An evaluation on the adoption of HRM practices and their effect on Small and medium enterprises performance. A case of selected SMEs in Bulawayo Central Business District.

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ABSTRACT
Small and Medium Enterprises (SMEs) play a pivotal role in economic development through contribution of jobs and poverty reduction in Zimbabwe. Despite their importance in the economy, they have high failure rate. Many studies have been conducted on SMEs but only a few on Human resource management practices and their effect on SME performance in Bulawayo, Zimbabwe. The role of human resource management practices on the performance and growth of SMEs is influenced by different factors such as financial constraints, experience and level of education. The study worked with a sample size of 35 respondents. 30 questionnaires were returned and 5 were not. Primary data was collected using questionnaires which were given to the respondents at their places of businesses. Data collected was analyzed by Statistical Package for Social Sciences Software (SPSS) and presented through graphs, figures, tables, charts and percentages. The study found that knowledge on HRM practices had the greatest effect on the performance of SMEs, followed by entrepreneurial orientation, and then level of education and also length of service in the business. Recommendations were made in the study on owners/managers of the SMEs that they should adopt formal HRM practices to enhance better planning, bring about new talent, and best ways of marketing their business. Owners/managers are recommended to attend training seminars that will help in enhancing their innovative and creativity skills, proactive and how to take calculated risks in the business operations that would go a long way in enhancing business success, growth and development.