

# An investigation of recruitment and selection practices within SMEs in the Irish IT sector

Dissertation submitted in partial fulfilment of the requirements for the degree of Masters of Business Administration (MBA)  
at Dublin Business School



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22th August 2016

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Declaration: I, Jessica Furtado, declare that this research is my original work and that it has never been presented to any institution or university for the award of Degree or Diploma. In addition, I have referenced correctly all literature and sources used in this work and this this work is fully compliant with the Dublin Business School's academic honesty policy.

Signed: Jessica Furtado

Date: 22/08/2016

## **Acknowledgements**

I would like to express my deepest gratitude for those who helped me write this dissertation.

First of all, I would like to thank my supervisor David Wallace for his guidance, patience and for all the helpful insights that he provided me in our meetings. Moreover, I would like to thank the participants in this study for their time and willingness to participate.

Special thanks to my mother who enabled me to study at DBS and always supported me throughout the course and my boyfriend Sebastian for all the patience, motivation and proof reading of many assignments made during the entire course as well as this dissertation.

Sincere thanks to my classmates who made this journey much more pleasant and enjoyable.

## **Abstract:**

**Objective and Scope:** The aim of this dissertation is to gain an understanding of recruitment and selection practices in the Irish IT sector. With the proliferation of technology, SMEs in the IT sector are a major economic driver. In Ireland, SMEs account for \$10 billion annually and employ more than 900,000 people. However, research on recruitment and selection in SMEs is scarce and – given the numerous challenges and accelerating competition – SMEs face, it is ever more important for them know how to allocate their limited resources most effectively to find and recruit the best talent, since human resources is the life blood of any company. This research, consequently, aims to fill the gap in the literature regarding recruitment and selection in SMEs and seeks to identify ways SMEs can improve their recruitment and selection to attract and motivate employees, with a focus on millennials, the generation now entering the workforce. Ultimately, this study intends to provide SMEs with actionable insights and recommendations that they can implement to increase recruitment effectiveness.

**Methodology:** This study is based on a qualitative analysis of interviewees with technical participants involved in recruiting in four different SMEs in the IT sector based in Dublin.

**Results:** The interviewees reveal many insights, some of which are in accordance, some of which are in contrast to the consensus in the literature. Among the many issues that we identified, the two most important ones are the importance of cultural fit and the value of a strong founding team. Hiring for cultural fit is important particularly for SMEs, as a strong culture forms the foundation for the company's long-term vision. On the other hand, a strong team is valuable for its role in building a culture, for the people it attracts, for its impact on the company's reputation, and – finally – as a foundation for the company's most important recruitment instrument, its own network.

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# Chapter 1 Introduction

## 1.1 - The background of the problem

Fueled by the proliferation of technology and its applications to other industries, the growth of the IT sector presents intrinsic challenges for Human Resource management all over the world. A shortage of skilled workers is amplified as the demand for specific skill sets continues to outpace the supply of suitable candidates. As a result, global competition for talent has intensified and the traditional power balance in recruiting has shifted from employers to candidates and employees. The HR department, as well as hiring managers, are under pressure to find the right candidates and retain current staff. For this reason, companies are developing new strategies to increase their attractiveness – with bonuses, increased pay, additional career progression opportunities, etc. – to attract and retain employees (Onag, 2015).

Recruitment and selection constitute one of the main challenges faced by the industry, especially for Small and Medium Enterprises (SMEs). Sequoia Capital, one of the most prestigious venture capital firms, argues that “a shortage of engineers is the biggest challenge facing Silicon Valley start-ups today (as) hiring is what enables you to execute your product roadmap” (<https://www.sequoiacap.com/>). Falling behind on recruiting thus becomes a competitive issue. Additionally, a survey of hiring managers in the IT industry reported that 65% of IT managers were being negatively impacted with skill shortage (Randstad Technologies, 2014). According to Lee (2014), SMEs often face problems in six areas: recruitment, skill shortages, obtaining finance, cash flow, skill management, and finding suitable premises.

The effort to attract, motivate and retain employees is a challenge for every organization; however, it becomes even more daunting for SMEs. As there is no universal definition of SMEs, most countries adopt number of employees as the main criterion; other countries see the firm's assets and revenue as additional criteria (Abraham et al. 2015). The preferred definition for this study is the one proposed by the European Union relating to employment: It defines that micro firms as those with less than 10 employees, small firms with between 10 and 49, medium-sized firms with between 50 and 249 and large firms with over 249 employees.

SMEs have an enormous impact in the Irish economy. The Irish government has recognized them to be one of the key drivers of the country's economy while The Irish Times has accredited SMEs to be the “spine” of the Irish economy. In 2010, SMEs contributed over €10 billion and employed over 900,000 individuals (McHugh, 2010).



SMEs, having limited resources, experience a lot of competition for attracting talent both from huge international companies that offer large sign-up bonuses and stock option packages as well as from competing SMEs. Mayson & Barrett (2006) highlight that SMEs generally lack three important factors, which negatively influence their recruitment opportunities: poor strategic planning and focus, the competition with large companies for human resources, and finally, SMEs are generally not the first choice of applicants.

In Ireland, which has managed to attract numerous IT companies in recent years, these challenges are accentuated. In addition to the competition and skill shortage that the IT industry and particularly SMEs face all over the world, in Ireland they also face serious difficulties to get credit and loans from Irish banks. According to Ireland's Competitiveness Scorecard (2015), it is noticeable that the value of impaired SME loans has been declining slowly in recent quarters, while the Central Bank perceives there to be deficits, particularly regarding mortgages.

According to Lawless et al. (2012), data on job turnover shows that SMEs are more dynamic than larger companies, therefore they both create and impair jobs at higher rate. After the recession in 2008, the number of jobs that were made redundant have been significantly higher among SMEs, which suggests that the crisis has had a larger impact on their section of the economy. Additionally, ECB survey (2010) data shows that Irish SMEs are facing credit conditions considerably tougher than the Euro zone average.

## 1.2 - Research Gap and Research Objective

According to Chin (2010), the number of researches on HRM for SMEs is scarce and many of the studies that are available are from the beginning of the 2000's, which clearly demonstrates the need for more research in this field. In accordance, in a more recent scenario, Abraham et al. (2015) argue that there is a particular gap in the literature regarding recruitment and selection processes in SMEs. They indicate that the studies available investigate general HRM practices related to job satisfactions, organisation performance, and productivity rather than hiring methods and best practices. This research aims to fill the gap in the literature regarding recruitment and selection in SMEs, particularly of professionals in the IT industry in Ireland.

Furthermore, to the best of the author's knowledge, not a single article investigating IT professionals in Ireland exists. The few articles found discussing SMEs in Ireland are not related to recruitment and selection and do not deal with the IT sector. They are mainly articles

discussing the impact of SMEs in the country's economy as well as the problems generated by difficulties in obtaining credits in Irish Banks.

### 1.3 - Research question

This study aims to identify the best practices for attracting the best candidates in the IT sector in Ireland for SMEs with limited resources. The overarching research question thus is the following:

**How can SMEs improve recruitment and selections practices to attract and motivate employees, with a focus on generation Y in the Irish IT sector?**

As part of the central research question, this study is particularly interested in the possibilities that are available to SMEs which have notoriously limited resources that can be allocated to the Human Resources efforts. The main goal is to make recommendations for how they can effectively manage these resource to make themselves more attractive in the face of competition.

In order to be able to sufficiently answer this question, the literature in recruitment and selection with regard to challenges faced by SMEs in the IT sector will be reviewed. As the power in the hiring process has shifted to the side of the employees, as initially highlighted, gaining an understanding of employees' motivations and desires is fundamental to conducting effective recruitment. For this reason, the motivational factors driving Generation Y, the generation now entering the workforce, will be investigated. Ultimately, the goal of this research is to identify the most important factors that influence IT professionals during the recruitment and selection phases. In other words, this research aims to detect ways in which SMEs can most effectively use their resources to attract IT professionals.

The data collection will be conducted through interviews with IT recruiters or hiring managers. Interviews with IT recruiters will shed light on the hiring practices of IT professionals in Ireland and on what they believe to be the best practices in recruitment and selection in the IT sector.

The goal of this assessment consequently is to enable companies to obtain an intimate understanding of the expectations of IT professionals. Equipped with this understanding, it will

be outlined how they can best use their resources to focus on those aspects that are of the highest significance for the candidates.

To summarise, regarding the literature review, the factors relevant for effective recruitment and selection presented by the literature will be outlined. Additionally, the literature about motivation in Generation Y will be reviewed, which constitutes the majority of IT professionals that are being recruited. This will allow us to gain a better understanding of the aspects that motivate them to join a company. It is fundamental to this research to juxtapose what candidates are expecting from a job to what SMEs are doing to meet these expectations. Once a better understanding of the motivations of their future employees has been achieved, this understanding can be leveraged to eliminate discrepancies in the current fulfilment of said expectations and allows reallocation and reprioritization of financial resources towards a more effective recruitment process.

#### 1.4 – Sub-Research Questions

In order to elaborate on the content of the research project, the sub-research questions as detailed below aim to enrich and widen the scope of the primary research question by evaluating the relevance and effectiveness of current hiring practices in the IT sector in Ireland as well as the challenges these practices impose to SMEs and the improvements that can be made in order to achieve a more efficient recruitment and selection process.

The sub-research questions are the following:

- What are the current hiring practices in the IT sector in Ireland?
- What are the challenges faced by SMEs in Ireland in the IT sector?
- What can be improved in the current hiring process?

#### 1.5 - Dissertation Organisation and Structure

This research project is divided into eight chapters as detailed below:

##### Chapter 1: Introduction

The first chapter provides an overview and background information of the research topic touching the main goal of the research and its objectives. It also explains the research question

and sub-questions, which constitute the basis for the research and guide the gathering of primary data. Furthermore, this section presents the suitability of the researcher and motivates her interest in the subject, while acknowledging the scope and limitations of the research.

## Chapter 2: Literature Review

This section presents valuable and relevant themes including recruitment and selection, challenges faced by SMEs in the IT sector and also review studies regarding motivation of the Generation Y.

## Chapter 3: Research Methodology

The purpose of this section is to demonstrate and discuss the existing research methods according to the Research Onion Diagram Model (Saunders et al., 2012) focusing on the research methodology choices selected for the best conduction of this particular research. A detailed analysis of the methodology research choices will touch the optimal research philosophy, approach, and strategic options in order to gather relevant primary and secondary data to proceed with data analysis.

## Chapter 4: Data Analysis and findings

The aim of this chapter is to analyse and discuss the gathering of primary data. It presents an in-depth analysis of the results, which supports the researcher in finding relevant and valid content in order to draw well-grounded conclusions and recommendations regarding effective recruitment and selection processes.

## Chapter 5: Discussions, conclusion and Recommendations

This section attempts to summarise the main findings of this research study, touching its implications and additions for the field of study by drawing relevant and valid conclusions including recommendations for SMEs in the IT sector in Ireland.

## Chapter 6: Self-Reflection on Own Learning Curve and Performance

In the final part of the research study, a self-assessment of the researcher's experience and learnings throughout the conduction of this research study is presented as well as insights of the entire process of the Master's studies.

Chapter 7: Bibliography

Chapter 8: Appendices

## **Chapter 2 - Literature Review**

### **2.1 - Introduction**

In this section, the literature review of two central themes of this research will be conducted: Recruitment and selection processes as well as motivational factors of Generation Y. Specifically, we will discuss characteristics of efficient recruitment methods, the preferred recruitment channels of SMEs, as well as the expectations recruiters have towards prospective applicants and the factors that attract applicants to companies, particularly SMEs. Building on this, we explore the different intrinsic and extrinsic motivational factors for millennials, as these comprise the majority of employees entering the workforce.

### **2.2 - Recruitment and selection**

As recruitment and selection is an essential part of every successful company, numerous studies have sought to identify and analyze its aspects. Breugh's (2008) model of recruitment characterizes four stages as the key components in the process of attracting the right talent: Firstly, clear and specific recruitment objectives are drawn. In a second step, strategies to fill the vacant position are established. During the third phase, specific recruitment activities, which aim to attract the right candidates are conducted. The fourth and final stage is dedicated to the evaluation of the outcomes of the first three stages of the recruitment process.

Several studies draw attention to the significance of the third phase: Williamson et al. (2010) highlight the importance of attracting qualified applicants in order to have a skilled talent pool to choose from, which improves the chances of hiring the best candidate. Therefore, the strategic action that companies take in the initial phase of recruitment plays an essential role in the development of a high quality workforce. Although there is a set of HRM practices, which are considered the best in any circumstance, Armstrong (2014) strongly suggests that the adaptation of these practices leads to superior organizational performance. According to Armstrong, the analysis of recruitment strengths and weaknesses, as well as the analysis of recruitment objectives and identification of the sources for candidates are key for an effective candidate attraction.

In accordance, Williamson et al. (2010) determine that there are two main objectives that an effective recruitment tool should accomplish: Firstly, such a tool should capture the applicant's attention and appeal to them to gather information about employment opportunities. Secondly, recruitment tools need to reduce uncertainty about job opportunities, as candidates tend

to avoid ambiguities. Consequently, candidates are likely to devalue job opportunities that they know little about. This uncertainty can be a challenge for SMEs, as we will detail in the next section.

Recruitment and selection is key for every business and must be conducted carefully: According to Aaker (1989, in Sangeetha, 2010, p.94), recruitment and selections processes are key to how businesses perceive their human resources, which are required to maintain a competitive advantage over competitors. In order for a company to achieve and sustain this advantage, each step of the recruitment and selection process should be carefully considered as bad decisions can lead to devastating effects for the entire organization. Carter (2015) argues that a misfit employee will consume time, impact team morale and can harm customer relations as well as organizational culture.

Two metrics that are usually used in order to measure the effectiveness of the selected recruiting channels and selection methods to continuously hire the right candidates for the position are validity and reliability. Reliability measures the consistency of decisions made by adopting certain methods over time (Gunnigle, 2011, p.117). In other words, the results should be the same if conducted on another day or by another person. Validity refers to “the extent to which the selection method used measures what it is supposed to measure ensuring that there are no biases or intervening factors distorting the outcome that has been achieved” (Gunnigle, 2011, p.117).

Having outlined the importance of recruitment and selection in general and characterized key aspects of recruitment and selection such as attracting the right candidate, objectives, consequences, and performance metrics, we will now proceed to detail how recruitment and selection relates to SMEs in the Irish IT sector.

### 2.3 – Challenges faced by SMEs in the IT sector in Ireland

There is a lack of studies on challenges faced by SMEs in the recruitment and selection phases. The majority of research of recruitment practices concentrates on larger organisations; for this reason, most findings do not accurately reflect the issues faced by SMEs (Williamson et al, 2002). Mayson & Barret (2006) argue that there is a general lack of understanding of HR practices in SMEs. On the other hand, Abraham et al. (2015) reveal that the lack of studies investigating recruitment in SMEs is most acute. They observe that most studies deal with

general HRM practices in SMEs, in areas related to job satisfaction, organizational performance, productivity, and e-HRM, while leaving out recruitment and selection.

### **2.3.1 – Environmental challenges affecting SMEs in the IT sector in Ireland**

Every business never operates in isolation, but is a product of its environment. As such, every business process such as recruitment and selection can be considered as a function of the current market forces. While recession and expansion hit every business, SMEs are hit particularly hard, with devastating impacts on their recruiting abilities. Malik (2013), among others, shows the impact the global financial crisis (GFC) had in the IT industry. While this research focuses on the impact in India, it could certainly also be considered in the Irish scenario. During the immediate 12-15 month period after the GFC, companies adopted a “hard” HRM approach that also influenced the hiring process. There was a cutback on hiring as well as downsizing in most organizations. Recent graduates were the most affected group; although they were still being hired, companies delayed joining dates and implemented conditional project deployment. In reality, employment was assured to employees, but commencement occurred on later dates or the employment was tied to available projects rather than on a continuous basis. These implementations reduced employees’ job security and firms started offering reduced salary packages.

SMEs are especially vulnerable in times of crisis: Downsizing is normally not an option due to their already small size. Additionally, SMEs tend to be less diversified in their economic activities, have a weaker financial structure, lower or no credit rating, and fewer financing options (McHugh, Michelle, 2010).

When the economic crisis began in 2008, Irish SMEs’ access to finance became increasingly limited. Despite various government initiatives and lending programs, figures from the Central Bank showed a continued decrease in lending to small and medium-size enterprises (McHugh, Michelle, 2010).

## **2.4 - Recruitment and Selection in SMEs in the IT sector**

### **2.4.1 – Recruitment and Selection Criteria**

Having ascertained a lack of studies investigating recruitment and selection in SMEs, we will now discuss the studies that consider recruitment and selection. Among these, many focus on the criteria a successful applicant has to fulfill. Generally, the most important criterion for



recruiters is an applicant's skillset: Campero (2015) conducted interviews with high tech recruiters where they emphasize that finding talented engineers is "about the skills, not about the schools". Assessing candidates' skills is fairly easy in the IT industry; in fact, most companies perform "coding challenges" or other skills tests during the screening process. However, Abraham et al. (2015) argue that finding a 'fit' is the key aspect of recruitment and selection in SMEs. The authors point out that there are no specific research papers on the concept of 'fit' in recruitment and selection. However, they refer to person-organization fit (P-O) and person-job (P-J) as essential components to take into consideration in the hiring process.

P-O fit is characterized by the compatibility or alignment between the characteristics of the person and the organization or environment (Kristoff-Brown & Guay, 2010). P-O fit is beneficial to any organization as once the company's values and mission correlate with the employees' principles, the alignment between them is more likely to materialize into a higher job satisfaction, organizational commitment and consequently, more productivity. June et al. (2013) indicate that both competency and person-job fit play an important role in employees' performance, particularly in SMEs. Employees are much more likely to perform better and experience job satisfaction when they fulfill the person-job dimension of their occupation.

Organizational culture fit is another aspect that needs to be considered during the hiring phase. Organizational culture is often characterized in terms of shared norms, beliefs and values. As a subdivision of organizational culture, ethical culture can be considered as resulting from the coaction among the formal (e.g., training efforts, codes of ethics) and informal (e.g., peer and leadership behavior, norms concerning ethics) systems intended to promote the ethical behavior of employees (Treviño et al. 1998). Accordingly, it is critical to recruit and select applicants that maximize person-organization fit, as they will contribute to building the organizational culture as well as immerse themselves in it. In other words, employees and their company's culture bilaterally influence each other. As further evidence, Onnekikami (2016) additionally highlights the importance of the right candidate not only possessing the necessary knowledge, skills and abilities, but also fitting within the company's culture.

#### 2.4.2 – Factors of Attraction and Applicants' Expectations

Analogously, in order to attract the right candidates in the first place, a company must make itself as attractive as possible to potential applicants. In this context, one of the key and

most low-cost hiring advantages to SMEs can be their reputation: According to Williamson et al. (2010), a company's reputation has a significant impact on the candidates' perspective of the company. The author's remark is that the company's reputation influences the candidate's opinion of the company in two ways in the initial recruitment phase: Firstly, a company's reputation and brand are seen as an indication of its working conditions; secondly, a company's reputation usually provides the first clue to a candidate of its standing within its industry and its impact. This second aspect is a particular challenge for SMEs as their reputation may not be as generous as multinationals in the same sector.

Not only a company's reputation, but also its founders' and CEO's clout has a crucial impact on how successfully the firm is able to acquire the best employees. According to Campero (2015), in high tech entrepreneurial firms, the status of the founder and their backgrounds provide access to better hiring opportunities. His research shows that the founder's backgrounds can be a recruitment advantage as it facilitates the acquisition of key resources to its firm.

With regard to the attraction of talent, the literature proposes different tactics: Williamson et al. (2010) suggest that providing a large amount of information about the company and the job opportunity on the recruitment web site reduces the level of uncertainty and – for this reason – increases an applicant's attraction to the company's job opportunity. Additionally, Williamson et al. (2010) show that companies with weak or poor reputation can benefit greatly from a significant amount of information about job opportunities. Providing more information essentially alleviates a candidate's initial uncertainty given the company's lack of reputation and in turn increases its chances to attract a larger number of suitable candidates. This is particularly important for SMEs that have not been yet been able to form a strong reputation, as they need to differentiate themselves from their competitors in order to attract the best talent.

As was outlined initially, applicants' expectations play a critical role in the recruitment process. Particularly in the IT industry, where top talent is wooed by many companies, having an intimate knowledge of what attracts an applicant to a company amounts to a significant strategic advantage. Williamson et al. (2010) define applicants' attraction as the perception that an organization is a good place to work. Another factor influencing an employee's decision to join a company is its potential: Campero (2015) suggests that in emerging high tech companies, hiring is more likely to be influenced by the prospects of the firm than exclusively by the terms of the offer.

### 2.4.3 – Recruitment and Selection Processes

How recruitment and selection is conducted within a company directly influences the hiring. Considering that the majority of HRM functions in SMEs are performed by CEOs or managers that are not familiar with best practices and HR strategies, it is apparent that one of the major dilemmas in recruitment and selection in SMEs are informal, unstructured and weak HRM practices without any strategic element (Dundon & Wilkinson, 2009).

The findings indicate that the founder – and most frequently Chief Executive Officer (CEO) – usually establishes SME recruitment policies with the goal to speed up traditional processes and improve communication among a multicultural workforce (Poorangi et al, 2011). However, according to Hornsby and Kiratko (2003), SME owners most likely lack competence and background in implementing and managing HR policies and practices such as recruitment and selection, training, appraisals, etc. This can lead to several errors during recruitment and selections stages such as not following a proper selection process, negligence information, overpromise or trusting completely the hiring staff's judgment (Boatman & Eker, 2012).

On the other hand, Dundon & Wilkinson (2009) show the advantages of lacking a formal process in SMEs: Among these advantages, a flat hierarchy allows for rapid decision-making process as well as the ability to respond and adapt to customers' and market demands; additionally, clear objectives and communication can accelerate hiring and make it seamless.

Even though SMEs tend to simplify the hiring process, some factors should particularly be considered as key elements for recruitment decisions such as flexibility, competence, personality, stability and attitude towards work (Davidson, 2011). The outcome of an integrated and strategic recruitment and selection process moderated by the person-organisation/job fit it is primarily based on employer and environmental consideration (Davidson, 2011), comparing strategic recruitment and selection outcomes against the initial recruitment objectives (Breaugh, 2008; Davidson, 2011).

Weitzel et al (2009) have developed an integrated framework, termed FIT (Finding [or Fishing for] IT Talent) to recruit IT talent based on their research conducted at Siemens. The authors suggest that this framework addresses the three main challenges of recruiting IT talent: talent scarcity, recruitment time horizon, and recruitment cost. In the illustration below, the authors define four quadrants based on the time scale and skill scarcity. The cost is represented by the number and the shade beside each method: the higher the number and the darker the shade, the higher is the cost.

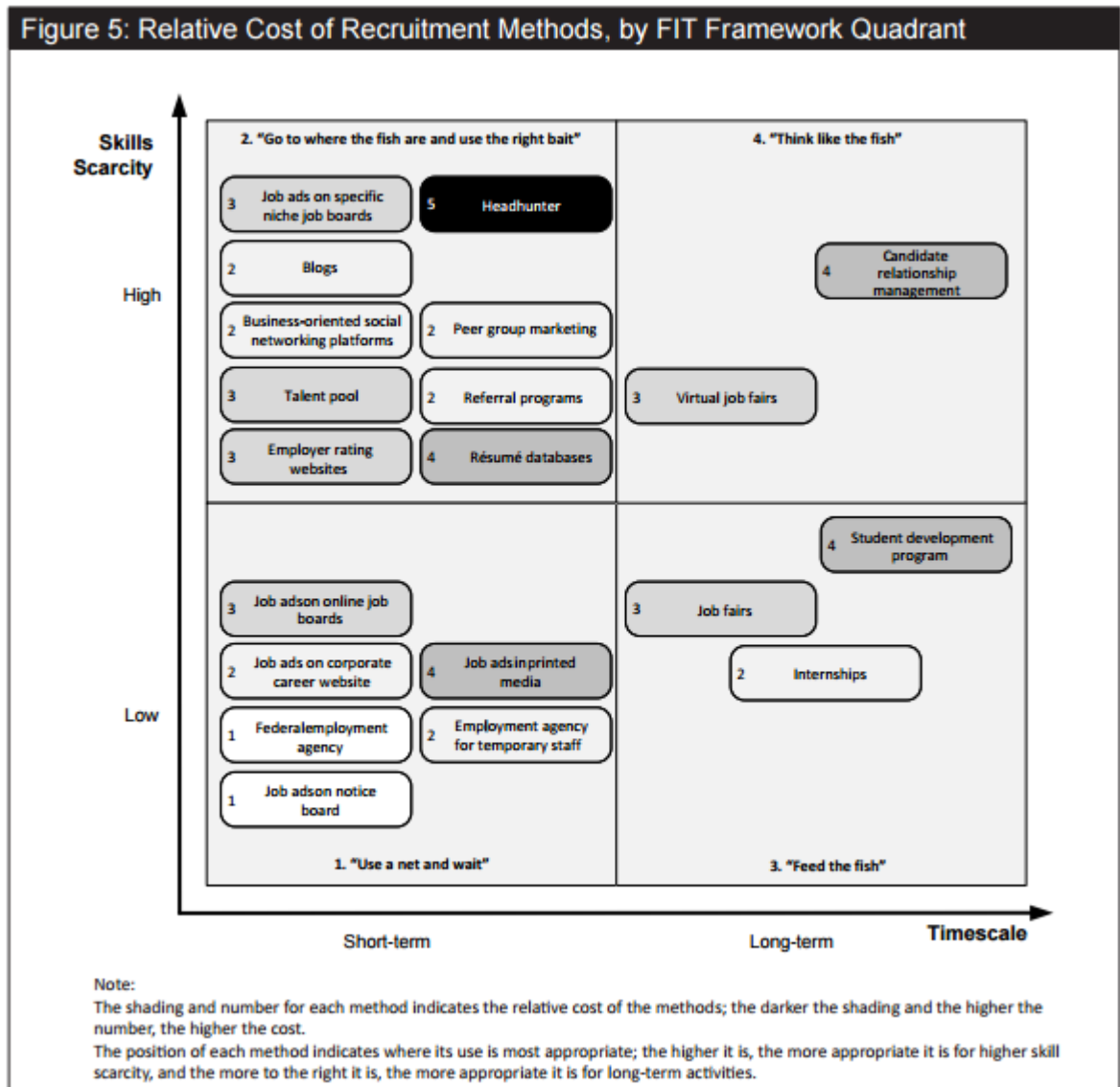


Figure 1 - (Weitzel et al 2009)

The FIT framework helps IT recruiters decide which recruitment methods are most appropriate in different situations. It also indicates that companies should use both long and short-term recruitment methods in order to be successful in the “battle for brainpower”. Short-term recruitment methods focus on direct recruitment that is efficient and effective. On the other hand, the authors affirm that the primary goal of long-term methods is to position the company as an “employer of choice” in the eyes of potential candidates. This aspect is particularly important to SMEs as being considered as first choice is one of the best ways to compete against rival companies with more resources.

Both short and long-term recruitment activities require different methods according to whether the required IT skills are readily available or highly scarce. The scarcer the skill set needed, the more costly the recruitment methods will be.

Finally, according to Boatman & Eker (2012) effective hiring decisions mean that a strategic, systematic and detailed assessment of skills, knowledge and experiences required for the job success were performed using an accurate combination of pre-employment tests, effective behavioural interviewing and realist job previews.

#### 2.4.4 – Recruitment and Selection Channels

Furthermore, even if recruitment and selection is conducted correctly and the reputation of the company and job descriptions seem promising in the eye of the right candidate, recruitment and selection will still fail if the wrong recruitment and selection channels are chosen. Thatcher et al. (2012) highlight that in order to achieve a competitive advantage in IT recruiting, organizations should customize their recruitment materials and channels to the preferences of groups of IT professionals they are seeking to appeal to. Recruitment websites are a primary tool used by companies. A recruitment website is low-cost compared to traditional recruitment methods such as newspapers, job fairs, headhunters etc. For this reason, it is one of the preferred recruitment channels of SMEs. Additionally, it allows an immediate and wide communication between company and applicants. Williamson et al. (2010) note that communication can have a significant impact on whether firms attract qualified candidates or not. Another inexpensive recruitment channel that companies increasingly leverage is Social Media Networking sites (SMNs). McKnight, M. et al. (2015) point out that the competition for talent resulting from employees changing jobs more often is increasing the dependence of employers on SMNs. SMEs particularly like to make use of this channel, seeking to recruit candidates through existing employees' networks or even soliciting applications from eager and highly motivated followers.

#### 2.5 – Recruiting Millennials

According to PWC “Millennials at work. Reshaping the workplace”, (2011) as it can be seen in Figure 2 below: while financial factors such as competitive wages/other financial incentives and good benefits packages plays a significant role on how attractive a company is to millennials, all the other factors appointed by Generation Y are non-financial. This is significantly interesting to SMEs as they have limited financial resources. It also places millennials

as a suitable choice of employees since most factors that attract and motivate them are consistent to what an SME has to offer.

***Which of the following things do you believe make an organisation an attractive employer?***



Figure 2 - (PWC report “Millennials at work Reshaping the workplace”, 2011)

### 2.5.1 - Motivation in Generation Y

Numerous theories and empirical researches have been dedicated to assess the factors that play a role in the employee’s motivating process and how these translate into recommendations and practices for organizations. While an individual’s motivation is a product of her circumstances, general motivational tendencies can be observed that roughly align with the generation. In order to build a thriving business nowadays, it is thus key to understand the factors motivating the generation currently entering the workforce, Generation Y.

Research in motivation divides motivational factors into extrinsic and intrinsic factors. Extrinsic factors derive from external sources, while intrinsic factors fulfil the self-esteem and self-actualization needs in Maslow’s hierarchy of needs (Tozlu and Kurtipek, 2015). Although many scholars emphasise that intrinsic factors are the most efficient way of motivating employees, the most valued motivational factors for Generation Y remain controversial.

### 2.5.2 - Extrinsic motivation factors

Financial rewards are probably the extrinsic motivation factors most commonly employed in organizations in the form of salary and benefits. According to Pant and Vijaya (2015), salary is the main incentive for employees. Snelgar et al. (2013) in contrast argue that financial rewards are actually more effective in attracting and retaining employees than motivating them.

Besides monetary rewards, Jyothi and Ravindran, (2012) and Snelgar et al. (2013) also highlight the significance of good working conditions for employees' motivation level. Additionally, Wan et al. (2013) argue that working conditions, company policy, and administration as well as pay and benefits are all significant motivational factors for Generation Y. Lub et al. (2012) observe that job security is of lesser importance to Generation Y than to past generations, as Generation Y is perceived to have a high turnover intention and lower commitment to the organization than previous generations.

In contrast, Ertas (2015) observes no significant difference in motivational factors across different generations and finds job satisfaction, pay satisfaction, creativity, professional development, promotion based on merit, and a good working group to have a substantial impact on motivation and turnover intentions.

While Acar (2014) indicates that intrinsic and extrinsic motivation factors are equally important to employees, Kultalahti and Viitala (2014) – in line with the majority of the literature – show that full-time employed millennials value intrinsic motivation factors more than extrinsic ones.

### 2.5.3 - Intrinsic motivation factors

Generation Y places particular importance on inter-personal relationships, as studies highlight the significance of different types of workplace relationships. Gursoy et al. (2013) stress the value of teamwork, while Kultalahti and Viitala (2014) attach importance to good relationships with colleagues.

Moreover, Generation Y requires a culture of regular and specific feedback (Bari et al 2013) (Schullery, 2013) (Cogin, 2012) as well as good communication and fairness (Holt et al, 2012). Ideally, this culture is epitomized by a supervisor who not only maintains a good relationship with her protégé (Bari et al 2013) (Schullery, 2013) (Jerome et al., 2014), but assumes an active role as a coach, mentor, and role model (Kultalahti and Viitala, 2015) (Gursoy et al., 2013).

While these relationships provide feedback, they are even more important as a source of trust, which is seen as key for commitment, motivation, and performance optimisation (Heavey et al., 2011). Trust is crucial, especially towards the leader (Gregory and Levi, 2011) (Diedericks and Rothmann, 2013). In turn, poor supervisor management may damage employees' engagement, while an employer's tainted reputation may potentially undermine employees' trust, diminish their pride to work for the company, and lower their morale (Lub et al, 2012).

One of the most powerful intrinsic drivers particularly for millennials is the desire to challenge oneself, to learn, to improve, and to succeed. For this reason, an interesting, varying and flexible job (Kultalahti and Viitala, 2014) (Lub et al., 2012) (Pant and Vijaya, 2015) (Gursoy et al, 2013) (Holt et al., 2012) is key to keep millennials engaged. Moreover, Barford and Hester (2011) demonstrate that the advancement potential is much more important for Generation Y than it is for Generation X and Baby boomers. The personal-organizational fit is particularly important to millennials (Yusoff et al., 2013) as according to Nolan (2013), Generation Y values being part of what they perceive to be meaningful work. They also advise organizations to develop their internal brand in order to build a connection between the company's mission and employees' talent. Furthermore, Fairlie (2013) shows that meaningful work is important to all generations and is one of the strongest factors influencing employee outcomes.

In addition, millennials value career growth (Pant and Vijaya, 2015) that allows gaining recognition (Cogin, 2012) (Snelgar 2013) and most importantly training that develops one's competencies as part of a structured competency development program (Ravi et al. 2013) (Bari et al 2013) (Jyothi and Ravindran, 2012) (Snelgar et al, 2013) (Gursoy et al, 2013) (Holt et al, 2012) (Farrell and Hurt, 2014). Besides a fulfilling job, they value work-life balance (Kultalahti and Viitala, 2014, 2015) (Pant and Vijaya, 2015) (Holt et al, 2012) (Jerome at al., 2014) in order to maintain relationships with friends and family.

In conclusion, while extrinsic factors such as financial rewards and particularly good working conditions are important, most researchers agree that intrinsic factors such as good relationships, a communication- and feedback-rich culture, challenging and meaningful work, and work-life balance are more appealing to Generation Y.

While the review focus on Generation Y and specifically highlight the motivation factors valued by millennials, one has to keep in mind that popular generational stereotypes are not necessarily always consistent with employee's workplace behaviours (Benson et al., 2014). For this reason, it is even more important for managers to identify the factors that are valued by each



individual employee in order to address their needs accordingly (Tozlu and Kurtipek, 2015). As most research has shown, financial rewards are not the most efficient way to motivate staff and many other factors should be considered in the process. This finding is especially relevant for the SMEs context as they have limited financial resources available for spending in attracting and retaining employees.

Thompson and Gregory (2012) point out the importance of investing time and effort in building a relationship based on mutual trust with millennials and adopting a coaching and mentoring approach. Moreover, it is key to tailor one's management style (Gilley et al., 2015) to each employee in order to provide effective and specific feedback, while an efficient performance appraisal (Tan et al, 2012) process is crucial to engage Generation Y in the organization.

Ultimately, in order to increase performance and productivity of its employees, particularly millennials, an organization should not just focus on achieving its targets, but primarily should take care to create and nurture a culture that benefits employees and shows them that they are valued and the most important assets of its business.

## Chapter 3 Methodology

### 3.1 - Methodology Introduction

This chapter will demonstrate the methodology used to conduct this research. It will outline and justify in detail the research design, data collection, and data analysis that were conducted in order to critically analyse the best practices in the recruitment and selection processes particularly of Generation Y in the IT sector in Dublin. Additionally, research ethics and the limitations of this study will be described.

To explain the components of a research methodology, the research onion of Saunders *et al.* (2009, p. 108) is used:

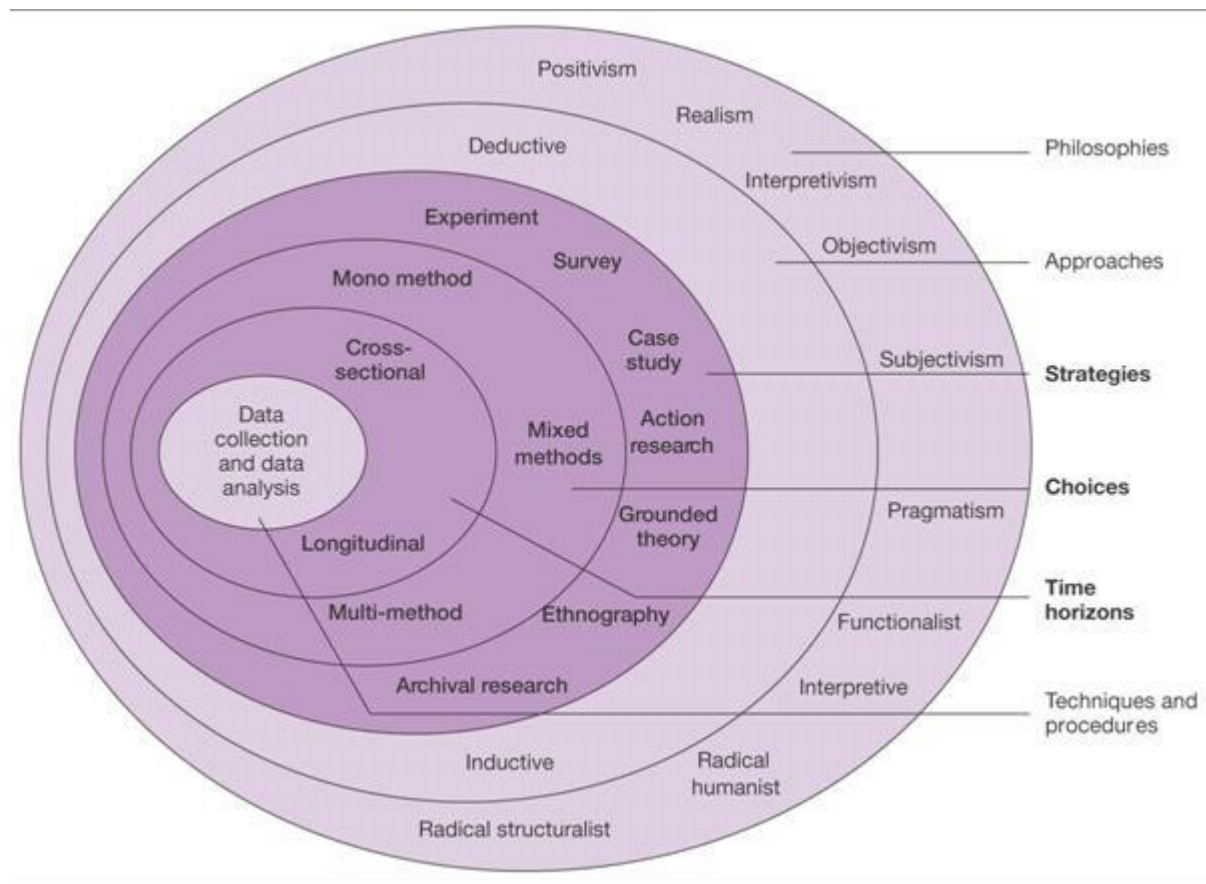


Figure 3 The research onion (Saunders *et al.*, 2009, p. 108)

### 3.2 - Research Question

Saunders et al. (2007) argue that the research question is the key driver behind the research process. For this reason it is important that the research question is clearly defined in accordance with the objectives of the research. For the purposes of this research the following questions have been formulated to identify:

#### **How can SMEs improve recruitment and selections practices to attract and motivate Generation Y? (IT sector in Ireland)**

### 3.3 - Research Design

#### 3.3.1 - Research Philosophy

This study's research philosophy is related to the researcher's worldview and assumptions made during the process of the study. Research philosophy is a fundamental layer that shapes the research methodology and the research design. According to Saunders et al. (2009, p.108) there are four research philosophies to evaluate. These are: positivism, realism, interpretivism and pragmatism.

Positivism is recommended for scientific experiments in physical and natural science. The intention is to establish the relationship between cause and effect. (Saunders and Lewis, 2012, p.104). This type of research requires a high level of objectivity and the data will be collected through experiments and observation.

Realism is a "research philosophy which stresses that object exist independently of our knowledge on their existence" (Saunders and Lewis, 2012, p.105). This philosophy normally leads to qualitative methods particularly case studies and interviews.

According to Saunders and Lewis, (2012, p.107) pragmatism is "a research philosophy, which argues that the most important factors to decide the research philosophy are the research questions and objective". It is normally used to support mixed methods to collect data within one study.

Interpretivism is based on interpreting people's viewpoint towards the given issue. This philosophy helps to understand people's motives and beliefs towards the subject. In order to collect data, the researcher most likely will conduct interviews or observation.

In this study, interpretivism is considered to be the best research philosophy as it is believed that there are many realities and interpretation coexisting and that the social reality is subjective (Collis and Hussey, 2014, p. 47).

Interpretivism is adopted for the analysis of the best practices in recruitment and selection processes. This philosophy allows to consider and to analyse, in depth, the point of view of both actors of the recruitment and selection process: recruiters and IT professionals. Each person to be interviewed will have different opinions and experiences on what are the best practice to recruit IT professionals and how effective these practices are. The goal is to analyse, contrast and compare the interviewee's point of view and use the literature review in the previous chapter to draw conclusions and make recommendations on how to improve their current hiring practices especially regarding Generation Y.

### 3.3.2 - Research Approach

There are two different approaches available to conduct the research: deductive and inductive. In the deductive approach the theory comes first and after the theory has been established, a strategy is selected in order to test the theory. On the other hand, the inductive method is data-driven, as it chooses and analyses the data first, derives its findings from the data, and finally forms a theory based on these findings.

As per the characteristics of this research aligned with the interpretivism philosophy, the study will be conducted under the inductive approach. The reason the inductive approach was chosen relates to how the data analysis will be made: In this study, the interviews with IT professionals responsible to conduct hiring process will provide the foundations for a theory and for subsequent recommendations to SMEs. This approach will lead to a qualitative research strategy using which structured interviews will be conducted. The interviews will allow to determine what these four interviewees consider to be the best practices as well as what the current hiring practices in the IT sector in Ireland are. Building on these, it will be able to answer the research question of how SMEs improve recruitment and selections practices to attract and motivate Millennials in the IT sector in Ireland.

### 3.3.3 - Research Strategy

Following the research onion presented above, the next component is the research strategy. The strategy is guided by the research question and objectives, the degree of existing knowledge and also the time available to complete the study (Saunders, Lewis and Thornhill, 2009, p.141).

According to Saunders *et al.*, (2009) there are seven options available to researchers:

- Case study
- Survey
- Experiment
- Action research
- Grounded theory
- Ethnography
- Archival research

The strategy chosen was followed on from the qualitative approach, and led to a case study. The case study strategy allows an empirical investigation of an issue and underpins the exploration and understanding of the context. (Saunders et al., 2009, pp. 145-146). Case study strategy was chosen for this study as it is explanatory and provides in-depth information on what was needed to formulate results. This research is a multiple case study of four companies and an interview will be conducted with a representative of each one of them. The findings from each organisation were analysed aiming to compare and contrast among them and utilizing the literature review in the previous chapter. In order to gain a wealth of knowledge and understanding of each organization, it was established that case study was the most suitable strategy. Case study data techniques include, interviews, observation, documentary analysis and questionnaires (Saunders, Lewis & Thornhill, 2009, p.146). In this study, interviews were conducted with four participants responsible for recruitment and selection process.

The reason for this choice of strategy is the ability to gather relevant data to answer the research question on how SMEs improve recruitment and selection practices to attract and motivate Generation Y in IT sector in Ireland. This research aims to assess and analyse different experiences and practices among the four companies chosen.

### 3.3.4 - Research Choice

There are two main research choice to be chosen from: a qualitative and a quantitative.

Qualitative is one where the analysis is generated by carrying out the interviews or questionnaires or data analysis procedure without using any numerical data. It helps the researcher to understand the work behaviour in business –related processes such as how it works, why it works or any changes that are required. On the other hand, quantitative is one where the outcome is a result of numerical data analysis, where few statistical and numerical techniques are used to measure the variable.

The research question is the main element to be considered while choosing one of the two methods. As the single data collection technique for this study, the qualitative method, in this case structured interviews, furthermore known as a mono-method of data analysis, was chosen. The qualitative method was considered more appropriate than the quantitative approach because the data needed to answer the research question can only be gathered based on the qualitative assessment of interviews with open-ended questions rather than questionnaires with a pre-defined, rigid set of questions. Ritchie and Lewis (2005) emphasis that when one utilizes qualitative data for their research, it is most important that the data is of high quality to ensure the investigation remains sustainable in determining the value of the findings. The decisive factors set out to ensure that the data is of high quality are deemed to be reliability and validity.

The reason interviews were chosen rather than other tools is motivated by the fact that different perspectives based on interviewees' experiences and backgrounds add value to the research. Outlined by McNamara, (1999) interviews are defined as seeking in-depth information on a particular topic by accessing data from the participant. As highlighted by Alvesson and Deetz (2000), carrying out interviews is a highly valuable approach when trying to obtain industry perspective when seeking answers to the presented question. However when collecting the information through interviews, one needs to be careful when asking the questions so as to avoid the presence of biases or figment in the questions as this will take from the overall findings.

The aim is to express recommendations to SMEs in Ireland on how they can best allocate their financial resources in order to recruit and select IT professionals in an effective way. In order to achieve this, it is necessary to first detect the current practices in the field. The best way to grasp these is conducting in-depth, structured interviews with open-ended questions with IT recruiters. At the same time, the same method will be applied in order to understand the factors that IT professionals most want from their workplace. Again, the best way of discovering these is

through in-depth, structured interviews with open-ended questions. The goal is to assess the hiring practices in the IT industry and cross-reference with the literature review in order to make recommendations for SMEs.

### **3.3.5 - Time horizon**

Saunders, Lewis and Thornhill (2012, p. 155) distinguish two time horizon approaches: ‘snapshot’ and ‘diary’. The ‘snapshot’ approach refers to a cross-sectional time horizon and ‘diary’ refers to a longitudinal time horizon.

A longitudinal time horizon has as its main strength the capacity of analyzing how the subject of the study change and develop over time (Saunders et al, 2009, p. 155). In other words, the researcher usually has an abundant amount of time to study the particular phenomenon (Saunders, Lewis, Thornhill, 2012, p. 155-156).

On the other hand the cross-sectional is time-constrained and it usually involves a survey technique but also allows the researcher to use the qualitative method. For this reason, a cross-sectional time horizon will be the one used in this research as the time allocated for the study does not allow the researcher to conduct a longitudinal study.

### **3.3.6 - Sampling - Selecting Respondents**

Establishing the best sampling techniques is fundamental in research work, where it impacts the validity and reliability of the findings. There are two main paradigms for sampling: probability and non-probability sampling.

In probability sampling, a random sampling is performed; however, in order to do this it is necessary to identify the entire population of interest for the study. For this research, it is not possible to access the entire relevant population (IT recruiters in Ireland) due to lack of information, time constraints and limiting resources. Therefore, the most appropriate method for this research is non-probability sampling, as it concerns qualitative research.

#### **3.3.6.1 - Sampling – IT recruiters**

The snowball sampling method, which consists of the researcher performing an initial selection of respondents and then obtaining additional respondents through referral from the initial

interviewees was used during this study. This method can be very beneficial to this research as it will reduce time of searching for other recruiters and IT professionals. Additionally, it will render the initial contact easier and more likely to be successful.

On the other hand, this method presents some problems and potentially limits the research in the following way: Initial respondents are more likely to refer to someone with a similar profile, which can be detrimental, as the suggested respondents might have similar backgrounds, experiences, and opinions as the initial respondents. This is in contrast to the focus of this study, which is to gather a wide and diverse range of opinions, which are shaped by an individual's experience and background.

### 3.4 - Data Collection Instruments

Interviews are tools of qualitative studies and exist in the form of structured, semi-structured and unstructured or in-depth interviews. (Sanders et al, 2009, p. 320-321)

The data collection will be conducted through semi-structured interviews, preferably face-to-face as it is the best way to interpret and analyse the data as it allows for further questions and explanation. The most important reason for choosing this approach is the possibility of going beyond the answers through varying pre-defined questions and asking additional ones. Audio-recording and note-taking are used to adhere to the course of the interview.

However, when face-to-face interviews were not possible, interviews via Skype were considered as it is an efficient way of contacting relevant interviewees that otherwise would not be interviewed. A letter from the university could have been necessary in order to approach the relevant people to be interviewed. However in the case of this research it was not requested. A recording device was essential in order to store the content of the interviews for later retrieval and transcription. Finally, and most importantly, careful and pertinent interview questions were needed.

The secondary research included a literature review which helped the researcher to establish theoretical roots of this study and serve as the foundation for the interview questions. The literature review covered the relevant aspects of recruitment and selection practices, the challenges faced by SMEs in the IT sector and the factors that attract and motivate Generation Y.



### 3.5 - Data Analysis Procedures

The data analysis procedures was carried out based on Creswell's model as presented in the diagram below which shows an overview of the data analysis process in qualitative research.

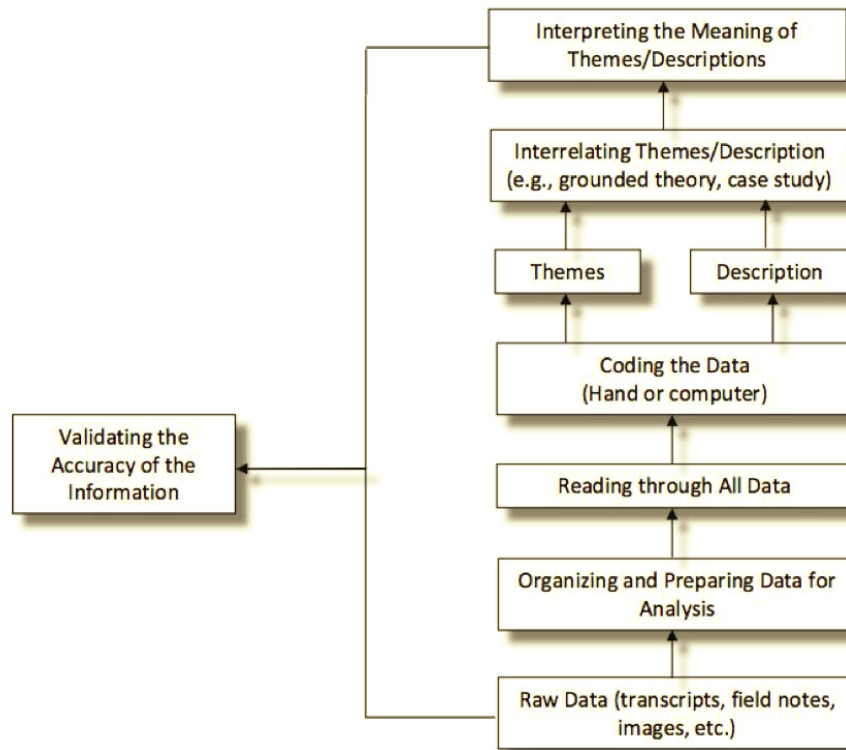


Figure 4: Data Analysis for Qualitative Research (Creswell, J., 2014, p.197)

#### 3.5.1 - Coding

Based on the literature review the following codes were used throughout the research process:

SME: small and medium-sized enterprise

HRM: Human resource management

R&S: Recruitment and selection

IT: Information Technology

SMN: Social Media Network

### 3.6 - Research Ethics

Treviño and Nelson (2011, pg. 17) define ethics as “the principles, norms, and standards of conduct governing an individual or group”. Research ethics are concerned to be significant in the entire research process: They are relevant throughout the interaction between researcher and respondents, the formulation of the research question as well as to ensure that data is collected in an ethically sound way (Saunders et al., 2009, pp. 185-186).

Even though the research will be conducted in a conscious and responsible way, some aspects are out of the researcher’s control. Possible scenarios include a respondent accidentally disclosing classified information during an interview or behaving inappropriately with respect to their boss, co-workers or workplace, for example. The best way to avoid these circumstances is to send the interviewees a transcription of the interview to assure their satisfaction with the results.

Additionally, the data collected during the research process will only be used for this particular study purposes and anonymity and confidentiality will be guaranteed throughout the entire process. In order to achieve this, codes will be created to designate each respondent as well as the places they work at to maintain anonymity.

### 3.7 - Scopes and Limitations of the Research

In order to gather valid and reliable data to draw relevant conclusions, it is vital to acknowledge the scope and limitations of the research. As aforementioned, this research aims to identify and establish the challenges faced by SMEs in the IT sector in Ireland regarding recruitment and selection processes. Most importantly, the aim of this research is to provide recommendations on how SMEs can improve their practices in order to hire IT professional most effectively.

Within this context, the scope of this research project is the following:

- This report focuses on SMEs in the IT sector in Ireland.

Analogously, this research’s limitations are listed below:

- The number of interviewees might not provide sufficient information considering the subjective and empirical nature of the study;
- The interviewees, chosen thorough snowball method can generate similar profiles, which is detrimental to the study, particularly because the data analysis will be based on the interviews conducted and each respondent plays an important role in the findings and

conclusion.

- The conclusions and recommendations will be affected by the researcher's personal interpretation and point of view.

## Chapter 4: Findings

This chapter aims to present and illustrate the results of the primary research conducted through four in-depth structured interviews. The findings will be directly linked to the main objective of the study. By doing so, the analysis aims to answer to the research question listed in chapter 1, i.e.:

- **How can SMEs improve recruitment and selections practices to attract and motivate Generation Y? (IT sector in Ireland)**

Firstly, we will introduce the interviewees. We will then detail the categories we use to structure the interviewees' responses and finally, we will present our questions and the interviewees' responses as sorted by these categories.

### 4.1 – Introduction

As aforementioned, four in-depth structured interviews were conducted. Each of the participants was involved in the recruitment and selection process. However, the level of exposure and experience in recruitment and selection varied among them. The first participant is the Managing director and CEO of a start-up, the second a senior software engineer, the third a hiring manager, and the fourth a staff engineer.

These participants were chosen in order to obtain a variety of opinions and experiences on topics related to the research question. Each of the participants who took part in this research asked for their name and organisation to remain anonymous. The table below gives a description of how each of the organisations and interviewees will be addressed throughout this chapter as well as additional information pertaining to their companies.

Interviewee	Company	Company size
Interviewee 1	Company A	10-20 employees
Interviewee 2	Company B	20 employees
Interviewee 3	Company C	48 employees
Interviewee 4	Company D	200 employees

## 4.2 – Findings

The findings are broken down into categories related to recruitment and selection. These include:

- Interviewee and organization background
- Size of the company and hiring culture
- Recruitment channels
- Challenges faced by SMEs in the IT sector in Ireland
- Recruitment and Selection Criteria
- Recruiting Millennials
- Best Practices

Questions and their corresponding answers will be presented ordered by these categories, while the categories will be elaborated upon in their respective section.

### 4.3 – Interviewee and organization background

In this first section, the questions aim to elicit the role of the interviewee within the company as well as how this role has evolved over time. Another key theme in this section is to ascertain whether the interviewee has previously obtained any previous education in HR or has developed her skills on the job. The main goal of this section is to derive a better understanding of the interviewee's background and perspective towards the recruitment and selection aspects that will inform and guide the overall data analysis.

#### **Question 1:**

*What is your role in the company? How has your role evolved over time? Do you have a background in HR? If not, how did you acquire skills necessary for recruiting?*

#### **Interviewee 1 replied:**

*“My role at the company is Managing Director/CEO. Since we are a startup, my role with respect to HR and recruitment has evolved quite significantly over time, and in the following ways:*

- *Initially, as a single founder, I was in charge of a wide range of tasks, including HR.*

- *As we grew over time, I started to delegate some of my responsibilities to others in the company, and HR and recruitment were among those responsibilities. Typically this would be in form of me specifying requirements of a role and creating a job listing, and our Operations Manager looking for candidates who matched those criteria, followed by a screening call and one or more in-person interviews, conducted by myself, our Operations Manager and other relevant people from the company.*
- *However, eventually I realized that in order to maintain a healthy and homogenous culture, and to continue to build a common sense of mission in the company, it is vital for me as the leader of the organization to be heavily involved in the recruitment process. Therefore, I now try to play a more significant role at the beginning of the process (i.e. sourcing candidates) to make sure that there's a cultural match, as well as a shared sense of mission between us and the candidates, early on in the process.*

*I had recruited technical staff before, but I do not have a formal background in HR. I acquired my HR skills through practice mainly, and with help and guidance from my team and advisors.”*

#### **Interviewee 2:**

*“My current role is called “senior software engineer”. It started out as more of a web developer and I acquired more and more responsibility around software architecture and infrastructure over time. Some people management came into the mix as well as some recruiting tasks. I learned about recruitment by trial and error and learning others with more experience.”*

#### **Interviewee 3:**

*“I started more than 10 years ago in Recruitment in Agency, and have grown to specialise in recruiting in tech/SaaS world, with particular emphasis on international recruitment. My education was not in HR, but was gained through learning on the job and developing through each role I have had, as well as internal training.”*

#### **Interviewee 4:**

*“Staff Engineer. My role evolved from software engineer to engineering lead over time. I do not have background in HR. I acquired hiring skills by doing a lot of interviews and working with engineers who have different skill sets.”*

As is evidenced by the interviewees' answers, no interview has received formal HR training previous to his employment. Having to deal with recruitment and selection as part of their role, we would like to gauge how highly interviewees value an HR skillset.

**Question 2:**

*Do you believe that updating your skills in HR would give you a competitive advantage?*

**Interviewee 1**

*"Yes, but only to a minor extent. I am of the strong opinion that a healthy culture and a strong, ambitious mission are far more powerful than HR skills when it comes to recruitment."*

**Interviewee 2**

*"Not really."*

**Interviewee 3**

*"I think in Recruitment to be successful, you are constantly updating your skill set and keeping yourself aware of recruitment and market trends, which has more impact than updating yourself on formal HR training, although that too has a place."*

**Interviewee 4:**

*"If you are looking for managerial positions, I think not HR but managing skills give you more competitive skills than HR skills. It is still highly depending on position you are looking for."*

The fact none of the interviewees has a background in HR naturally reveals some selection bias: we did not seek to particularly target employees with a background in HR. On the other hand, this exposes a fact that is commonplace in many SMEs in the Irish IT sector: In small teams, skills are scarce and technical skills are often more highly valued than HR skills. In the absence of people with an explicit background in recruitment and selection, others' roles naturally expand and they are required to acquire HR skills on the job.

It is interesting to see that the interviewees, even after being exposed to recruitment and selection and making it part of their role, still find that formal HR skills are only an added benefit

and are not necessary to gain a competitive advantage. Rather, most echo the sentiment that the experience they have acquired on the job has equipped them well enough and that culture, mission, and being aware of trends are more valuable.

#### 4.4 – Size of the company and hiring culture

An interviewee's experience in recruitment and selection is naturally a product of the conditions of her company: Recruiting in a company with ten employees is drastically different from recruiting in a 200-person company. To isolate this factor in our analysis, we thus aim to determine the size of the interviewee's company. We also ask explicitly about culture and hiring practices, since the hiring culture is tied to the organizational culture and thus differs from company to company.

#### **Question 3:**

*How many people work in your company? What are your culture and hiring practices?*

#### **Interviewee 1**

*“Between 10-20 people.*

*Our hiring process is as follows:*

- 1. Defining the role, in terms of description, responsibilities and requirements.*
- 2. Identifying and sourcing candidates who match the above criteria through various channels.*
- 3. Contacting candidates and asking if they're interested to submit their CV.*
- 4. If there's an initial fit, setting up an introductory screening call, in which we try to learn more about the candidate and tell them about our company.*
- 5. If there are no 'red flags' raised during the screening call, setting up a "technical" interview, during which we aim to assess the candidate's level of knowledge and expertise about the subject matter. Typically a hands-on task is also defined in form of a small project, which the candidate must complete.*
- 6. Based on what we know about the candidate at this stage, running an internal vetting process, that determines if we should elect the candidate or not.*
- 7. If we are in agreement and the answer is yes, having follow up meetings and interviews with the candidate to discuss HR matters, compensation, logistics, etc.*



8. *If there are no issues raised, making a job offer to the candidate, and upon acceptance, signing an employment contract with them.*
9. *Initiating the on boarding process.”*

### **Interviewee 2**

*“Currently around 20 people. We are mainly recruiting to fill skills gaps but a good cultural fit is important as well.”*

### **Interviewee 3:**

*“There are currently 48 people in the company, a huge growth from 12 in April 2015. As we grow and hire, it is central to my thinking to keep the successful culture built up already in the Company.*

*We have a culture of meritocracy, where everyone’s ideas are equal, and it doesn’t make any difference whether a team member has been with us two years or two weeks, we go with whoever has the better idea. We try to ensure an environment where people feel they have the freedom to take responsibility in their area, and create an atmosphere that we are all working to the one aim, of trying to make the company as successful as possible.*

*Hiring involves ensuring candidates ahem not only the technical job specific skills we need but also the type of character that will add to the day to day life within the business as well as will buy into the long-term vision of the Company.”*

### **Interviewee 4:**

*“About 200 people are working in the company in 3 different office all around the world. We are really fun, agile and strong team. We have phone screening first, after that we do on-site interviews with team.*

One detail all answers have in common is that all interviewees express the idea that the company culture is extremely important when hiring new colleagues. Consequently, they try to reconcile the organizational culture with their hiring culture and process.

## **4.5 – Recruitment channels**

In this section, our focus is two-fold: Firstly, we aim to identify the value the interviewees assign to different recruitment channels; secondly, we intend to determine if this value solely hinges on their own perception or if the companies have different procedures in place to empirically measure the effectiveness of recruiting.

#### **Question 4:**

*What are your primary recruiting channels and methods? How effective do you think they are?*

#### **Interviewee 1**

*“Our top priority is to recruit through our network, but if we fail to find the right candidate this way, we use a combination of inbound and outbound channels for recruitment. On the inbound side, we advertise a role on our website and employ general marketing practices, to tell the world about the role and what we do, and get people interested in applying. Inbound candidates are more diverse and less qualified on average, but the right candidates often have a stronger chance of getting a role with us.*

*On the outbound side, we use online and social platforms such as LinkedIn, GitHub, etc to search for candidates, and we proactively reach out to them. Outbound candidates are typically more qualified, but also often less organically passionate.*

*Also from time to time we participate in or sponsor events that are recruitment focused, but we don't have enough data at present to assess this channel.”*

#### **Interviewee 2**

*“Manually searching and contacting people via LinkedIn or through referrals from friends and acquaintances. Third party recruiters kept piping candidates as well but the amount of noise is quite high. This way of recruiting is incredibly time consuming and anything but efficient.”*

#### **Interviewee 3**

*“Primary channels are LinkedIn, some job boards as well Recruitment events. Up until now these have worked well, and I believe you need a strong mix of options to attract the widest and*

*strongest pool of candidates. For some roles a job ad may do, but for many, incl. senior positions and more specific skillsets, this is gained mostly by personal interactions and reach-outs.”*

**Interviewee 4:**

*“Our main source of candidates are friend referrals. I think, it is the most effective way compared to other channels. Hired.com is the second best source for recruiting. I think external recruiters are terrible, it is really hard to find good candidates from them.”*

In the first question, interviewees based their judgement of the effectiveness of the recruiting channels on their own experience and personal opinion. The following question aims to identify whether this opinion is based on objective assessment of the recruiting process and how this assessment looks like:

**Question 5:**

*How do you measure the effectiveness of your recruiting?*

**Interviewee 1**

*“From a quantitative perspective, we look at the number of applications coming through the top of the funnel, conversion rates at each step, and retention rates, and compare these metrics across various channels and campaigns, to find out what’s working and what’s not working.*

*This is done in addition to a qualitative assessment of candidates we have sourced/hired through each channel.”*

**Interviewee 2**

*“You can hardly get less efficient as it requires lots of manual labour and time which could be used for something else.”*

**Interviewee 3**

*“Generally by:*

- *Time per hire.*
- *Cost per hire.*

- *Review of hire after 3 and 6 months in the position.”*

**Interviewee 4:**

*“It depends on position, but generally we assume that a hire is effective when the person works well with team and performs good and focuses on results.”*

#### 4.6 – Challenges faced by SMEs in the IT sector in Ireland

As suggested in the literature review, the economy can have a significant impact on hiring, particularly with regard to SME. For this reason, we ask the interviewees if their own experience reflects this finding of the literature by posing the following question:

**Question 6:**

*How has the economy affected your recruitment and selection practices?*

**Interviewee 1:**

*“The economy has not impacted our recruitment practices in any significant way.”*

**Interviewee 2:**

*“Yes, talent is harder acquire and expectations around compensation and “perks” (free breakfast, lunch, all kinds of insurances, etc.) are rising.”*

**Interviewee 3:**

*“In Dublin there is a strong growth in jobs with the Tech industry and this makes recruitment a more competitive environment than ever, for both potential new hires as well as staff competing for your current employees. To combat this, we continue to build our Employer Brand Awareness, allowing us to highlight the benefits of working for us, and the great culture we have internally. This is done on an ongoing basis, to ensure that even passive job seekers become increasingly aware of us an Employer option.*

*Also in terms of new hires, we use our nimbleness and lack of red tape to ensure we move faster for strong candidates who are in Recruitment processes elsewhere and get fed up of the long-winded hiring process many multi-nationals in Dublin use. This sets a good tone with*

*candidates and gives us a competitive advantage as we are more 'real people' rather than a series of processes."*

**Interviewee 4:**

*"There is direct correlation between hiring and market growth. Number of the people needs to be hired is highly depending on market growth."*

Building upon the previous question, we are interested in the general challenges – not just economical ones – the company faces in recruitment and selection:

**Question 7:**

*What are the challenges your company faces when attracting and selecting new employees?*

**Interviewee 1:**

*"Scarcity of certain types of skillsets and mindset/culture in our geographical locality is perhaps the biggest challenge that we face."*

**Interviewee 2:**

*"Big multi-nationals as well as well funded silicon-valley startups are competing for the same talent with much more resources at their disposal. With the time constraint it is hard to judge a candidate and his/her skills thoroughly."*

**Interviewee 3:**

*"As above, it is a very competitive environment, with many attractive Employers out there, who have very well financed and slick Recruitment operations, so what can happen is strong candidates can be overwhelmed by the volume of interest and can be talked into options with the big players rather than strategically looking at what is best for them."*

**Interviewee 4:**

*“Cultural fit is the hardest part of it. Even you get best candidate, if they are not suiting with team. You cannot get the best results. Phone screens sometimes are false positive. Some interviews become just waste of time.”*

#### 4.7 – Recruitment and Selection Criteria

The literature suggests that the person-organization/culture fit plays a significant role on company's success. Even though this was not yet asked explicitly, answers to the second question already give an indication as per the truth of this finding. We now seek to make this explicit, shedding light on how soft skills and person-organisation fit are perceived as factors for recruitment by asking the following question:

##### **Question 8:**

*When hiring do you consider employees' soft skills and person-organisation/culture fit? Why?*

##### **Interviewee 1:**

*“Yes, we do. We are a small, close-knit group of people with certain core values, which often go beyond work-related matters. A match within these wider aspects is necessary for building deep bonds among the team members.”*

##### **Interviewee 2:**

*“Personality is as important as technical abilities. Soft skills are kind of mixed into the personality as we are not specifically hiring managers there is no focus on soft skills or people management skills at the moment.”*

##### **Interviewee 3:**

*“Yes, culture fit and soft-skills are hugely important to us to:*

*a) Keep and develop the strong culture that we have that makes the company a pleasant place to work*

*b) As a growing organisation we are looking at soft-skills such as leadership potential etc. for future growth of the Company*

*c) We don't want silly more 'pairs of hands', we look to gain from people's experience, expertise, opinions etc., and any other characteristics of theirs to get maximum benefit from all members of the Team as well as their job specific skills.”*

**Interviewee 4:**

*“Of course, because soft skills and cultural fit creates teams not individuals. And i believe, people who works easily with people easily gives best results.”*

**4.8 Recruiting strategies**

Seeing that companies, particularly SMEs are subject to continuous change and transitional periods, we are aware of the fact that enquiring only with regard to the status quo will only serve as a snapshot of the current state in time of the company’s recruiting practices. To capture this temporal aspect, we thus seek to identify if any development of the recruiting practices has taken place – and if so – how these developed:

**Question 9:**

*Have you changed recruiting strategies throughout your time at the company? If so, why did you make these changes?*

**Interviewee 1:**

*“Yes we have. Like any other of our processes, our recruitment strategy is fluid and dynamic, and has gone through many iterations to get to where it is now, and this evolvement is likely to continue in the future. This simply happens because we are navigating in a dynamic environment that changes continuously.”*

**Interviewee 2:**

*“We started outsourcing the talent search and pre-screening to recruiting companies. This frees up time that can be used to our actual job.”*

**Interviewee 3:**

*“Being relatively new in my role, I cannot answer this to any extent. Since coming into the Company, I have spent time establishing structures and processes to ensure that Hiring takes place within an agreed framework, to ensure speed, efficiency and cost effectiveness of hiring.”*

**Interviewee 4:**

*“While growing company, required skill sets for company changes in different stages, which affects your hiring strategy. As you are getting bigger by the time, you might need to introduce new stages for hiring to select best candidates.”*

Given the importance that has been placed on a company’s reputation for the hiring process during the literature review, we enquire about the interviewees’ experiences with regard to reputation and branding. Additionally, the reputation of an SME might still be obscure, we aim to determine more details regarding the amount of information displayed in job listings:

**Question 10:**

*How does the company’s reputation and branding affect your recruitment and selection? Do you include a robust amount of information about your company in your ad?*

**Interviewee 1:**

*“Our company’s branding and reputation has certainly had a positive effect on being able to attract talented, like-minded people to our company. We include a reasonable amount of information about our company and its mission in our job postings, and we have a strong online presence which allows enthusiastic candidates to learn more about us through our website, press coverages, etc.”*

**Interviewee 2:**

*“The innovativeness and novelty of the company approach is an important part of the job ad.”*

**Interviewee 3:**

*“Employer branding is of huge importance in the space we hire in. I put extensive effort into providing a few of life internally in the Company, to those looking at Company from the outside, so they can see what we believe in, how our days are, and if we offer an environment that matches them.”*

**Interviewee 4:**

*“We are trying to be as transparent as possible.”*



Another goal that the recruitment strategy should pursue is to aid the company in differentiating itself from its competitors. In order to learn how the interviewee's companies achieve this, we ask the following question:

**Question 11:**

*How do you try to differentiate yourself against your competitors, both large companies and SMEs, with regard to attracting the best employees?*

**Interviewee 1:**

*“Working at a startup has several advantages (and disadvantages) over working at a large company; such as providing a chance to be part of something big, to be more impactful, and to gain more experience and exposure. These qualities attract certain types of candidates who wouldn't want to work for a bigger company.*

*Regarding other SMEs, I believe having a core of strong people is a significant differentiator, as the best people prefer to work with other strong people.”*

**Interviewee 2:**

*“We try to stand out with through the innovative work and opportunities to take responsibility and move the needle.”*

**Interviewee 3:**

*“A major point of difference in our Hiring, that I aim for is that I try to put a human face to all our Hiring, be that myself, the Hiring Manager or the Co-Founders. We may work in the Tech space and be growing rapidly, but we never lose sight that we are a collection of individuals and we understand people have other aspects of their lives.*

*We also seek to move our Recruitment process rapidly, as I know this to be a source of great frustration for job seekers.”*

**Interviewee 4:**

*“We always try to show low-stress work environment compared to large companies. We are trying to show millennial work environment compared to big companies.”*

#### 4.9 – Recruiting Millennials

Another aspect of significant importance of this dissertation is the attraction and motivation of millennials at workplace. There is an extensive literature regarding what motivates millennials and what are the factors that they value most when choosing a company to work in. The following question aims to discover if the participants adopt any specific hiring practices that are focused especially on millennials:

##### **Question 12:**

*Does your company focus on hiring millennials? In your experience what do you think are the factors that most attract and motivate millennials?*

##### **Interviewee 1:**

*“Although we are a young company with most team members in the 20-30 age group, we do not have a particular focus on hiring millennials. That said, several studies have indicated that millennials tend to think more ambitiously about their careers, and are less worried about job security, and as a result they’re more likely to prefer startups over more established companies and enterprises.”*

##### **Interviewee 2:**

*“Millennials are a big part of the target ground but we try to acquire more senior talent as well. The chance to make an impact, to find sense in your work are a big driver. Compensation and “perks” are certainly not to be neglected.”*

##### **Interviewee 3:**

*“We have no set profile we hire for. We hire for the best for the job, and the best match for us. We have a very international, predominantly young workforce but need different levels of experience depending on the role.”*

##### **Interviewee 4:**

*“Stress free and unlimited off time, company outings/parties are attracting millennials.”*

Having identified strategies that might be used to attract millennials during recruiting, we build upon the previous question and enquire about the motivations and the reward structure that might be appealing to millennials at the workplace:

**Question 13:**

*What are the practices your company performs in order to motivate your employees? Do you perceive any differences among different generations, particularly millennials? What are your current non-financial and financial rewards? How do you think they motivate your employees and particularly millennials?*

**Interviewee 1:**

*“I believe the strongest motivation for employees comes from working on interesting and ambitious problems that they are personally passionate about, and thus, our number one priority is to allow people to accomplish this at the company, and furthermore to enable them to achieve more through collaboration, than they could on their own. We also make sure that the successes of the company (financially or otherwise) are fairly distributed among the team members.”*

**Interviewee 2:**

*“Company events, night outs, bonuses. As the company is quite small and there are barely any employees above 40, there are pretty much only millennials in this company.”*

**Interviewee 3:**

*“The biggest motivator we look to achieve is by making all employees feel they ARE the Company, rather than they work FOR the Company. As a result people feel engaged with their work, and proud of the growth of the Company. We offer share options to aid this feeling of ownership.*

*As we continue to grow in strength our financial rewards, in terms of benefits etc., will continue to grow. It is in benefits where usually you see the biggest difference in generations, with old Employees looking with more emphasis for things such as pension, health care, whereas millennials tend to focus on the more immediate benefits.*

**Interviewee 4:**

*“Team building events are main motivating factor for all employees. I do not see any big difference between them.”*

#### 4.10 – Best practices

As evidenced in the answers pertaining to challenges faced by companies, SMEs have to overcome many diverse obstacles to succeed. Challenges also exist in recruiting – companies might be aware of more successful methods or techniques but unable to implement them due to the lack of resources. To ascertain in how far this is an issue, we pose the following question:

#### **Question 14:**

*Are there any changes that you would like to make in your hiring process? If so, what has been the primary obstacle that has kept you from implementing these changes thus far?*

#### **Interviewee 1:**

*Not the hiring process per se, but we would like to be able to recruit people in foreign localities where our current and target customers are, and the complexities of running operations in multiple countries have prevented us from achieving this thus far.*

#### **Interviewee 2:**

*“Money.”*

#### **Interviewee 3:**

*“I am happy with most of our hiring process so far. We are working on narrowing down with / Hiring Managers what exactly we are looking for in each new staff member outside of a job spec, what do we want that new employee to achieve in their first 6 months?”*

#### **Interviewee 4:**

*“Most of the hiring processes are generally very superficial. It is really hard to create an environment to see how people perform. It might be a good start to have people in your team for couple of them as an interview process.”*

Building upon the previous question enquiring with regard to past and potential future changes in recruiting, we now aim to explicitly identify current best practices and the notions that shape the company's recruitment and selection process.

**Question 15:**

*In your opinion what are the best practices of recruitment and selection for your company? What are the core competencies you seek when recruiting?*

**Interviewee 1:**

*"Having a sincere and transparent culture, and a core of strong, talented people are perhaps the biggest contributors to our success within recruitment. We look for people who in addition to sharing a common sense of mission with us, are caring, pay attention to details, and get things done."*

**Interviewee 2:**

*"We try to get to know the candidate on a personal level. In the past we took quite some time getting to know him/her. Going for a coffee, inviting him/her to company events or for a pint after work."*

*A major skill in a recruiter we are looking for is to be able to conduct more research on a potential candidate than typing in keywords into LinkedIn and forwarding all the search results.*

*Maybe a bit of an idea around different technologies and whether the candidate actually has any of the required skills we are looking for."*

**Interviewee 3:**

*"What will be invaluable as we continue to grow will be using our existing employees, as Brand Ambassadors, as a source of Employee referrals, as candidates now put great importance on getting a clear idea of what an employer is like to work for."*

*Key for is enthusiasm and motivation. We are looking for people who see the opportunity to grow with us and are genuinely excited about it and see its as THE opportunity for them in a crowded field."*

**Interviewee 4:**

*“I think friend referrals has become very important source for candidate sourcing Whole team interviews are very effective for candidate selection. We are looking for people who are agile, flexible and result focused.”*

#### 4.11 – Conclusion

In this chapter, we presented the questions and the interviewees’ answers. The questions were aimed at permeating different aspects of the recruiting and selection processes in SMEs that were identified during the literature review, such as recruitment channels, challenges, criteria, and considerations when hiring millennials. We already were able to identify several recurring themes, such as the reliance on self-training and on-the-job learning in contrast to a formal HR education, the perceived importance of culture, etc. In the next chapter, we will analyze these themes more closely and place them in the context of the literature review.

## Chapter 5: Data Discussion

### 5.1 – Introduction

In this chapter, we will place the primary data gathered during the interview process and presented in Chapter 4 in the context of the secondary research data derived from the literature review in Chapter 2. During this process, we will contrast and compare our findings with findings from the literature with the goal to identify and highlight trends and best practices in the industry exemplified by our interviewees.

The data discussion will be made under the different themes that permeate the data analysis, these are:

- The role of the company's size in recruitment and selection
- Bootstrapping HR
- Recruitment and selection criteria
- Challenges faced by SMEs in the IT sector in Ireland
- Factors of Attraction and Applicants' Expectations
- Recruitment channels
- Measuring effectiveness

Finally, based on these results, we will then be able to give recommendations and draw a conclusion with regard to how SMEs in the Irish IT sector can improve their recruitment and selection process in order to be more effective.

### 5.2 – The role of the company's size in recruitment and selection

The recruitment and selection process within a company naturally is a function of many factors. One of these factors, indeed the characteristic that differentiates SMEs from large international companies, is a company's size. We have selected the interviewees to represent a range of SMEs with differing degrees of maturity and number of employees being at different positions in their lifecycle. Companies with different sizes have different needs, which influence the recruiting and selection process.

Interviewee 1 is part of an SME with 10-20 employees and details a meticulous selection process that involves careful sourcing, an introductory call, a technical interview, a hands-on task, and subsequent vetting and follow-up. In contrast, interviewee 4, part of a 200-employee

company, describes what seems to be a more stream-lined process, with an initial phone screening and a round of on-site interviews. Notably, as a company grows, new stages for hiring might need to be introduced “to select (the) best candidates” (interviewee 4).

### 5.3 – Bootstrapping HR

Bootstrapping is usually used to refer to a self-starting process that proceeds without external input. Bootstrapped start-ups or SMEs start up and continue operating without any external injection of capital; similarly, we can refer to the development of HR practices in the interviewees’ companies as bootstrapping, as a recruitment and selection process developed without access to a formal background in HR, an aspect that immediately crystallized in the interviewees’ answers.

The people in charge of recruitment and selection in most cases receive no formal education in HR, but had to acquire HR skills on the job, as their responsibilities either gradually expanded and they had to start making recruitment decisions, or their new role demanded hiring candidates straight away. The literature affirms these findings, indicating that the founder or CEO generally establish recruitment policies with the goal to speed up traditional processes and improve communication among a multicultural workforce (Poorangi et al, 2011), but most often lack competence and background in implementing and managing HR policies and practices such as recruitment and selection, training, appraisals, etc. (Hornsby and Kiratko, 2003).

The impact of this “self-starting” of HR on recruitment and selection can be observed in different ways: Interviewees seem to perceive that a background in HR would not be advantageous. Even more, some treat recruitment and selection as a necessary evil requiring “lots of manual labour and time” (interviewee 2) and are not aware of the importance of hiring to grow a company.

While most are of the opinion that they are able to acquire relevant experience on the job, implicit disadvantages of a lack of formal HR education may still be noticed: Lacking a clear understanding of best practices in the field, the early development of a rigorous HR process becomes dependent on trial-and-error, as indicated by interviewee 1’s comments referring to many changes in hiring that have taken place since the inception. In the literature, not following a proper selection process, negligence of information, overpromise or trusting completely the hiring staff’s judgment (Boatman & Eker, 2012) are cited as common errors in recruitment and selection processes.



Another disadvantage that might occur particularly in the early life of a company is the lack of performance metrics and consequently the inability to accurately assess the effectiveness of a new hire as an indication towards a functioning hiring process. This is alluded to by interviewer 4, who bases the effectiveness of a new hire on the somewhat ambiguous notions of “perform(ing) good and focus(ing) on results” (interviewee 4). This is in line with deficits that have been pointed out in the literature, which name informal, unstructured and weak HRM practices without any strategic element as one of the major dilemmas in recruitment and selection in SMEs (Dundon & Wilkinson, 2009).

Interviewees seem mostly confident in their own abilities in recruitment and selection and view the lack of a formal process as beneficial. Even though not mentioned explicitly, a flat hierarchy allows for rapid decision-making process as well as the ability to respond and adapt to customers’ and market demands (Dundon and Wilkinson, 2009); additionally, clear objectives and communication can accelerate hiring and make it seamless.

#### 5.4 – Challenges faced by SMEs in the IT sector in Ireland

The literature review emphasizes the economic constraints that an SME faces, especially during a global financial crisis. While Malik (2013) shows the impact of GFC in the IT sector in India, McHugh and Michelle (2010) demonstrate that Irish SMEs’ access to financial aid became increasingly limited after 2008.

However, while economic constraints are to be latent influences in the recruitment process in the companies analysed, none of them seem to have been directly impacted by a deteriorating economy: Interviewee 1 affirms that the economy has not interfered with recruitment practices. On the other hand, interviewee 2 sees that talent is harder to acquire and expectations around compensations and perks are rising. Interviewee 4 also understands that the economy affects recruiting as there is a direct correlation between hiring and market growth.

Beyond the economic effect on recruitment, there are other challenges that the interviewees raised during the interviews: Interviewee 2, for example, cites how there is a strong growth in jobs in the tech industry in Dublin, which renders recruitment even more competitive. Following this argument, interviewee 1 cites scarcity of certain people that possess certain skills or share a certain mind set or culture in Ireland as the biggest challenges faced by his company. In agreement to that, interviewee 2 also perceives the competition over talent with big multi-nationals as well as funded silicon-valley start-ups as one of the biggest challenges. Another

aspect that is mentioned is that the time constraints placed on the interviewing process by working in a fast-paced environment make it difficult to adequately judge a candidate's skills. On the other hand, interviewee 4 considers cultural fit to be the hardest aspect of recruiting to achieve.

The interviewees also raised other aspects that were not mentioned in the literature review. Interviewee 1, for example mentioned that it would be beneficial for their company to recruit people in foreign localities. However, the whole process around that is expensive and bureaucratic in Ireland.

There is a general lack of studies on challenges faced by SMEs in the recruitment and selection phases. Abraham et al. (2015) reveal that the lack of studies investigating recruitment in SMEs is most acute. They observe that most studies deal with general HRM practices in SMEs, in areas related to job satisfaction, organizational performance, productivity, and e-HRM, while leaving out recruitment and selection. As such, the points raised by the interviewees focusing on the competition over talent and the scarcity of certain skillsets and their impact on recruitment and selection can provide the foundation for future research in HRM.

## 5.5 – Recruitment and Selection Criteria

Defining the criteria for recruiting new employees is the foundation for any recruitment and selection process. Campero (2015) believes that in the IT sector the skills are easily accessible through “coding challenges” and other skills tests. Yet, interviewee 2 makes it clear that one of the challenges their company faces is not having enough time to judge the candidate's skills.

We will talk about the importance of one recurring aspect among the recruitment and selection criteria, a fit with the company's culture, in a later section.

Interestingly, most interviewees emphasize aspects that are not part of Campero's skills and that are not considered in researches that focus on the aforementioned coding challenges or skill tests: Such aspects include a caring nature, attention to detail, enthusiasm, motivation, agility, flexibility, a focus on results and the ability to get things done. Even more, some of the interviewed SMEs seek to go beyond skill tests: Interviewee 2's company tries to get to know the candidate on a personal level by going for a coffee or “inviting him/her to company events” (interviewee 2), while interviewee 1's company gives applicants a small project to work on, that is more adequate at capturing characteristics such as attention to detail.

## 5.6 – Factors of Attraction and Applicants' Expectations

In agreement with Williamson et al. (2010), all interviewees emphasize the importance of branding and of providing information about the company to candidates.

Having a strong online presence gives enthusiastic candidates the opportunity to do their own research and “learn more about (the company)” (interviewer 1), thus potentially increasing their desire to join the company. Analogously, Williamson et al. (2010) suggest that providing a large amount of information about the company and the job opportunity on the company's web site reduces the level of uncertainty which increases applicant's attraction to the vacant job.

Going beyond this, interviewee 3 stresses that not only a social media presence and press coverages are important, but that it is actually useful to provide glimpses of life within a company, how the working day and the environment look like, so that candidates can obtain the most accurate picture of working at the company before joining it. In total, while transparency is important as interviewee 4 notes, from an SME's perspective it is even more important to paint a picture of itself for potential candidates that is as comprehensive and accurate as possible, while being appealing at the same time. Likewise, Campero (2015) suggests that in emerging high tech companies, hiring is more likely to be influenced by the prospects of the firm than exclusively by the terms of the offer, therefore being as comprehensive and accurate as possible seems to be a strategy that works well particularly in high tech SMEs.

Also, with regard to transparency, Williamson et al. (2010) suggest that providing a large amount of information about the company and the job opportunity on the recruitment web site reduces the level of uncertainty and – for this reason – increases an applicant's attraction to the company's job opportunity. Additionally, Williamson et al. (2010) show that companies with weak or poor reputation can benefit greatly from a significant amount of information about job opportunities.

In order to differentiate against competitors and large international businesses, SMEs must play their strengths: Including information about its mission and with regard to the “innovativeness and novelty” (interviewee 2) of its business model plays a crucial role in attracting motivated candidates.

Additionally, the nature of an SME or start-up attracts certain types of people, as it allows “to be part of something big” as interviewee 1 remarks. Fairlie (2013) shows that meaningful

work is important to all generations and is one of the strongest factors influencing employee outcomes.

However, often, strong hires are able to have a similar impact at large international companies that allow the large-scale deployment of software to millions of users. Thus, solely relying on the assumption that the notion of being a start-up will attract enough strong candidates might prove ill-fated.

Instead, assembling a core team of strong people that candidates want to work with and excelling through innovative, impactful work will attract more candidates, as this will provide an example for the kind of work and opportunities applicants will have as future employees of the company. Building up such a track record will also be a main component of building and improving the company's reputation.

According to Williamson et al. (2010), a company's reputation has a significant impact on the candidates' perspective of the company: Firstly, a company's reputation and brand are seen as an indication of its working conditions; secondly, a company's reputation usually provides the first clue to a candidate of its standing within its industry and its impact.

Particularly at an early stage where an SME has not yet managed to make itself known, the reputation of its founders or of its CEO may act as substitute for the company's reputation. According to Campero (2015), in high tech entrepreneurial firms, the status of the founder and their backgrounds provide access to better hiring opportunities. His research shows that the founder's backgrounds can be a recruitment advantage as it facilitates the acquisition of key resources to its firm. Interestingly, this is an aspect that was not mentioned during the interviews, which is most likely due to the fact that the interviewees seek to emphasize the importance of the team towards new candidates rather than focus on the clout of a single person, such as the founder. Indeed, as interviewee 3 points out, "put(ting) a human face to [...] (h)iring" can be extremely beneficial, as this is the best way to show new employees that they are important and will be appreciated.

Another minor detail that is often omitted is that the recruitment process should be designed to be fast and efficient, so as to minimize frustration for job seekers. A frustrating interview process will cause future candidates – through word-of-mouth – to avoid the company, while a smooth process will yield recommendations, potentially even from rejected candidates. This aspect is supported by the findings of Williamson et al. (2010) who note that communication can have a significant impact on whether firms attract qualified candidates.

## 5.7 – Recruitment channels

Crucially, even if recruitment and selection is conducted correctly and the reputation of the company and job descriptions seem promising in the eye of the right candidate, recruitment and selection will still fail if the wrong recruitment and selection channels are chosen.

Interviewee 1 mentions that his company focuses on recruiting through their own network. This is a characteristic common to many companies, as candidates that are recommended or vouched for by existing employees are perceived to be less of an unknown factor than candidates with no contacts within the company. Ultimately, the goal is to minimize risk for the company during the recruitment and selection process by avoiding false positives, i.e. bad hires, as a “bad employee does far more damage than no employee” (<https://library.gv.com/hiring-no-false-positives-5e65762ee48b#.44s20r913>). To emphasize this even more, friend referrals are mentioned as the most important source for candidate sourcing by interviewee 4.

For SMEs, however, often their network might not be large or diverse enough to surface a relevant candidate. In this case, inbound and outbound channels are used. Interestingly, interviewee 1 remarks that inbound candidates are more diverse, more passionate, but – on average – less qualified, than outbound candidates. Interviewee 3 echoes this point, mentioning that for many more roles, e.g. senior roles and those requiring specific skillsets, inbound channels do not provide good results.

Interestingly, the literature does not emphasize the value of recruiting through one’s own network. Rather, Tatcher et al. (2012) highlight that in order to achieve a competitive advantage in IT recruiting, organizations should customize their recruitment materials and channels to the preferences of groups of IT professionals they are seeking to appeal to. To this effect, recruitment websites are a primary tool used by companies.

In contrast to this, interviewee 2 and 4 describe that noise among candidates sourced by third-party recruiters is quite high. While third-party recruiters might be able to find candidates with relevant skills, these candidates might not necessarily be a good fit for the company, as other values, such as culture – which we are going to discuss in a later section – that an outside recruiter might not be aware of, are equally or more important.

## 5.8 – Measuring effectiveness

Interviewees' companies measure the effectiveness of these recruitment channels using different metrics, but always regarding two factors: Firstly, the recruitment channel is measured by how many candidates it sources, retains, and converts (interviewee 1) or by the time and cost of a channel until hiring (interviewee 3); secondly, the hired candidate is reviewed and evaluated after a time span, with a productive hire that fits well into her team being seen as an indicator for an effective recruitment channel, while an unproductive hire entails that the corresponding recruitment channel is erroneous.

With an employee review in place, it is beneficial to think about how the ideal outcome of the evaluation should look like, i.e. what skills the employee should acquire and what she should achieve within her first six months on the job. This understanding will help to streamline the onboarding experience and will both serve to give the new hire an understanding of what is expected of her and what success looks like as well as provide the supervisor with an effective way to review and evaluate the hired candidate.

## 5.9 – Recruiting strategies

As SMEs frequently undergo change, particularly as they grow, it is only natural that recruiting strategies change. Interviewee 2 describes how his company now outsources talent search and pre-screening to recruiting companies, as conducting the entire recruiting process in-house had been perceived as too time-consuming. This change, however, is in contrast to the experiences shared by interviewees 3 and 4 who state that third-party recruiters only add limited value, as the noise among their sourced connections is too high.

However, this strategy reflects a larger trend among SMEs: With only a small team, focus on product is all-important and all distractions are potentially damaging to the business. Thus, outsourcing part of the recruitment process might be a viable option to free up valuable time. On the other hand, the company relies on hiring strong candidates for its future growth; if outsourcing recruiting means compromising on hiring quality, the time would be better spent on conscientious recruiting, as it constitutes an investment into the future. As interviewee 1 notes, particularly founders and executives should be involved in the recruitment process from early on to guarantee a fit and a cultural alignment. Thus, while outsourcing recruitment might seem enticing, it should be avoided until absolutely necessary.

While time is of the essence, SMEs should take the time to deeply think about how to make recruitment and selection more effective and efficient and “establish structures and processes” (interviewee 3).

The companies of all interviewees seem to adhere to the industry standard of conducting a screening and at least one technical interview. Interviewee 4 mentions that particularly whole-team interviews are very effective for candidate selection.

Interviewee 1 states that besides the usual screening and technical interviews, his company gives the candidate a small project to work on. Such a project gives a more realistic indication how a new hire would function on an actual project than his performance on a toy task or during a whiteboard coding exercise as part of a traditional technical interview. While such a small project provides an additional indication with regard to a candidate’s skillset, it fails to provide clues towards one of the most important factors that will impact a hire’s effectiveness, i.e. her ability to work with existing employees on a project as part of a team. To this effect, it might make sense to not just give a candidate a project to work on independently, but actually assign her to a small project on which she will work together with some team members, as interviewee 4 suggests.

#### 5.10 – The role of culture

The importance of culture has been emphasized on several occasions by the interviewees. In the literature, Onnekikami (2016) highlights the importance of the right candidate not only possessing the necessary knowledge, skills and abilities, but also fitting within the company’s culture. All interviewees generally agree that a strong culture and a cultural fit is very important during the recruitment process.

For interviewee 1, ensuring a healthy culture and a cultural match justifies his involvement early on in the selection process. A “sincere and transparent culture” (interviewee 1) is perceived to be the most powerful factor in successful recruiting and key to guaranteeing a “long-term vision” (interviewee 3) of the company. To this effect, most of the interviewees rate cultural fit higher than then relevant technical skills; without a person-organization fit, “even (if) you get (the) best candidate [...], you cannot get the best results” (interviewee 4).

Particularly within a small company, it is important that core values are shared to “build() deep bonds” (interviewee 1) among the early team members and prevent discord.

While cultural alignment is emphasized, soft skills or management less skills are considered by some to be less important in the absence of managers. However, neglecting soft skills might have similar adverse effects as neglecting cultural fit: As the company grows, senior people in the company need to demonstrate leadership to guide and unite new employees around a shared mission. Additionally, each employee must possess the soft skills to collaborate and function as part of a team. Ultimately, perceiving leadership, management, and collaborations skills as unnecessary will result in a core team that is unable to inspire the minds of new hires and that will ultimately fail to coordinate, collaborate, and to align execution as the company grows.

#### 5.11 – Recruiting Millennials

With regard to recruiting and motivating millennials, there are different aspects the interviewees emphasize: Working on interesting and ambitious problems that employees are passionate about is cited as one priority. One of the most powerful intrinsic drivers particularly for millennials is the desire to challenge oneself, to learn, to improve, and to succeed. For this reason, an interesting, varying and flexible job (Kultalahti and Viitala, 2014) (Lub et al., 2012) (Pant and Vijaya, 2015) (Gursoy et al., 2013) (Holt et al., 2012) is key to keep millennials engaged. While such projects are particularly important to millennials who are motivated by intrinsic motivational factors, the ability to work on such projects might not be evident to potential candidates. For this reason, these opportunities must be communicated clearly to potential hires.

Another aspect that is mentioned is work-life balance and activities and events that demonstrate trust and appreciation such as company events and night outs. Millennials value work-life balance (Kultalahti and Viitala, 2014, 2015) (Pant and Vijaya, 2015) (Holt et al., 2012) (Jerome et al., 2014) particularly in order to maintain relationships with friends and family. On the other hand, such team-building events are appealing to all generations, not just millennials.

Even though millennials are generally thought to be more motivated by a sense of purpose and a strong mission, bonuses are also mentioned as monetary motivating factors. According to Pant and Vijaya (2015), salary is the main incentive for employees. Snelgar et al. (2013) in contrast argue that financial rewards are actually more effective in attracting and retaining employees than motivating them.

Additionally, shares in the company are distributed to give people a feeling of ownership.



This ownership is arguably the most important motivating aspect to motivate millennials: They need to feel not just as employees but as an intrinsic, irreplaceable part of the company; they need to feel like they belong in order to feel engagement and pride in their work.

Ultimately, in order to increase performance and productivity of its employees, particularly millennials, an organization should not just focus on achieving its targets, but primarily should take care to create and nurture a culture that benefits employees and shows them that they are valued and the most important assets of its business.

## **Chapter 6: Conclusion and Recommendation**

Based on our findings and discussion, we are now in the position to provide several actionable recommendations to SMEs. While these recommendations are particularly applicable to companies in Ireland, which operate in the IT sector, given that technology starts to permeate every aspect of corporate life and that the Ireland may be seen as exemplary of a burgeoning start-up and SME ecosystem, this advice can equally be applied to SMEs outside of Ireland and in sectors other than IT. Having said this, we detail our recommendations below, ordered by relevant categories:

### **6.1 – Recruitment criteria**

1. Recruit for cultural fit and select candidates that share the core values of your company. Look for soft skills and leadership skills.
2. Look for agile, result-oriented candidates with a bias towards action.

### **6.2 – Recruiting strategies**

1. Try to get to know a serious candidate on a personal level by going out for coffee or inviting her to company events.
2. Conduct a screening and at least one technical interview. Have the team members who will work with the candidate interview him in separate interviews or one whole-team interview.
3. Give the candidate a small technical project to work on to test her skills in a realistic scenario. Alternatively, if possible, have her work on a small project with some team members for a fixed amount of time, for which she will be compensated, to test her collaboration skills within your team.

### 6.3 – Attracting talent

1. Have an online presence that not only includes on social media posts, press coverage, and basic information about your company, but take the time to give interested candidates glimpses what it is actually like to work in your company; post pictures of your workplace, of amenities, and of social activities.

2. In job ads, describe succinctly why your company is unique and how its innovative and novel business model differentiates it from its competitors.

3. Assemble a strong core team that others want to work with.

4. Showcase innovative and impactful work so that candidates may get a taste for the kind of work they will be doing.

5. Highlight individuals in your company. This can be done in various ways: Small companies can list every employee along with a picture and some information on their staff page; writing a blog post for when a new hire joins the company shows appreciation towards every employee. To show continued appreciation, celebrate this anniversary every year, similar to Facebook<sup>1</sup>.

6. Make the hiring process efficient and fast. Avoid delays and rescheduling of interviews. Keep candidates informed about the next steps and let them know as soon as a final decision is reached. Even if a candidate is rejected, a smooth interview process will ensure that she will not regret the experience and that she might even recommend the company to her colleagues.

7. Give out stock options as a means to share ownership.

8. Organize team-building events that bring the company together.

### 6.4 – Recruitment channels

1. Build up a strong network of trusted friends, advisors, and contacts in the industry. This network will be your most valuable channel for recruiting. Try to source candidates from this network if possible.

2. Minimize false positives. If you are uncertain about a potential hire, choose not to hire.

3. Rely more on outbound connections than inbound connections. Only turn to third-party recruiters as a last resort. Recruiting is one of the most important aspects of building a company and should only be outsourced as an emergency.

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<sup>1</sup> Facebook employees celebrate each other's anniversary of joining the company, the so-called "Faceversary" (<http://uk.businessinsider.com/facebook-employee-code-words-and-lingo-2015-9>) every year.

### 6.5 – Measuring effectiveness

1. Compile a list of what a new hire should have achieved after the first six months. Communicate these expectations clearly and use this as a benchmark for the first performance review.

### 6.6 – Conclusion

In this chapter, we analysed our findings with regard to different topics and themes that we identified. Building on this, we made recommendations that SMEs can implement to improve their recruitment and selection process. In summary, among many issues that we identified, the two most important ones that were mentioned repeatedly by the interviewees are the importance of cultural fit and of a strong founding team.

An SME should not only hire for skills, but particularly for cultural fit. In order to obtain this fit, a company must aim to establish and refine a culture early that is both sincere and transparent and will form the foundation for the company's long-term vision.

While a strong team is a prerequisite for a strong culture, a strong core team is important in many additional ways: Strong candidates will want to work with a strong existing team, while a strong team will create the work that will form the foundation for the company's reputation. Finally, and most importantly, the contacts of the team will form the company's network, which will be the most important means for recruiting as emphasized by the interviewees.

## Chapter 7: Self-Reflexion

### 7.1 – Background

I have obtained a Bachelor's in History at Federal Fluminense University in Niterói, Rio de Janeiro, Brazil. (See appendix 1) During a five year-long period, I gained critical thinking skills and the ability to quickly grasp and understand new concepts. I also had the opportunity to work in a team environment as part of my professor's research group where I not only contributed to the on-going research and publications, but was also responsible for the coordination of several debates and events related to relevant topics. Furthermore, I was awarded two one-year scholarships. As a consequence, I was able to autonomously research topics I deemed promising.

Even though I was immersing myself in interesting topics I was missing the opportunity to apply my acquired knowledge to problems outside of the theoretical domain. For that reason, solely pursuing History was not an option that satisfied me at the time. As I was looking for a different career path with a bigger practical impact I realised that I would need to improve my English in order to encounter the best opportunities.

Consequently, I initially went to London for an English course during my summer holidays. After graduation, I went to Dublin to further expand my English skills. As I have always enjoyed working with and helping people I considered both psychology and Human resource management. Throughout a tourism course I did in Dublin, 'managing people' was one of my most exhilarating subjects which eventually convinced me to pursue Human resource management.

I went to a DBS opening night where I met one of the course's sellers and he suggested me to do an MBA since I already had a Bachelor's and told me about his professional story that was similar to mine. After that meeting, I started to research more about the college and the subjects available to me and came to the realization that managing people is at the core of HRM and that it would be something I would be interested in. The idea to obtain an MBA soon became reality and now, at the end of the dissertation phase, it turns out to have been the right choice for me.

### 7.2 – Skills development

The first step towards learning and self-improvement is to identify the areas you have to improve and the ones you are good at already.

My previous knowledge of business and Human resources was very limited. As my first degree was History, I did not know the foundations of the discipline and even basic concepts such as SWOT analysis, PESTEL analysis, etc. were completely unknown to me. For this reason, I had

to do extra work outside of the courses' schedule in order to catch up with my colleagues. While it made the whole process of learning more difficult overall, it also made me learn a whole set of new skills and widen my worldview.

### **7.2.1 – Public speaking**

When I started this course I knew I would struggle with public speaking as I do not like to be the center of attention. For me the problem is less the speaking part, but the attention I get from everyone makes me feel like I am being observed and judged and that I should behave according to a certain pattern that I might not be able to recognize.

On this note, one day during a class, the lecturer talked about how we should improve our weaknesses and used public speaking as an example saying that if you fear it, you should put yourself in a position where you are exposed to the situation. I followed his advice and put myself in just such a situation by deciding to be class rep. Additionally, being class representative would also help to improve my leadership skills, which I considered to be another weakness.

This was my first conscious decision towards a development plan. It has been interesting and I had the possibility to talk to different people and improve my communication as well as my listening skills. After finishing my MBA, I perceive a great improvement in this area due to several presentation I made during the course and the opportunity granted to be class rep.

### **7.2.2 – Writing in English**

Another challenge for me was writing in English on proficient and sophisticated level. Even though I was always good at writing in my mother language, in English I struggled a lot during the course. However, I feel much more confident in my grammar and writing skills now than when I started. Additionally, I was also able to enhance my vocabulary and reading skills during the course.

### **7.2.3 – Time management**

Time management skills have always been an issue for me. For this reason, during the MBA, I struggled to read all the material given on time and to keep up with the deadlines of assignments. Nonetheless, I trained myself to create a plan to begin all my assignment and obligations well in advance of the deadline as it would allow me enough time to complete them and to obtain a positive outcome. Naturally, this was subject to a learning curve and did not work smoothly all the time. However, particularly during the second semester I was satisfied with the

results I obtained with this method, indicating that I learned to be more disciplined and conscious of time.

#### 7.2.4 Future application of learning

During the MBA program in Dublin Business School, I had the opportunity to study six different modules, which helped me to acquire a specific set of skills that I was already able to begin to put into practice in my career and that certainly will become even more relevant in the future. The detailed aspects of each course are identified below:

Financial Analysis	In this module I learned how to critically analyse financial statements, which is a very helpful tool for any decision making process in Business. I also learned how to evaluate the appropriate financial decision-making techniques used in financial appraisals of business projects.
Strategy for Human Resources	During this module, I learnt to critically appraise appropriate recruitment and selection methods, to evaluate different HR models and practices, to critically assess contemporary and futures issues and trends in HRM.
International Management	In this module, I learnt to analyse management theory in the international context, as well as to critically assess the role of management as part of leadership and transformational change. The main skill I gathered from this course was the cultural awareness necessary in order to do business internationally.
Research Method 1	In this module I start to develop research skills and critically analyse different methodological strategies.
Business Strategy	The main skill acquired in this course was critical thinking. This module helped me to critically evaluate the different strategies available and learn how organizations implement their strategic choices efficiently as well as to evaluate their effectiveness.
Personal and Professional development	In this course, the main skill I acquired was ethical awareness in the business context. I also learned about different leadership and management styles.
Performance Drive Marketing	During this course, I developed strategic marketing decisions, learned the importance of the marketing mix in achieving organization's objectives and critically evaluated marketing concepts and techniques in the strategic decision

	making process.
Performance and Reward management	During this module, I developed my analytical and problem-solving skills. I also learned to critically evaluate different strategies and approaches to the management, measurement and evaluation of employee's performance.
Research Method 2	This module was very helpful throughout the entire process of writing the MBA thesis, particularly regarding the methodology chapter. I was able to learn all the necessary skills to choose the most suitable strategy for carrying out my research.

### 7.3 – Challenges faced during the MBA thesis

#### 7.3.1 – Preparation and planning

The first challenge was certainly with respect to choosing the theme of the dissertation: Even though I was certain from the very beginning that what interested me most and what I wanted to talk about was recruitment and selection, deciding which aspect and which industry to focus on was a little harder. Additionally, I was also very interested in motivation theories and how motivation affects performance and retention. After a long period of research, I decided to focus on the IT sector because it is an important industry especially here in Dublin. Another motivation for my choice of industry was that I would be able to gain deeper knowledge of the IT sector over the course of my dissertation, which would be advantageous in securing a job upon graduation.

#### 7.3.2 – During the dissertation

There were many challenges I faced during this MBA thesis. Firstly, I obtained a full-time job as soon as I finished the classes; balancing the writing of the thesis with working full-time thus proved quite challenging.

As aforementioned, writing in English is still a daunting task for me and the dissertation was particularly time consuming in this sense. Particularly, it was very hard for me to structure the paragraphs in the most logical way possible and I found myself changing and editing them many times until the end result was coherent.

A challenge encountered during this study was to find relevant people, especially recruiters, willing to participate in this research, partly because of possible confidential agreements between them and their organisations. A way of addressing this problem was to

assure total confidentiality regarding the name of the interviewees and the company as well as any classified information uttered. Another challenge was the fact that the study was carried out in the middle of the summer when many people are on holiday and find it hard to find some time to spare on this matter.

#### 7.4 – Conclusion

In conclusion, pursuing the MBA was a great choice both for my career and my personal development. In fact, it has already opened doors for me in the form of my current job and will undoubtedly open numerous doors for me in the future. I have improved myself both professionally and personally: I have acquired skills and knowledge that will form a robust foundation for my future career, which I can further develop and build upon; additionally, I have learned to deal with and mitigate weaknesses, such as public speaking and writing in English, and in the process grown as a person. Finally, over the course of the MBA, I have met inspiring people who, as part of my network, I hope to stay in contact with and potentially even work with, in the future.



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## Chapter 9 Appendix

### Interview 1

1. What is your role in the company? How has your role evolved over time? Do you have a background in HR? If not, how did you acquire skills necessary for recruiting?

*My role at the company is Managing Director/CEO. Since we are a startup, my role with respect to HR and recruitment has evolved quite significantly over time, and in the following ways:*

- *Initially, as a single founder, I was in charge of a wide range of tasks, including HR.*
- *As we grew over time, I started to delegate some of my responsibilities to others in the company, and HR and recruitment were among those responsibilities. Typically this would be in form of me specifying requirements of a role and creating a job listing, and our Operations Manager looking for candidates who matched those criteria, followed by a screening call and one or more in-person interviews, conducted by myself, our Operations Manager and other relevant people from the company.*
- *However, eventually I realized that in order to maintain a healthy and homogenous culture, and to continue to build a common sense of mission in the company, it is vital for me as the leader of the organization to be heavily involved in the recruitment process. Therefore, I now try to play a more significant role at the beginning of the process (i.e. sourcing candidates) to make sure that there's a cultural match, as well as a shared sense of mission between us and the candidates, early on in the process.*

*I had recruited technical staff before, but I do not have a formal background in HR. I acquired my HR skills through practice mainly, and with help and guidance from my team and advisors.*

2. Do you believe that updating your skills in HR would give you a competitive advantage?

*Yes, but only to a minor extent. I am of the strong opinion that a healthy culture and a strong, ambitious mission are far more powerful than HR skills when it comes to recruitment.*

3. How many people work in your company? What are your culture and hiring practices?

*Between 10-20 people.*

*Our hiring process is as follows:*

- 1. Defining the role, in terms of description, responsibilities and requirements.*
- 2. Identifying and sourcing candidates who match the above criteria through various channels.*
- 3. Contacting candidates and asking if they're interested to submit their CV.*
- 4. If there's an initial fit, setting up an introductory screening call, in which we try to learn more about the candidate and tell them about our company.*
- 5. If there are no 'red flags' raised during the screening call, setting up a "technical" interview, during which we aim to assess the candidate's level of knowledge and expertise about the subject matter. Typically a hands-on task is also defined in form of a small project, which the candidate must complete.*
- 6. Based on what we know about the candidate at this stage, running an internal vetting process, that determines if we should elect the candidate or not.*
- 7. If we are in agreement and the answer is yes, having follow up meetings and interviews with the candidate to discuss HR matters, compensation, logistics, etc.*
- 8. If there are no issues raised, making a job offer to the candidate, and upon acceptance, signing an employment contract with them.*
- 9. Initiating the onboarding process.*

4. What are your primary recruiting channels and methods? How effective do you think they are?

*Our top priority is to recruit through our network, but if we fail to find the right candidate this way, we use a combination of inbound and outbound channels for recruitment. On the*



*inbound side, we advertise a role on our website and employ general marketing practices, to tell the world about the role and what we do, and get people interested in applying. Inbound candidates are more diverse and less qualified on average, but the right candidates often have a stronger chance of getting a role with us.*

*On the outbound side, we use online and social platforms such as LinkedIn, GitHub, etc to search for candidates, and we proactively reach out to them. Outbound candidates are typically more qualified, but also often less organically passionate.*

*Also from time to time we participate in or sponsor events that are recruitment focused, but we don't have enough data at present to assess this channel.*

5. How do you measure the effectiveness of your recruiting?

*From a quantitative perspective, we look at the number of applications coming through the top of the funnel, conversion rates at each step, and retention rates, and compare these metrics across various channels and campaigns, to find out what's working and what's not working. This is done in addition to a qualitative assessment of candidates we have sourced/hired through each channel.*

6. How has the economy affected your recruitment and selection practices?

*The economy has not impacted our recruitment practices in any significant way.*

7. What are the challenges your company faces when attracting and selecting new employees?

*Scarcity of certain types of skillsets and mindset/culture in our geographical locality is perhaps the biggest challenge that we face.*

8. When hiring do you consider employees' soft skills and person-organisation/culture fit? Why?

*Yes, we do. We are a small, close-knit group of people with certain core values, which often go beyond work-related matters. A match within these wider aspects is necessary for building deep bonds among the team members.*

9. Have you changed recruiting strategies throughout your time at the company? If so, why did you make these changes?

*Yes we have. Like any other of our processes, our recruitment strategy is fluid and dynamic, and has gone through many iterations to get to where it is now, and this evolvement is likely to continue in the future. This simply happens because we are navigating in a dynamic environment that changes continuously.*

10. How does the company's reputation and branding affect your recruitment and selection? Do you include a robust amount of information about your company in your ad?

*Our company's branding and reputation has certainly had a positive effect on being able to attract talented, like-minded people to our company. We include a reasonable amount of information about our company and its mission in our job postings, and we have a strong online presence which allows enthusiastic candidates to learn more about us through our website, press coverages, etc.*

11. How do you try to differentiate yourself against your competitors, both large companies and SMEs, with regard to attracting the best employees?

*Working at a startup has several advantages (and disadvantages) over working at a large company; such as providing a chance to be part of something big, to be more impactful, and to gain more experience and exposure. These qualities attract certain types of candidates who wouldn't want to work for a bigger company.*

*Regarding other SMEs, I believe having a core of strong people is a significant differentiator, as the best people prefer to work with other strong people.*

12. Does your company focus on hiring millennials? In your experience what do you think are the factors that most attract and motivate millennials?

*Although we are a young company with most team members in the 20-30 age group, we do not have a particular focus on hiring millennials. That said, several studies have indicated that millennials tend to think more ambitiously about their careers, and are less worried about job security, and as a result they're more likely to prefer startups over more established companies and enterprises.*

13. What are the practices your company performs in order to motivate your employees? Do you perceive any differences among different generations, particularly millennials? What are your current non-financial and financial rewards? How do you think they motivate your employees and particularly millennials?

*I believe the strongest motivation for employees comes from working on interesting and ambitious problems that they're personally passionate about, and thus, our number one priority is to allow people to accomplish this at the company, and furthermore to enable them to achieve more through collaboration, than they could on their own. We also make sure that the successes of the company (financially or otherwise) are fairly distributed among the team members.*

14. Are there any changes that you would like to make in your hiring process? If so, what has been the primary obstacle that has kept you from implementing these changes thus far?

*Not the hiring process per se, but we would like to be able to recruit people in foreign localities where our current and target customers are, and the complexities of running operations in multiple countries have prevented us from achieving this thus far.*

15. In your opinion what are the best practices of recruitment and selection for your company? What are the core competencies you seek when recruiting?

*Having a sincere and transparent culture, and a core of strong, talented people are perhaps the biggest contributors to our success within recruitment. We look for people who in*

*addition to sharing a common sense of mission with us, are caring, pay attention to details, and get things done.*

## **Interview 2**

- 1- What is your role in the company? How has your role evolved over time? Do you have a background in HR? If not, how did you acquire skills necessary for recruiting?

*My current role is called “senior software engineer”. It started out as more of a web developer and I acquired more and more responsibility around software architecture and infrastructure over time.*

*Some people management came into the mix as well as some recruiting tasks.*

*I learned about recruitment by trial and error and learning others with more experience.*

- 2- Do you believe that updating your skills in HR would give you a competitive advantage?

*Not really.*

- 3- How many people work in your company? What are your culture and hiring practices?

*Currently about 20 people. We are mainly recruiting to fill skills gaps but a good cultural fit is important as well.*

- 4- What are your primary recruiting channels and methods? How effective do you think they are?

*Manually searching and contacting people via LinkedIn or through referrals from friends and acquaintances.*

*Third party recruiters kept piping candidates as well but the amount of noise is quite high. This way of recruiting is incredibly time consuming and anything but efficient.*

5- How do you measure the effectiveness of your recruiting?

*You can hardly get less efficient as it requires lots of manual labour and time which could be used for something else.*

6- How has the economy affected your recruitment and selection practices?

*Yes, talent is harder acquire and expectations around compensation and “perks” (free breakfast, lunch, all kinds of insurances, etc.) are rising.*

7- What are the challenges your company faces when attracting and selecting new employees?

*Big multi-nationals as well as well funded silicon-valley startups are competing for the same talent with much more resources at their disposal.*

*The time constraint makes it is hard to judge a candidate and his/her skills thoroughly.*

8- When hiring do you consider employees’ soft skills and person-organisation/culture fit? Why?

*Personality is as important as technical abilities. Soft skills are kind of mixed into the personality as we are not specifically hiring managers there is no focus on soft skills or people management skills at the moment.*

9- Have you changed recruiting strategies throughout your time at the company? If so, why did you make these changes?

*We started outsourcing the talent search and pre-screening to recruiting companies. This frees up time that can be used to our actual job,*

10- How does the company's reputation and branding affect your recruitment and selection?

Do you include a robust amount of information about your company in your ad?

*The innovativeness and novelty of the company approach is an important part of the job ad.*

11- How do you try to differentiate yourself against your competitors, both large companies and SMEs, with regard to attracting the best employees?

*We try to stand out with through the innovative work and opportunities to take responsibility and move the needle.*

12- Does your company focus on hiring millennials? In your experience what do you think are the factors that most attract and motivate millennials?

*Millennials are a big part of the target ground but we try to acquire more senior talent as well. The chance to make an impact, to find sense in your work are a big driver. Compensation and "perks" are certainly not to be neglected.*

13- What are the practices your company performs in order to motivate your employees? Do you perceive any differences among different generations, particularly millennials? What are your current non-financial and financial rewards? How do you think they motivate your employees and particularly millennials?

*Company events, night outs, bonuses. As the company is quite small and there are barely any employees above 40 there are pretty much only millennials in this company.*

14- Are there any changes that you would like to make in your hiring process? If so, what has been the primary obstacle that has kept you from implementing these changes thus far?

*Money.*

15- In your opinion what are the best practices of recruitment and selection for your company? What are the core competencies you seek when recruiting?

*We try to get to know the candidate on a personal level. In the past we took quite some time getting to know him/her. Going for a coffee, inviting him/her to company events or for a pint after work.*

*A major skill in a recruiter we are looking for is to be able to conduct more research on a potential candidate than typing in keywords into LinkedIn and forwarding all the search results. Maybe a bit of an idea around different technologies and whether the candidate actually has any of the required skills we are looking for.*

### **Interview 3**

1.What is your role in the company? How has your role evolved over time? Do you have a background in HR? If not, how did you acquire skills necessary for recruiting?

*I started more than 10 years ago in Recruitment in Agency, and have grown to specialise in recruiting in tech/SaaS world, with particular emphasis on international recruitment. My education was not in HR, but was gained through learning on the job and developing through each role I have had, as well as internal training.*

2. Do you believe that updating your skills in HR would give you a competitive advantage?

*I think in Recruitment to be successful, you are constantly updating your skill set and keeping yourself aware of recruitment and market trends, which has more impact than updating yourself on formal HR training, although that too has a place.*

3. How many people work in your company? What are your culture and hiring practices?

*There are currently 48 people in the company, a huge growth from 12 in April 2015. As we grow and hire, it is central to my thinking to keep the successful culture built up already in the Company. We have a culture of meritocracy, where everyone's ideas are equal, and it doesn't make any difference whether a team member has been with us two years or two weeks, we go with whoever has the better idea. We try to ensure an environment where people feel they have the freedom to take responsibility in their area, and create an atmosphere that we are all working to the one aim, of trying to make the company as successful as possible. Hiring involves ensuring candidates ahem not only the technical job specific skills we need but also the type of character that will add to the day to day life within the business as well as will buy into the long-term vision of the Company*

4. What are your primary recruiting channels and methods? How effective do you think they are?

*Primary channels are LinkedIn, some job boards as well Recruitment events. Up until now these have worked well, and I believe you need a strong mix of options to attract the widest and strongest pool of candidates. For some roles a job ad may do, but for many, incl. senior positions and more specific skillsets, this is gained mostly by personal interactions and reach outs.*

5. How do you measure the effectiveness of your recruiting?

*Generally by:*

*Time per hire.*

*Cost per hire.*

*Review of hire after 3 and 6 months in the position.*

6. How has the economy affected your recruitment and selection practices?

*In Dublin there is a strong growth in jobs with the Tech industry and this makes recruitment a more competitive environment than ever, for both potential new hires as well as staff competing for your current employees. To combat this, we continue to build our Employer Brand Awareness, allowing us to highlight the benefits of working for us, and the great culture we have internally. This is done on an ongoing basis, to ensure that even passive job seekers*



*become increasingly aware of us an Employer option. Also in terms of new hires, we use our nimbleness and lack of red tape to ensure we move faster for strong candidates who are in Recruitment processes elsewhere and get fed up of the long-winded hiring process many multi-nationals in Dublin use. This sets a good tone with candidates and gives us a competitive advantage as we are more 'real people' rather than a series of processes.*

7. What are the challenges your company faces when attracting and selecting new employees?

*As above, it is a very competitive environment, with many attractive Employers out there, who have very well financed and slick Recruitment operations , so what can happen is strong candidates can be overwhelmed by the volume of interest and can be talked into options with the big players rather than strategically looking at what is best for them.*

8. When hiring do you consider employees' soft skills and person-organisation/culture fit? Why?

*Yes, culture fit and soft-skills are hugely important to us to : a) Keep and develop the strong culture that we have that makes the company a pleasant place to work b) As a growing organisation we are looking at soft-skills such as leadership potential etc. for future growth of the Company c) We don't want silly more 'pairs of hands' , we look to gain from people's experience, expertise , opinions etc., and any other characteristics of theirs to get maximum benefit form all members of the Team as well as their job specific skills.*

9. Have you changed recruiting strategies throughout your time at the company? If so, why did you make these changes?

*Being relatively new in my role, I cannot answer this to any extent. Since coming into the Company, I have spent time establishing structures and processes to ensure that Hiring takes place within an agreed framework, to ensure speed, efficiency and cost effectiveness of hiring.*

10. How does the company's reputation and branding affect your recruitment and selection? Do you include a robust amount of information about your company in your ad?

*Employer branding is of huge importance in the space we hire in. I put extensive effort into providing a few of life internally in the Company, to those looking at the company from the outside, so they can see what we believe in, how our days are, and if we offer an environment that matches them.*

11. How do you try to differentiate yourself against your competitors, both large companies and SMEs, with regard to attracting the best employees?

*A major point of difference in our hiring, that I aim for is that I try to put a human face to all our Hiring, be that myself, the Hiring Manager or the Co-Founders. We may work in the Tech space and be growing rapidly, but we never lose sight that we are a collection of individuals and we understand people have other aspects of their lives. We also seek to move our Recruitment process rapidly, as i know this to be a source of great frustration for job seekers*

12. Does your company focus on hiring millennials? In your experience what do you think are the factors that most attract and motivate millennials?

*We have no set profile we hire for. We hire for the best for the job, and the best match for us. We have a very international, predominantly young workforce but need different levels of experience depending on the role.*

13. What are the practices your company performs in order to motivate your employees? Do you perceive any differences among different generations, particularly millennials? What are your current non-financial and financial rewards? How do you think they motivate your employees and particularly millennials?

*The biggest motivator we look to achieve is by making all employees feel they ARE the Company, rather than they work FOR the Company. As a result people feel engaged with their work, and proud of the growth of the Company. We offer share options to aid this feeling of ownership. As we continue to grow in strength our financial rewards, in terms of benefits etc., will continue to grow. It is in benefits where usually you see the biggest difference in generations, with old Employees looking with more emphasis for things such as pension, health care here as millennials tend to focus on the more immediate benefits.*

14. Are there any changes that you would like to make in your hiring process? If so, what has been the primary obstacle that has kept you from implementing these changes thus far?

*I am happy with most of our hiring process so far. We are working on narrowing down with / Hiring Managers what exactly we are looking for in each new staff member outside of a job spec, what do we want that new employee to achieve in their first 6 months?*

15. In your opinion what are the best practices of recruitment and selection for your company? What are the core competencies you seek when recruiting?

*What will be invaluable as we continue to grow will be using our existing employees, as Brand Ambassadors, as a source of Employee referrals, as candidates now put great importance on getting a clear idea of what an employer is like to work for. Key for is enthusiasm and motivation. We are looking for people who see the opportunity to grow with us and are genuinely excited about it and see its as THE opportunity for them in a crowded field.*

#### **Interview 4**

1. What is your role in the company? How has your role evolved over time? Do you have a background in HR? If not, how did you acquire skills necessary for recruiting?

*Sr. Staff Engineer. My role evolved from software engineer to engineering lead over time. I do not have background in HR. I acquired hiring skills by doing a lot of interviews and working with engineers who have different skill sets.*

2. Do you believe that updating your skills in HR would give you a competitive advantage?

*If you are looking for managerial positions, I think not HR but managing skills give you more competitive skills than HR skills. It is still highly depending on position you are looking for.*

3. How many people work in your company? What are your culture and hiring practices?

*About 200 people are working in the company in 3 different office all around the world. We are really fun, agile and strong team. We have phone screening first, after that we do on-site interviews with team.*

4. What are your primary recruiting channels and methods? How effective do you think they are?

*Our main source of candidates are friend referrals. I think, it is the most effective way compared to other channels. Hired.com is the second best source for recruiting. I think external recruiters are terrible, it is really hard to find good candidates from them.*

5. How do you measure the effectiveness of your recruiting?

*It depends on position but generally we assume that a hire is effective when the person works well with team and performs good and focuses on results.*

6. How has the economy affected your recruitment and selection practices?

*There is direct correlation between hiring and market growth. Number of the people needs to be hired is highly depending on market growth.*

7. What are the challenges your company faces when attracting and selecting new employees?

*Cultural fit is the hardest part of it. Even you get best candidate, if they are not suiting with team. You cannot get best results. Phone screens sometimes are false positive. Some interviews become just waste of time.*

8. When hiring do you consider employees' soft skills and person-organisation/culture fit? Why?

*Of course, because soft skills and cultural fit creates teams not individuals. And I believe, people who works easily with people easily gives best results.*

9. Have you changed recruiting strategies throughout your time at the company? If so, why did you make these changes?

*While growing company, required skill sets for company changes in different stages, which affects your hiring strategy. As you are getting bigger by the time, you might need to introduce new stages for hiring to select best candidates.*

10. How does the company's reputation and branding affect your recruitment and selection? Do you include a robust amount of information about your company in your ad?

*We are trying to be as transparent as possible.*

11. How do you try to differentiate yourself against your competitors, both large companies and SMEs, with regard to attracting the best employees?

*We always try to show low-stress work environment compared to large companies. We are trying to show millennial work environment compared to big companies.*

12. Does your company focus on hiring millennials? In your experience what do you think are the factors that most attract and motivate millennials?

*Stress free and unlimited off time, company outings/parties are attracting millennials.*

13. What are the practices your company performs in order to motivate your employees? Do you perceive any differences among different generations, particularly millennials? What are your current non-financial and financial rewards? How do you think they motivate your employees and particularly millennials?

*Team building events are main motivating factor for all employees. I do not see any big difference between them.*

14. Are there any changes that you would like to make in your hiring process? If so, what has been the primary obstacle that has kept you from implementing these changes thus far?

*Most of the hiring processes are generally very superficial. It is really hard to create an environment to see how people perform. It might be a good start to have people in your team for couple of them as an interview process.*

15. In your opinion what are the best practices of recruitment and selection for your company? What are the core competencies you seek when recruiting?

*I think friend referrals has become very important source for candidate sourcing Whole team interviews are very effective for candidate selection. We are looking for people who are agile, flexible and result focused.*