforms	110	31%	64	27%	33	37%	13	41%
The usage of the analytical methods that measure efficiency at work	96	27%	54	23%	29	33%	13	41%
Work-life balance	267	75%	178	76%	65	73%	24	75%
Talent management	267	75%	177	75%	63	71%	27	84%
Increasing the role of woman within the organization	143	40%	87	37%	40	45%	16	50%
HR outsourcing	101	28%	66	28%	28	31%	7	22%
Supporting employees in the age of 50+	172	48%	101	43%	49	55%	22	69%
Supporting employees that have personal problems	268	75%	162	69%	77	87%	29	91%

(Source: Own work based on survey results)

To the most common activities in the area of the human resources management, participants included promotion and creation of the possibilities of the development for the best employees, taking actions to create a work life balance and supporting employees that have personal problems. From the other side however, the lowest level is given to the use of the analytical methods that measure the efficiency of work and internationalization of the human resources. The researched entities in relatively low level use the e-learning platforms in the development process, and give actions to the outside companies.

As the next step, an assessment of the basic factors that determine the scope of human resources concepts implementation in the surveyed companies was conducted. According to the research model they are as follows: (1) level of formalism and integration of functional strategy in the human resources area and (2) level of the resources controlled by the companies. To assess the first variable, a scale identifying the level of formalism and integration of the strategic solutions in the HRM area in the company was used. Taking into account the specifics of the strategic management solutions in small business (Hayton, 2003; Mazzarolet al., 2009), based on H. Kock and P.-E.Ellström (2011) the following scale was adopted: 1 – none HRM strategy; 2 – plans in the stage of development of the HRM strategy; 3 – informal HRM strategy; 4 – HRM strategy

codified in the form of documents and notes; 5 - HRM strategy in the form of official document. The results indicate that majority of the participants declare informal level of the HRM functional strategy. The level of formalization and integration of the solutions grows statistically significant together with the size of the entity, $r_s (N = 356) = 0.26, p < 0.01$, and as well with the rang of their market operations, $r_s (N = 356) = 0.15, p < 0.01$. The detailed level of the formalism and the integration of the strategic solutions in the HRM area is presented in table 3.

Table 3: The level of formalization and integration of the strategic solutions in the HRM area

HRM strategy formalism and integration level	Overall in the sample		Micro companies		Small companies		Medium companies	
	N	%	N	%	N	%	N	%
Lack of HRM strategy	94	26%	72	31%	20	22%	2	6%
HRM strategy in development phase	42	12%	32	14%	6	7%	4	13%
Informal HRM strategy	183	51%	121	51%	48	54%	14	44%
HRM in the form of a set of documents and notes	24	7%	3	1%	13	15%	8	25%
HRM strategy	13	4%	7	3%	2	2%	4	13%

(Source: Own work based on survey results)

To assess the level of the assets controlled by the researched entities, an approach based on the basic categories of resources used by the SME sector companies was used (Greeneet al., 1997). It includes:

- human resources, including competencies and the experience of the employees and the management,
- technical and infrastructural assets, including buildings and equipment,
- financial assets - equity and the ability to receive alternative sources,
- relational asset - the connections and contracts with the external environment ex. clients, suppliers, financial institutions,
- market assets, including the brand and knowledge of the market
- technical assets, including know-how, patents, licenses,
- organizational assets, including the management processes and organizational structure.

The assessment of the above was conducted in relation to the main competitors in the defined scale from 1 (far worse than the competitors) to 7 (far better than the competitors). For the accepted scale, satisfactory level of the alfa factor was achieved, Cr. alpha = 0.86. The surveyed companies rated the average level of resources controlled by themselves as slightly better than competing companies (the average indication was 4.66). The resources assessed relatively better than those in the competing companies were: human resources, relational resources and market resources. The level of controlled resources is significantly correlated to the size of the surveyed enterprises, $r_s (N = 356) = 0.28, p < 0.01$, however the level of correlation indicating weak relationship between these variables.

In the following part of the analysis, an assessment of the human resources management opportunities and threats identified in the researched companies was conducted. To measure them, the synthetic indicators based on 5 items (both indicators) were used. These items were identified based on the considerations concerning the benefits and the threats resulting from the use of the concepts in the area of human resources management. Each item was assessed in the scale from 1 (does not concern my company) to 7 (it fully concerns my company).

In terms of opportunities, competencies of the human resources, growth of engagement of the employees, segregation of duties implementation to reduce the pressure on owners, improvement of the company's image and reduction of turnover, were pointed. On this basis, an acceptable level of assessment given on alfa scale, Cr. alpha = 0.85. As for certain threats, the following were included: transformation of organizational culture in not wanted direction, unjustified cost of implementing HRM concepts, decrease of motivation and productivity of employees not covered by implemented solutions, disorganization and distortions connected with the implementation of HRM concepts. The level of alfa is in this case, Cr. alpha = 0.95. The results indicate that human resources management opportunities were assessed on higher level (the average of 5.09) than threats (2.64). Both variables differ in this case in terms of the size of the companies. As for opportunities, a positive correlation was identified, $r_s (N = 356) = 0.23, p < 0.01$, however as for the threats, correlation has a negative value, $r_s (N = 356) = -0.12, p < 0.05$. In both cases, low level of correlation was identified. As a result of identification and assessment of the above, it was possible to conduct the verification of the research model. Multiple linear regression was used. As dependent variables the following were taken:

- the scope of operations in the area of human resources management concepts taken in the surveyed companies (sub model A),
- the level of human resources management opportunities in the analyzed enterprises (sub model B),
- the scope of human resources management threats in the surveyed SME's (sub model C).

As independent variables in sub model A the following were taken: (1) level of formalism and integration of functional strategy in human resources area and (2) level of resources controlled by the company. In sub models B and C, the scope of activities in the area of human resources management concepts implemented in the surveyed companies, worked as independent variable. Additionally, the model took into account controlling variables, in which 2 groups were selected: (1) variables connected with the specifics of the surveyed companies and (2) variables connected with the profile of the respondents. The results of the regression analysis are given in table 4.

The results indicate that both major independent variables, statistically significantly and positively determine the scope of HRM concepts implementation in the researched companies (sub model A). It positively verifies hypothesis H1 according to which the scope depends on formalism and the level of integration of the functional strategy in the human resources area and the level of resources, controlled by the enterprise. Higher formalization and integration of the strategic solutions in the HRM area allows to choose better management concepts adjusted to the needs of companies and corresponds with their long term strategic goals. On the other side however implementation of these methods requires to take certain investment efforts.

Table 4: Verification of the research model

Variables	Sub model A	Sub model B	Sub model C
Dependent variable	HRM concepts implementation scope	HRM opportunities	HRM threats
Formalism and integration of functional HRM strategy	0.62** (0.11) [0.30]		
Level of controlled resources	0.53** (0.12) [0.22]		
HRM concepts implementation scope		0.29** (0.03) [0.47]	-0.26** (0.04) [-0.34]
Size of the company	0.15 (0.19) [0.04]	0.52** (0.11) [0.24]	-0.42** (0.14) [-0.16]
Dominant sector of operations	-0.35 (0.19) [-0.10]	0.03 (0.11) [0.01]	-0.05 (0.15) [-0.02]
Range of market operations	0.10 (0.11) [0.05]	-0.04 (0.07) [-0.03]	0.00 (0.09) [0.00]
Level of technologic advancement	0.18 (0.24) [0.04]	-0.11 (0.14) [-0.04]	-0.03 (0.18) [-0.01]
Age of the company	-0.12 (0.09) [-0.07]	-0.03 (0.05) [-0.03]	-0.02 (0.07) [-0.02]
Gender of respondent	0.12 (0.23) [0.03]	-0.24 (0.14) [-0.09]	0.32 (0.18) [0.09]
Position of respondent	-0.14 (0.18) [-0.04]	-0.36** (0.10) [-0.18]	0.59** (0.13) [0.25]
Age of respondent	0.23 (0.12) [0.10]	-0.18* (0.07) [-0.13]	0.12 (0.09) [0.07]
Respondent education level	0.09 (0.27) [0.02]	-0.13 (0.16) [-0.04]	0.06 (0.20) [0.01]
Constant	1.02 (1.22)	4.85** (0.66)	2.97** (0.85)
Observations	356	356	356
R ² / R ² corrected	0.22 / 0.19	0.31 / 0.29	0.20 / 0.17
F-stat	8.68**	15.48**	8.44**

Multiple linear regression analysis. Standard errors in parentheses, standardized coefficients in square brackets. * significant at 0.05; ** significant at 0.01.

(Source: Own work based on survey results)

The scope of implementation of HRM concepts is connected with the increase of certain opportunities and reduced threats in terms of the use of modern management concepts. It verifies therefore positively hypothesizes H2 and H3, with the effects differing statistically in terms of the size of the companies. It concerns medium sized entities, rather than those small and micro ones.

Statistically significant affection of the characteristics of the participants on the results, was observed in sub models B and C. It concerns most of all the people who participated in the research itself. The results indicate that the owners and the managers assess the opportunities higher and assess the threats lower resulting from the implementation of the

HR concepts, than the regular employees. Further analysis give the average mark of those variables at the level:

- in terms of HRM opportunities: owners (5.08), managers (5.47), employees (4.46),
- in terms of HRM threats: owners (2.53), managers (2.40), employees (3.60).

This result indicates a significant subjectivities in the results concerning the effects of HRM concepts implementation in practice, which requires further research.

All the sub models presented are statistically significant. Their adjustment with the use of coefficient of determination R^2 , indicates that circa 20% (sub models A and C) and circa 30% (sub model A) of the changeability of the dependent variables are explained by the predictors. Due to the complexity of the theoretic constructs considered in this research, and their shaping by many qualitative and unquantifiable factors, and due to the relatively low level of standard errors, the proposed research model can be considered as satisfactory.

Conclusion

The management solutions used in the area of personal function and human resources are a potential source of many benefits for the modern management processes. They take into account for an example growth of competencies and engagement of the resources, and improvement of the brand perception on the market. On the other side however the implementation of the HRM concepts is associated with certain threats, which are connected for an example to negative socio-cultural changes or disorganization and organizational distortions in the company. Human resources management concepts play a big role in terms of small business. Their implementation may positively influence on reducing the pressure put on the owners by segregating duties within the company, but unjustified cost of implementation may also arise. It is confirmed by the research presented in this article, conducted on the sample of 356 SME sector companies from the EU. Based on them, the following theoretic implications are formulated:

- to most often used activities from the area of human resources management concepts in small business we can include supporting employees in solving their personal problems and keeping work life balance, solutions that support the development of competencies and the tools related to the area of social platforms,
- in the researched companies the least use are the concepts that have a relatively low level of application due to the specifics of small business: analytical methods used to measure the efficiency and the internationalization of resources,
- a number of human resources management concepts are applicable for the small business, although they were developed in the large entities.

The article enriches the theory of management by identification and interpretation of significant correlations among the scope of HRM concepts implementation and the level of formalism and integration of functional HRM strategy, as well as the level of controlled resources in small business. Given results allow to formulate the following methodological implications:

- the specifics of the small business was observed in the research, showing itself in the growth of the use of the management solutions in the area of personal function together with the size of the entity. It confirms earlier observations and significant differences between the size of the entities (Rutherford *et al.*, 2001),

- high level of respondents subjectivism indicating the need to use more complex scientific methods and tools. Interesting solution in this case may be the use of methodological triangulation (Böhme *et al.*, 2012).

The presented results may be useful to the owners and managers of those SME sector companies that look for economic confirmation for the planned increase of the scope of HRM management concepts implementation. Based on this the following managerial implications can be given:

- in order to achieve growth of the scope of HRM concepts implementation the entrepreneurs should increase the level of formalism and integration of functional HRM strategy, connecting the concepts with long term plans in terms of human capital development within the organization. They must secure an appropriate level of financial and non-financial resources of the company, necessary to take investment actions and shaping positive socio-cultural conditions,
- it should be predicted that growth of scope of HRM concepts implementation will give opportunities and reduce the threats resulting from the human resources management system mainly in small and medium-sized enterprises than in micro companies. It gives a valid stand that for the scope of HRM concepts implementation should be developed most of all in the bigger companies from the small business category.

Applying the conclusion and practical implications given in this article, the constraints resulting from the research should be taken into account (Geletkanycz, Tepper, 2012). The following can be included to them:

- cognitive constraints resulting from the inductive research approach (Popper, 2005),
- high level of subjectivity of the answers, resulting both from the used research technique (Wright, 2005), and the characteristics of the subjects researched on the ground of management sciences (Johnson, Duberley, 2003),
- the use of the cross-sectional studies, which do not take into account the changes occurring in surveyed enterprises in time (Bryman and Bell, 2007).

The presented research for sure require continuation. As for interesting directions that can be mentioned is co-existence analysis (Bienkowska and Zgrzywa-Ziemak, 2014) of various human resources management concepts implementation in small business, and as well the use of the methods and research techniques that reduce the subjectivism of the participants.

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