

Human Resource Management in Small Family Businesses: A Practical Insight

Ms Anukriti Saxena

Teaching personnel, College of
Commerce&Management,
Surajmal University, Kichha

Dipansh Chaturvedi

Student, BBA, College of
Commerce& Management,
Surajmal University, Kichha

Abstract

This report is based on the personal experience working at family-owned business, MODICARE Distribution Point. Being not a professional HR yet, but tried to apply what I've learned in BBA course to real-life situations at the business. Main work was helping around with daily tasks, observe how things are being handled by the owner and only one employee, Sumit, and suggest ways to make the work smoother and more efficient. Since we are just three people, the HR work is not formal, but I've learned that even in small setups, good communication and being observant are really important. Realising how small suggestions and understanding people better can make a difference in the workplace. The role at the shop includes helping out with daily work, observing how tasks are managed by the owner and the employee, Sumit, and offering suggestions to improve efficiency. There isn't a formal HR structure — but I've come to understand that HR is not only about systems and policies, but also about people, communication, and understanding how work gets done This report shares my understanding of how human resource ideas can still be useful and practical in a simple, family-run distribution business like ours

Keywords -Human Resource Management, Family-Owned Business, Small Business Operations, Employee Observation, Informal HR Practices,MODICARE Distribution Point,Real-World HR Experience.

1-INTRODUCTION

Human Resource Management, or HRM, is considered one of the most important parts of any organization. No matter how big or small a business is, it needs people to run, and those people need to be managed properly. HR is not just about hiring or keeping records—it is also about understanding people, building good relationships, improving communication, solving problems, and creating a work environment where everyone can work better together. While still being a student and learning all these concepts through my BBA course, I got a chance to see how HR actually works in real life—right at my home, in our family business. Our shop, MODICARE Distribution Point, is a small distribution center run by the owner. Have only one employee, Sumit, who is more like a family member to us. As a member of the business Helping out at the shop regularly in different roles—sometimes observing how things are done, sometimes giving suggestions, and sometimes just doing basic tasks. Even though our setup is small and informal, realising that there are still HR-related activities happening every day. Whether it's about how work is divided, how we communicate, how the owner guides Sumit, or how we try to improve little things here and there—it all connects back to HR, even if we don't call it that officially. Choosing this topic because of wanting to explore how HR works in a small family-owned business like this.

Finding HR interesting, and also trying to apply the theories learned in college to real-life experience at the business. And the goal with this project is to gain a better understanding of basic HR functions in a practical way, and see how even small changes can make a difference in how a business is run. While knowing that there is a lot to learn, and that I don't fully understand everything about HR yet—but I do understand that it's mainly about managing people and making sure the work gets done in a smooth and respectful way. This experience has made me think about how I can not only help in improving our current shop but maybe also prepare myself for running a bigger and better business in the future.

2-SCOPE OF MY EXPERIENCE

This study is based on my time and experience at shop, the MODICARE Distribution Point, which is located in Rajeev Nagar, Bengali Colony – 262402. Even though the shop has been running for around 7 years, I started properly observing and learning things for this report about three months ago. During this time, I have been trying to understand how a small shop like this works, especially from the HR point of view.

Since there are only three people working in the shop—the owner, only employee Sumit and I have been involved in almost every type of work. By not only just sitting and observing but also helping with daily tasks like talking to customers, keeping track of stock, handling small deliveries, and watching how things are managed.

This study covers both internal work, like communication and coordination between us, and also the outside work like dealing with customers and handling the shop smoothly. Even though this is not a professional HR setup, trying to see how basic HR things like teamwork, trust, and work handling happen in a real, small business.

So, the scope of this study is not just about one thing but about learning and understanding how a small family business runs, and how to apply what is already learned from the course in real situations, even if it's in a small and simple setup like this.

3-LIMITATIONS

While doing this study at the owner's MODICARE Distribution Point, had to face a few challenges. One of the biggest ones was that I was mostly treated like a family member, not like an employee or someone from an HR department. So sometimes, even when I gave suggestions based on what I learned from my course or theory, it wasn't always taken seriously. The Owner and Sumit would sometimes just brush it off, saying they know better or that "this is how it has always worked."

Also, since our setup is very small — just the three of us — there's no formal HR department or system in place. That made it hard to apply proper HR techniques directly, as there were not many official procedures or employee-related issues to handle. Had to mostly focus on communication, observation, and small management improvements.

Another limitation was that sometimes I got confused about what work was actually HR-related. Since everyone in the shop does a bit of everything, including me, it was difficult to separate HR work from regular shop tasks. There were many times when I wasn't sure whether the work was actually HR



work or just helping with daily operations. This made things a little unclear, but it also showed how in small businesses, roles often get mixed and flexible.

Still, it does mean that being in a small shop limited learning completely. In fact, it helped a lot in understanding how important observation and communication really are in HR. Also didn't have the pressure of targets or deadlines like big companies have, so could focus more on learning at my own pace. Watching how Sumit works and how the owner manages things gave me a good start in understanding how people management works in a real setup, even if it's informal.

4-RESEARCH – METHODOLOGY

The method which is followed for this study was mainly observation and participation. Being having the chance to watch and also take part in the daily activities. This helped to understand how small businesses work and how people manage responsibilities without a formal HR system.

Spending most of the time observing Sumit, who is only employee and like family to us. And noticing how he handles customers, manages inventory, takes care of deliveries, and even handles some of the decision-making when the Owner is busy. Also paying attention to how The Owner manages things like communication, giving instructions, or handling shop-related issues. And trying to give suggestions in areas where think about the improvements that could be made especially where I saw some HR practices could be helpful.

This research report is primarily based on first-hand observation and active involvement at MODICARE Distribution Point. Since the business functions with a small team, the opportunity to observe and participate in multiple roles allowed for a better understanding of HR functions in an informal setting. The methodology used for this project includes several practical and theoretical approaches, as described below.

4.1-Direct Observation

One of the main methods used was direct observation. Daily work practices, interpersonal interactions, customer handling, task delegation, and workflow management were carefully observed. Special focus was placed on understanding how, even without a formal HR department, core HR functions such as communication, work allocation, and informal conflict resolution are still being practiced.

4.2- Active Participation

The experience included performing various tasks like customer service, inventory management, record-keeping, and helping with delivery operations. By being a part of the daily operations, it became easier to understand the responsibilities and challenges faced in a small business, especially from an HR point of view. This hands-on experience helped in connecting theoretical HR knowledge to practical situations.

4.3- Informal Discussions

Rather than conducting structured interviews or surveys, informal discussions were held with the two main individuals managing the shop — the shop owner and the only employee. These casual but insightful conversations provided a clear picture of their work approach, experiences, opinions on handling work pressure, and their way of managing responsibilities.



4.4-Self-Reflection and Role Analysis

Along with external observation, the methodology also includes self-reflection. This involved analysing personal behaviour in response to workplace situations, understanding personal communication style, and assessing basic people-management efforts. This reflective approach helped in identifying areas for improvement and personal development as an aspiring HR professional.

4.5-Reference to Theoretical Concepts

To support the practical observations, certain HR concepts and ideas were explored using online platforms, along with the Key topics included:

- Motivation in small businesses
- Teamwork and coordination
- Employee satisfaction in informal workplaces
- Communication and leadership styles

These concepts helped in drawing parallels between textbook knowledge and real-life practice.

4.6-Duration of Study

The shop has been operating for over seven years, but the most active and focused observation period for this study was over the past three months. During this time, regular presence and active involvement in daily operations helped in gathering relevant and reliable insights.

4.7-Data analysis

During the time working at the Modicare Distribution Point, keeping observing how daily tasks were handled, how communication happened, and what kind of challenges came up. Since it's a small team — just the owner, one employee Sumit, and me , focus on how work is managed informally and how my basic HR knowledge could help improve small but important things.

Observation Log (Over 3 Months)

Week	Focus Area	What I Observed	Suggestion / Action
1	Communication	Mostly verbal sometimes leads to confusion	Suggested writing daily work updates on WhatsApp
2	Workload	Sumit handles many tasks alone without order	Gave idea to divide small tasks better between us



3	Customer Handling	Friendly service but no proper system for complaints	Recommended keeping a simple feedback notebook
4	Inventory Check	Done manually, takes time	Suggested tracking items on an Excel sheet
6	Feedback	No regular check-ins with Sumit about work	Asked the owner to casually ask for feedback sometimes
8	Disagreements	A small argument over delivery order	Recommended calm talk before reacting

Patterns Noticed

1. Work is Shared but Unstructured

There's no proper task chart — everyone just helps with everything. It works most of the time, but sometimes tasks get mixed up.

2. No Formal HR System

There's no written policy for work hours, leave, or complaints. Everything is done based on trust and need.

3. Communication is Friendly but Can Miss Details

Since we're a close-knit team, we mostly talk casually, but sometimes small things are forgotten or misunderstood.

4. My Role is as a Supportive Observer

Couldn't control anything, but I try to give small suggestions from what learned in college, especially on improving work flow.

5. Respect vs Responsibility

At times, because of related to the owner, it becomes difficult for my suggestions to be taken seriously. It's a learning point for me

4.7-Conclusion

The methodology followed for this research blends personal observation, hands-on work, informal communication, and theoretical learning. Despite the informal setup, the experience proved valuable in understanding HR-related behaviour, challenges, and the importance of communication and people management — even in a small-scale setup. This approach provided a realistic picture of how HR functions can exist without a formal structure, especially in family-run businesses.

5-OBSERVATION AND FINDINGS

While working at MODICARE Distribution Point, Got to see many small but important things about how a business runs and how people work together. Even though this shop is small and doesn't have a proper HR department, founding many points where HR thinking could be applied.

One of the main things observed is how communication plays a big role in everything. Whether it's between the owner and Sumit, or with customers, the way we talk and explain things really affects the outcome. And when instructions are clear, work becomes faster and smoother. Noticing how sometimes miscommunication leads to small mistakes — like confusion in delivery, or missing out on inventory checks.

Another thing that was understood is the importance of observation and people handling. Sumit is the only employee, but he handles a lot of work — from customer interaction to inventory and deliveries. Observation of how he stays calm, multitasks, and tries to keep things running even under pressure was also part of it. Watching him helped me learn that being good at handling people and pressure is a big part of HR too.

Realising how in a small business, everyone ends up doing everything. There's no fixed role — Helping with customers, stock checking, and even giving suggestions for better work arrangements. This kind of flexibility is both helpful and challenging. It taught us that in small setups, HR isn't about paperwork — it's about understanding people, managing time, and solving problems quickly.

Lastly, seeing that giving feedback or ideas is not always easy — especially when you're younger or not seen as “experienced enough.” Sometimes when tried to suggest better methods or some theory learned in college, the owner or Sumit didn't fully take it seriously. This showed me that HR is also about building trust and learning how to convince others without forcing them.

Overall, founding that even in a small shop, there's a lot to learn about how people work, how things are managed, and how human resource practices — even basic ones — can make a difference.

6-CONCLUSION

Working at MODICARE Distribution Point really helped to learn a lot. Even though it's a small shop and we don't have any official HR system, still got to observe many things about how people work, talk, and manage daily tasks.

Then understanding that HR isn't just about what we read in books — it's more about understanding people, helping them, and learning how to deal with real-life situations. Sometimes my suggestions weren't taken seriously, but even that taught me something.

This whole experience made us more confident and gave a better idea of what HR is like in real life. Still have a lot to learn, but this was a good start.

7-REFERENCES

This report is mostly based on The own personal experience of working at the MODICARE Distribution Point. However, to understand some HR concepts better and to support my learning, also took help from a few books and online resources.

1. Gary Dessler (2020). Human Resource Management (15th Edition). Pearson Education-Helped in understanding the basic roles and responsibilities of HR in a business setup.



2. K. Aswathappa (2017). Human Resource Management: Text and Cases. McGraw Hill Education-Used for learning how communication and employee behaviour is managed in different organizations.

3. Singh, M., & Vohra, N. (2009).

Strategic Human Resource Management in Small Enterprises.

This case study explores HR practices in small Indian enterprises, highlighting informal communication, performance-based rewards, and the owner's pivotal role in HR decisions

4. Holátová, D., & Březinová, M. (2018).

Management of Human Resource in Small and Medium-Sized Enterprises: Case Study.

This study examines HR processes in SMEs, emphasizing challenges like limited formal HR strategies and the importance of aligning HR practices with company goals.

IJMRR