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**RESEARCH ARTICLE** 

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# THE IMPORTANCE OF HUMAN RESOURCE MANAGEMENT FOR SMALL COMPANIES IN THE CITY OF CAJAZEIRAS-PB

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## **ABSTRACT**

In view of the context experienced by organizations characterized by a crisis caused by the disease of the COVID-19 that modified the economic, social and technological space, it becomes vital, in any company, an administration focused on human resources management. In small companies, human resources management becomes crucial in promoting the growth of the enterprise and social visibility in the market. The objective of this work is to demonstrate the relevance of the human resources management sector for small companies in the city of Cajazeiras – Brazil. This is an exploratory research, descriptive, and intentional multi-case. For this, a semi-structured questionnaire composed of twenty questions was used, the same was sent via Google Form, in view of the maintenance of the health safety of the participants, in view of the prevailing pandemic space. The sample was composed of managers of 100 small enterprises. It is concluded that human resources management operates in small companies promoting favorable changes to provide growth and development, enabling the prominence of these establishments in the market, through improvements in employee satisfaction obtaining more qualified processes, customer satisfaction and progress in the profitability of small companies in Cajazeiras-PB.

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## INTRODUCTION

In the contemporary world plunged into an unprecedented crisis caused by the disease of COVID-19, in the fierce search for customers makes the day to day of companies a real battle, adapt to a new reality having as a partner technology, to win new customers and especially to maintain existing ones. For Kotler and Armstrong (2003, p. 475)

"Attracting and retaining customers can be a difficult task. Today, customers have at their disposal a wide variety of products and brands, prices and suppliers." In view of this, understand the importance of the Human Resources (HR) sector in small organizations that opens a range of opportunities for the development and growth of these companies, because it is through good interpersonal relationships that an environment of healthy organizational culture is conquered, promoting the internal and external satisfaction of its customers.

This process depends exclusively on the group of people who make up the company, which is why management should be aware of the relevance of the insertion of the human resources sector, since there is a tendency for greater gains and increased strength in the market, this when HR management operates with planning, strategic vision and organization. According to Oliveira (2010), small businesses absorb a surprising share of the workforce in all countries and are the largest generators of employment by invested capital. Moreover, in times of crisis, such as the one experienced in the pandemic of COVID-19, it is in small companies that job opportunities have anesthetized. Marras (2011) believes that faced with a vulnerable and economically unstable scenario, saturated by competition, it is indispensable to create an organizational strategy, in which to allow the company to stand out with its products or services. In this bias, the sector that gains visibility is human resources (HR), by the humanized treatment provided by the sector and that reflects throughout the organization, generating partnerships. Maier and Cruz (2014, p.1) define "the Human Resources area as a set of policies and practices that allow the reconciliation of expectations between company and people in the long term". But they believe that HR should not be accommodated to this concept, but seek concomitantly, a new formatting and method of action, to satisfactorily meet the needs of current companies, mutants, immersed in technology, requiring an evolution equivalent to all sectors, especially human resources.

Contemplating small businesses, this sector should be in full operation, updating, showing results and winning new progress, focusing on organizational objectives.

Franceschini (2013) adds that the HR department should be opened, adapting innovations and welcoming the ideas and needs of employees with the company. The HR manager has the role of disseminating the company's culture, mission, vision and values. The goal is to align Human Resources policies with the organization's strategy. This study had as general objective to demonstrate the relevance of human resources management for small companies, investigating the way in which HR has been introduced and practiced in small enterprises, as well as to analyze the challenges faced to introduce HR in these environments, discussing the effectiveness of this sector for the competitive differential of the company in the market. In view of the above, the following problematization was in place: Does human resources management lead small companies to be a differential in the market?

The research had as a motivating assumption, enabling small companies an analysis of human resources management, since the satisfaction of internal and external consumers is one of the main challenges and the way to remain in the market, and depends mainly on the result of the services provided by the company itself and mainly by the HR sector, responsible for the development and commitment of the company's professionals. The observation of few published studies on the subject specifically also instigated the choice for the subject, since there is a high range of published papers on Human Resources Management, but few specifically hold on the relevance of HR management in small companies. Thus, there was the awakening, for a broader research in relation to the benefits of the introduction of this sector in small companies and its performance as an investment that visualizes the future of the enterprise, besides supporting literary production for later publications.

## **METHODOLOGY**

This chapter aims to expose in detail the methodological procedures used for the elaboration of this research, thus providing a better understanding of it. This work constitutes a multi-case study applied in small companies in the city of Cajazeiras-PB, aiming to analyze the importance of the resource management sector for the small business and in promoting the development of these, in view of the relevance and notoriety that the HR sector has gained in recent years around business administration strategy as a tool during living crises.

Exploratory and descriptive research was used. As for the approach used in this work, it is developed from the quantitative and qualitative method. Data collection was performed through the research instrument a semi-structured questionnaire, containing twenty questions, which addressed the sociodemographic aspects and on the theme in question. The questionnaire had the meaning of guide the conduct of the research, sent by the Google Form platform to a population of 200 managers of small companies. Obtained a return of the questionnaire of 100 managers, with a quantitative and qualitative analysis of the data, using the strategy of case description, with theoretical description and statistical analysis. The research was carried out in the city of Cajazeiras — PB, specifically in small businesses in the city.

The municipality of Cajazeiras is in the Mesoregion of the Hinterlandof Paraiba State, occupying an area of 565,899 km² and its population was estimated at 58,437 inhabitants, in the IBGE Demographic Census (2017). Already the ethical precepts have been fulfilled, and the confidentiality of the participating establishments will be safeguarded, the anonymity of the participating managers, according to Resolution N 510/16 of the National Health Council (NHC). Having as inclusion criteria the participants is with the active operating license and acting in the market. At the end of the collection, these data were gathered and interpreted, and their respective results exposed in table for easy visualization and understanding of them, highlighting the various aspects assumed.

## RESULTS ANDDISCUSSION

Considering the results obtained from the application of the questionnaires to a sample of 100 managers to demonstrate the importance of the performance of the Human Resources Management sector for small and medium-sized companies in the municipality of Cajazeiras – Brazil, it was analyzed below the analysis and discussion of the data, scoring the aspects related to the demographic sociodemographic data of companies and managers , then, the aspects related to the theme of the study were included.

Socio-demographic aspects of companies and managers: Addressing the lifetime of the companies surveyed, 10% have 28 to 38 years of experience in the market, 29% with 18 and 28 years of operation, 11% occupy the position of companies that are in the market between 8 and 18 years of operation, the remaining 50% has eight or less years of experience in the market, of these, 25% have less than three years active market. According to the Brazilian Service of Support to Micro and Small Enterprises (SEBRAE - SP, 2008) in its last survey in Brazil, indicated that 27% of companies close in the first year, 38% in the second year, and overall, 35% do not complete even six years of activities. This high mortality of companies is due to the lack of prior planning (strategic planning), and knowledge of business management, motivated by the profile of Brazilian entrepreneurs by the lack of study necessary for better management of activities and consequently the lack of elaboration of an action plan.

Therefore, 75% of the companies surveyed have already gone through the mortality phase described above by SEBRAE – SP, small companies constituted in the Cajazeiras market only 25% of them are vulnerable as to their permanence in the market. Specifying the determination of SEBRAE-SP (2008), which uses as a criterion to classify the size of the company the number of employees and considers microenterprises those with up to 19 employees, small company from 20 to 99, average from 100 to 499, and large above 500 employees. Given this assumption, it is observed that among the companies surveyed there are 77% of microenterprises and 23% small companies, the average company was not scored, offering services to the people of Cajazeirense in the most diverse market segments. The participating Small Business Businesses focus primarily on the trade and service sectors. Trade accounts for 51%, services by 44% and 5% the industrial sector respectively, as shown in Graph 1.



Source: Search data, 2020.

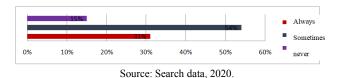
Graph 1. Small business sectors.

The above-mentioned data consider businesses with CNPJ registration and active operating license. It means that it excludes farmers who do not have this registration, even though it contains other forms of formalization. According to the research conducted, 60% of the interviewees were male and 40% female. The results obtained found that 8% of the interviewees were between the age group of 18 to 25, 52% between 26 and 35, 28% between 36 and 45 and 12% between 46 and 55.

Therefore, it is observed that more than 50% of managers are over 35 years of age, demonstrating that they are mostly from a young population. Regarding marital status, 29% of the clients interviewed are single, 69% married, 5% widowed and 17% discharged. This reality allows an understanding that most participants follow the tradition of their ascendants and believe in stable union as the basis for family support.

Considering the monthly income of the interviewees, it is considered that 72% receive between 01 and 02 minimum wages, 18% between 02 and 04 salaries, 9% receive between 04 and 06 minimum wages and only 1% receive between 06 and 08 monthly minimum wages. As for the level of education of the research participants, it is observed that the percentage of 55% for people graduated or graduated occupants of positions of managers in these small companies, this shows an advance in society and appreciation of knowledge in management in the search to develop and grow the business, of these 38% had their training during Administration, because they believe in the proposal of the course to aggregate the knowledge necessary to the enterprise.

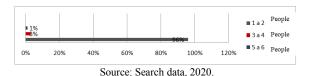
**Data on the theme of the study:** At this stage, the data of the 100 managers regarding the performance of the People Management sector with its functions as a strategy for organizational development and growth were analyzed.



Graph 2. Valuing staff through performance compensation

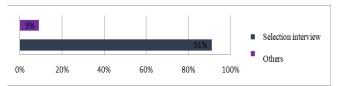
When asked about the appreciation of the collaborative team, if the company has a remuneration policy due to the performance of employees, 31% answered that there is a policy of remuneration for competence in the company, in which all employees receive benefits, as a committee, the 69% of the remaining companies do not have a policy of remuneration for skills, only work punctually, as 54% answered that depending on the campaign, sometimes the company pays commission to employees, remunerating them for performance, especially in festive or commemorative seasons, and that this is something combined between employer and employees, stimulating them in relation to the performance of their functions successfully, and 15% answered that they do not work with this strategy, because employees have a contractual bond that establishes a fixed monthly salary, and guarantee of rights in accordance with the law.

For Ramos (2001) competencies management is the ability to manage the knowledge, skill and attitude of the employee to fulfill the mission, vision, business values and strategies of the organization.



**Graph 3. HR Sector Structure** 

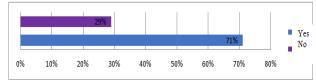
In relation to the structure of the Human Resources sector, it is possible to observe that in this interim, how many people make up this picture were investigated. The managers surveyed show that there is still little investment in this sector, leaving the main functions under responsibility for the line manager, usually in the figure of a professional, only. Thus, it was obtained that 96% of the interviewees reported that the HR sector of the company in which it operates has a maximum of 02 employees, 3% occupy the position of those who have from 03 to 04 people in the sector, 1% include from 05 to 06 people. Contemporary perception presupposes that the importance of the HR sector and that it needs to develop its activities with freedom to act in attracting, prosething and retaining people; alignment, measurement and remuneration aligned with the company and employees; control and monitoring of investment in people, with this the HR sector can provide the development and growth of the company (GUBMAN, 2004).



Source: Search data, 2020.

#### **Graph 4. Personnel Selection.**

Guimarães&Arieira (2005, p.87) clarify about the process of selecting personnel of a company, even if it is a small institution, saying that "Every selection process is unique and should be understood as an internal and external marketing tool that the company can use in its favor".It does not end with the hiring of the professional, it needs to be presented, integrated and assisted in its first days or months in there, that is, the selection is an initial step that needs to be signed throughout the candidate's experience. Among the interviewees, when asked about the policies and criteria defined for the personnel selection process, 91% stated that in the company they perform the selection through the interview tool, and 9% said there were no selection methods and or did not know how to respond. For Chiavenato (2009) the interview is the most widely used technique in large, medium and small enterprises. Although it lacks a scientific basis and is the most subjective and imprecise selection technique, the personal interview is the one that most influences the final decision about the candidates. This justifies the high percentage of the use of interviews in small companies in Cajazeiras for staff selection.



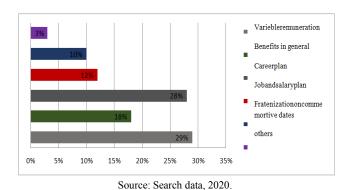
Source: Search data, 2020.

**Graph 5. Employee Training** 

Every company should invest in the continued training of employees, aiming at the benefits that employees can offer the company through techniques learned during training and reproduced in the practice of work. Thus, when asked about the company's investment in the training of employees, with 71% who answered that the small business invests in the continuous training method of the employee and that perceives concrete benefits both in the perception of the employee and for the company.

According to Chiavenato (2004), it is also observed that the training tool, with internal and external courses, is more valuable to the processes of people management, because its main objective is to train the employee and offer the possibility of developing organizational and professional. Training is a source of profitability by allowing people to effectively contribute to business outcomes. In these terms, training is an effective way to aggregate people, organization, and customers. It enriches the human heritage of organizations. And the person responsible for the intellectual capital of organizations. (CHIAVENATO, 2004, p.338).

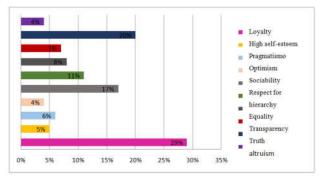
Today, organizations must be updated in the market and for this one of the main points is the training of their employees, the quality that the employee has in performing their functions, and good training is important because it increases knowledge, improves skill, changes negative attitudes and provides the company with a healthy organizational climate promoting a good relationship with internal and external customers (CHIAVENATO, 2004).



#### **Graph 6. Talent Retention**

About strategies for the retention of talent in companies, most small companies adopt the methodology of several tools, to ensure employees, whose profiles are promising for institutions. According to Chiavenato (2009) talent in organizations is the people who think, interpret, evaluate, reason, decide, act, lead the organization in this new era in which knowledge has become the most important resource: an intangible wealth, invisible, but fundamental to success. It's the people who create new products and services, visualize competition, improve internal processes and delight customers. They are the ones who give life, reason and action to organizations. Among the tools used, the career plan predominates with 29%, which is already presented and scored in graph 6, as a benefit used in the organization, followed by variable remuneration with 28%, job plans and salaries with 12%, benefits in general covering 18%, Gatherings on commemorative dates with 10% and with 3% the item others occupies the last place. In the area of management studies, talent is a set of skills, skills and fundamental experiences in a person for satisfactory performance in the work environment and that it is necessary to retain it in the company (BERGER; BERGER, 2004). Considering the characteristics and skills of employees as something fundamental for the company, it is important to analyze what personal values the company observes as determinants for the success of personnel and business. Schwartz (2005) explains that it is important to be aware that everyone holds numerous values, with varying degrees of importance, and that these will influence the work environment as much as in the personal life of the individual.

In this perspective, managers could mark more than one value that they consider relevant in the formation of the character of the employee for the growth and development of the organization, so it was obtained, that 29% consider loyalty the most important aspect, 5% high self-esteem, 6% pragmatism, 4% say that optimism is fundamental because it drives the team to advance more and more, 17% consider sociability indispensable for the professional to be able to relate well to customers,11% cite respect for hierarchy as a virtue that leads to seriousness and consequent public respect, 8% opt for equality, 7% for transparency, 21% cite truth as fundamental personal



Source: Search data, 2020.

Graph 7. Personal values

value, since this quality produces countless others and transmits security to the business, and finally, 3% point to altruism as a primary characteristic for the company's evaluation in relation to the personal values of the staff. Rokeach (1973) points out that the knowledge of a subject's values allows us to predict how he will behave in real situations and in experimental situations, going through the work environment, the study of the relationship of personal values with behaviors and attitudes has been a significant component to make up a healthy work environment. With the answers obtained in the previous items, open questions related to managers about the Human Resources sector were used as a method to complement the research. In the question about the objectives of the Human Resources Department and its functions, the interviewees answered mostly with an index of 89% that the main objective of HR is to put into practice, within the companies, mechanisms and strategies for valuing professionals. In addition, most of the actions have the function of working in the training of employees, to provide the growth of the organization and the career of these employees themselves, making it clear that when the HR sector acts accurately within the organization they can perceive an improvement in the processes and the development and growth of the company.

According to Maximiano (2011) the vision provides the future opportunities of the organization's business to allow a concentration of efforts in its search. In this bias, asked if the company has a defined mission and vision and if the HR sector can align its actions with a focus on the mission and vision of the organization, managers answered in an overall percentage of 100% that all companies surveyed have defined mission and values and that the HR sector can understand and focus on the proposed results. This mission and vision are usually defined by the company targeting the clientele, the employees, that is the population in general. Thus, 96% of respondents narrated that the mission and vision of the HR sector of small companies were elaborated and defined so that employees obtain greater comfort, safety, stability, incentive and willingness to perform their functions successfully, knowing what they do and what they do. To this end, the company values the employee and supports them to exercise their crafts with precision and quality.

In small companies participating in Cajazeiras-PB, the strategies developed to achieve the mission and organizational vision are part of the strategic planning of the HR sector. For Chiavenato (2003) when referring to the term strategic planning of human resources, a discussion is opened for several issues that may involve technical, social, economic and operational aspects, such as tools, methods and analysis for the development and implementation of this planning."Knowing how to identify the correct angle of view about strategic actions in the organization will be the differential that will ensure the competitive advantage of our companies in relation to our products and services" (CHIAVENATO, 2003, p. 143). The strategic planning of the establishments surveyed, according to 59% of the participating managers, was elaborated through previously established objectives and the business strategies adopted. Thus, the HR sector enables the implementation of what was planned. At this time, the policies of recruitment and selection, training and development,

career plan, compensation and benefits policies, performance evaluation, among others, come into force.In which 41% of respondents also add that the planning includes the analysis of the company's environment, the objectives and goals consistent with the structures and plans adopted, the strategic implementation and the action itself. At each step, the strategies are reevaluated, with monitoring and correction when necessary. Although there are still challenges for the realization of strategic planning in the small companies surveyed, the managers interviewed believe that the difficulties can be overcome through the hard work of all professionals and investment of the organization to comply with all the premises of the planning. The managers surveyed believe in their entirety that after the implementation and/or valorization of the HR sector in the company, many changes were observed, such as the inclusion of the analysis of the company's environment, the objectives and goals consistent with the structures and plans adopted, the strategic implementation and the action itself. In addition, there has been progress in increasing customer and business profit, improved the relationship between employees and productivity and praised the small company in the field of operation.

#### FINAL NOTES

The elaboration of this work demonstrates how important is the use of research for research on the importance of Human Resources management in small businesses. This study involved the public of one hundred managers of small companies from various market sectors in the city of Cajazeiras-Brazil. The thorough search in the understanding of managers about the functionality and contribution of HR to the success of the establishment involved the entire investigative process that was necessary for companies to direct a path, improving all aspects relevant to the development and growth of the establishment, reaching more easily the desired result, orchestrated in organizational strategies having as north the mission vision and pre-established values. It was observed that the small companies established in the municipality of Cajazeiras are companies consolidated by the time of operation, with only 25% with less than three years of market, where the majority is concentrated in the commerce sector, with their managers a male audience, young people, married, contemplating a pro-labor between 1 and 2 salaries, in which 55% completed the graduation, with 28% in management

Considering the results obtained, it is verified that most of the companies surveyed have the HR sector working with one to two employees and whose selection process is done through the interview method and understand the importance of mechanisms and strategies for valuing professionals through fundamental training for the personal and professional development of employees going through the organization. It was seen that companies put into practice some HR functions such as: the use of methods for talent retention, in which they apply the career plan, variable remuneration by competence; they seek to use variable remuneration to stimulate employees, seeking values such as loyalty, truth and transparency from employees. With defined mission and vision, the HR sector can manage employees, providing greater security, stability and incentive for them to be able to perform their functions successfully.

The managers surveyed scored that with the implementation of the HR sector in the company, it conquered the clientele, providing profit as well as improved the relationship between employees and productivity and praised the small company in the field of operation.

Given the results presented, it is understood that in the current competitive market for a company to have a long life it is necessary to focus on investments always considering the well-being of employees and customers, valuing and investing in employees from the Human Resources sector. A company that invests in HR acquires a differential that distinguishes it from competitors giving it greater chances to stand out and arouse the interest of the target public to know it and use its services and products with confidence thus generating credibility.

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