



**H.F.R.I.**  
Hellenic Foundation for  
Research & Innovation

**Description of the funded research project**  
**1st Call for H.F.R.I. Research Projects to Support Faculty**  
**Members & Researchers and Procure High-Value**  
**Research Equipment**

**Title of the research project: Human Resource Management in Small & Medium enterprises**

**Principal Investigator: Eleanna Galanaki**

**Reader-friendly title: HRMinSMEs**

**Scientific Area: Human Resource Management**

**Institution and Country: Athens University of Economics & Business, Greece**

**Host Institution: Athens University of Economics & Business**

**Collaborating Institution(s): University of Cyprus, Cranfield University, University of Limerick**

**Project webpage:**

**<https://www.dept.aueb.gr/el/HRMlab/HRMinSMEs>**



**ΟΠΑ  
ΑΥΕΒ**

Εργαστήριο Διοίκησης Ανθρώπινου Δυναμικού  
Human Resource Management Laboratory



**Budget: 162.559,10 €**

**Duration: 19/12/2019- 19/12/2022**

## Research Project Synopsis

***The research project "HRM in SMEs" aims at identifying High Performance Work Systems (HPWS) for the Small and Medium-sized Enterprises (SMEs). In particular, the main objective of the project is to investigate and suggest the best HRM practices that are associated with organizational financial performance, sustainability and innovation. The project is conducted by the Athens University of Economics and Business (host institution), in collaboration with universities from Ireland (Limerick University), Cyprus (Cyprus University) and UK (Cranfield University).***

## Project originality

***Small and Medium Enterprises (SMEs) are a key lever to economic development, notably in economies dominated by the service sector. At the same time, human capital or human resources is a key competitive advantage for any enterprise. However, even if evidence on effective Human Resource Management (HRM) systems in larger organizations is abundant, there is a gap on scientific evidence on effective HRM systems for SMEs. HRM in SMEs aims at studying HRM in SMEs, to identify and propose best practices that support and enhance innovation and business performance. We will develop and run a survey on dominant HRM practices in European (Greek, Cypriote, Irish, English, and from other collaborating countries) SMEs. The purpose is to measure the impact of HRM practices on innovation and organizational performance in SMEs, by answering to 3 questions:***

***Which are the dominant HRM practice configurations in SMEs?***

***Are HRM practice configurations in SMEs linked with specific business demographics?***

***Which HRM practice configurations in SMEs lead to higher innovation and business outcomes?***

## Expected results & Research Project Impact

**Scientific Impact:** *The project intends to tackle with two open and debated research questions in management: (1) which are the best HRM practices for SMEs, according to diverse criteria, and (2) how innovation can be enhanced in SMEs. By doing that, it will further our knowledge on how the Human Capital, AMO and contingency strategic HRM theories can be applied in SMEs.*

**Economic Impact:** *Given the volume of the SME activity in the whole EU, notably in Greece, outcomes of the proposed research can be useful in formulating best HRM practices in SMEs as a basis for designing training programs for SME managers. Through training, the aim is to increase SMEs' innovation, business performance and therefore economic results. In the long term, this could positively affect the long-sought macro-indicator of economic competitiveness for SMEs and the economy at large (see for example, SEV-Hellenic Federation of Enterprises, 2018).*

**Societal Impact:** *A central deliverable of this project will be an easy to use leaflet with guidelines on how to manage Human Resources in SMEs. This guide could serve as the basis for developing scientifically tested and reliable training material for managers and owners of SMEs and therefore improve business performance and innovation in SMEs, which could lead to higher wellbeing for all stakeholders involved in SMEs function.*

## The importance of this funding

***Without funding, HRMinSMEs could not be realized, because it is a large, labour-intensive project, where many different researchers are involved at various stages and the remuneration of the staff (mostly junior researchers) is the largest part of the budget. Funding for the work of so many people would not have been possible with many separate, individual projects.***



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