

## **Nature of HR Practices in the Micro Informal Enterprises: Case Study of Pakistan**

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**Abstract :** Value of firm does not only depend upon its financial and material resources rather human resource is also a significant contributor in success of organizations by achieving competitive advantage. Human resource is an important asset so it is the main responsibility of employers to get the best use of this resource. Hence, this paper will explore the human resource practices used by entrepreneurs in the informal economy in Lahore, the provincial capital of Punjab, Pakistan. In this study three major sectors are randomly selected. Snowball sampling technique was applied to collect data. Survey was conducted through interviews of 45 respondents working in the informal sector. The results show that informal sector in Pakistan is not using any formal human resource practices as done by formal enterprises. Findings suggest that there should be the implementation of the human resource practices that help the firm to increase its productivity and ensure the betterment of the employees. The main limitation of the study was short time period to cater all sectors of informal economy of Pakistan which limits the extent of its generalizability. The rationale behind this study is to uncover the facts regarding management practices of human capital in the informal sector.

**Keywords :** HR practices, informal economy, working condition, recruitment, training, employee motivation, welfare

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