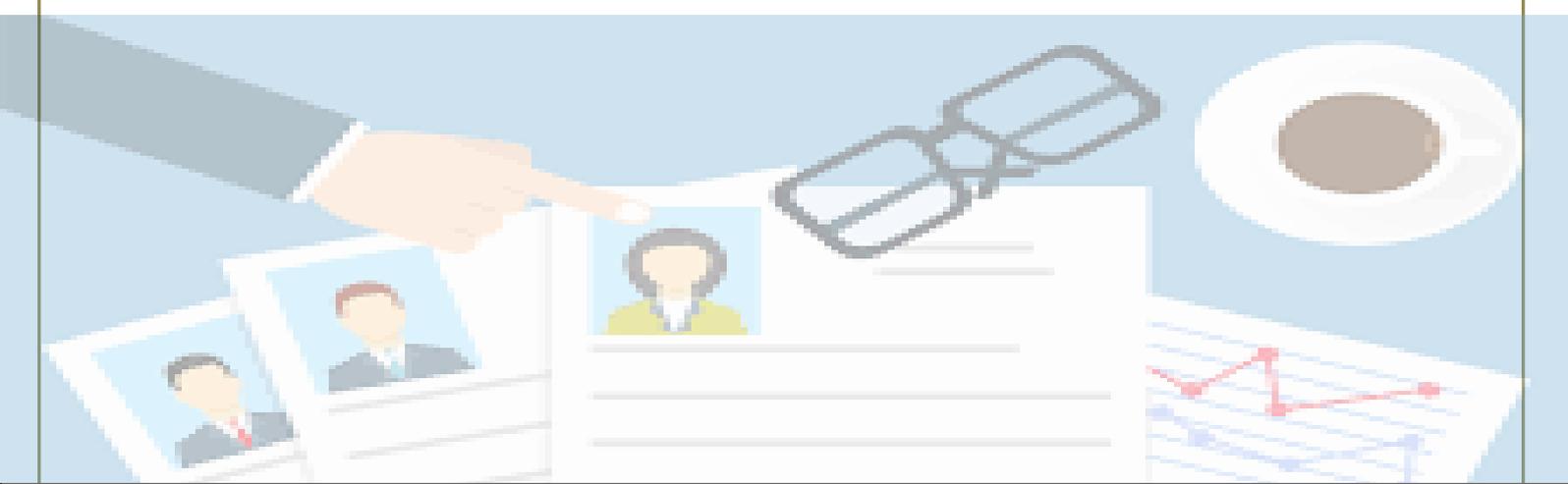# Recruitment strategies in small growing businesses

To what extent could a fitting strategy of recruitment in small growing businesses, that want to grow, be identified?

Ellen van Doormalen

980917192060

Renate Wesselink

Domenico Dentoni

YSS-81812

Businesses Management & Organisation (BMO)

Abstract

'To what extent could a fitting strategy of recruitment in small growing businesses, that want to grow, be identified?' has been the central question in this study. Small growing companies find it difficult to find the right people for their organization (Poljasevic & Petkovic, 2013). Most of these companies use informal recruitment strategies (Carroll, Marchington, Earnshaw & Taylor, 1999). To be able to grow, small companies should pay more attention to their recruitment strategy (Poljasevic & Petkovic, 2013). The objective of this study is to get more inside in the recruitment strategies of small businesses that want to grow.

This study has been a descriptive study. Secondary sources have been used through a literature study. The results show that the most used strategies of informal recruitment within small businesses are: word-of-mouth, internal recruitment, responsive recruitment, and open searches. Also, some forms of formal recruitment are implemented within small businesses: advertisements and hiring a recruitment specialist. However, these methods are rarely used (Kaliannan & Pillaiyan, 2015). The main challenge of small growing firms is the difficulty to attract the 'right' recruits and to maintain these recruits (Poljasevic & Petkovic, 2013). In order to guarantee growth, moving towards a systematic recruitment approach is necessary (Wilkinson, 1999). However, an informal strategy as starting-point is sufficient. In particular, internal recruitment can be used to attract the employees that are needed in the beginning phase of growth. When this source of recruits is exhausted, moving towards a more systematic recruitment structure is advised (Torrington, Hall, Haylor & Myers, 1991).

Some limitations within this study have occurred and some future research has been advised to better understand the recruitment process of small growing firms. First of all, it has been difficult to generalize the findings to all small companies because of the differences in the definition of small companies in the world. Second, the question of 'How and when to implement a more systematic approach to recruitment?' has risen. Third, it is not clear which strategy to use, when both informal as formal strategies cannot provide the new employees. However, it could also be that the 'right' employees just doesn't exist. Fourth, more attention towards unstructured strategies is needed, because this could also contribute to the difficulties in finding recruits. At last, the use of social media within recruitment strategies of small growing firms should be considered.

Contents

1. Introduction

'The role of small and medium scale enterprises (SMEs) in the generation of employment is a major issue in policy debates in the transition economies and the developing and the developed companies alike' (Hughes 2000, p. 1). People are of critical value for the competitive advantage of a firm (Fishman, 1998). As small companies grow, difficulties will arise related to finding the right people to fit their organization and strategy (Marlow & Patton, 1993). What kind of strategies can small companies implement to find appropriate personnel to be able to grow?

1.1 Small growing firms

There is not a single definition of a small growing business. However, there are some characteristics that occur for all small growing businesses. First of all, small growing firms are firms that are 'independently owned and operated' (Peterson, Albaum & Kozmetsky 1986, p. 1). Second, the firms are not dominant in the sector or market. Third, the firms have fewer employees and have lower revenues than a regular-sized business in the same sector or market (Peterson et al., 1986). Fourth, the firms are in a developing phase; the firm is growing, like in sales or production (Cardon & Stevens, 2004). Therefore, more employees are needed (Scott & Bruce, 1987). Looking more at exact numbers of employees of the firm, which is relevant because of the focus on employees within this study, the definition depends on country. In Australia, there is a maximum of 15 employees (Australian Government, 2009), in Europe, there is a maximum of 50 employees (European Commission, 2003), and in the USA, there is a maximum of 250 employees. The number of employees can also differ per industry, but in this study, the broad definitions mentioned above, are used. In this study a maximum of 250 employees is used as the target group. In this way, it is possible to cover (almost) all small growing firms. Therefore, the definition of a small growing firm is: *a firm that is owned and operated independently, that is not dominant in the sector, that is in a developing phase and does not have more than 250 employees.* The organizations of small growing firms are characterized by small-scale organizations and informal structures (Nurcahyo, Akbar & Gabriel, 2018). Besides, the ownership is characterized by intuitive decision making and the overlapping in roles of owner and senior manager. Often a niche marketing strategy and fast innovations are used. Besides, risky decisions are preferred over secure ones (Nurcahyo et al., 2018).

Small growing firms illustrate the highest growth rates but also have the highest chance of going bankruptcy compared to mature businesses (Dawitt, Gray & Ariss, 1983). Growing organizations face a journey of growth which is a concept that explains specific phases. It is still unclear how many phases there are in an organization's life cycle and what kind of problems arise in every phase (Donald, Parnell & Carraher, 2003). However, when different theories and models are being compared, four general phases appear related to growing organizations: a startup stage, growth or expansion stage, a domain protection and expansion stage, and a stability stage (Dodge & Robbins, 1992). In every phase, the company will face different challenges and problems (Quinn & Cameron, 1983).

Besides the concept mentioned above, Greiner's model of organizational growth is useful in studying the journey of growth of businesses is. This model describes the growth journey of

firms where crises can arise at specific phases in the growth journey (Greiner, 1972). These crises are related to the organizational strategy of the business. Six phases with a specific crisis can be distinguished from each other: growth through creativity with a leadership crisis, growth through direction with an autonomy crisis, growth through delegation with a control crisis, growth through coordination with a crisis of red tape, growth through collaboration with a growth crisis and growth through alliances with an identity crisis (Greiner, 1972). Only the first phase of this model is relevant for this study because this phase relates to small growing businesses. In this first phase, the creativity phase, scientists expect that a crisis of leadership occurs. In this phase the organization is informal and the employees are very loyal. A flat organizational structure is being used and the entrepreneur is externally oriented. Because the company is growing, maybe even too fast, and therefore is becoming more complex, the entrepreneur is no longer able to control the situation and a leadership crisis arises. As firms increase in size and complexity, the organization's structure and processes need to change. In order to be able to move to the next stage, transformation in communication and leadership is needed (Greiner, 1972).

1.2 Human resource management practices

If organizations want to be successful, continuous reinforcement of their personnel is necessary (Dess & Lumpkin, 2003). Strategic human resource management states that employees are a source of strategic value for the firm. Their development and deployment positively influence the performance of the firm (Mayson & Barrett, 2006). 'Human resource management (HRM) is concerned with all aspects of how people are employed and managed in organizations' (Armstrong & Taylor 2014, p. 4). There are three primary sets of HRM activities: hiring or selection including recruitment and selection, development including training, employee involvement and performance appraisal, and retention including compensation and a stimulating work environment (Dess & Lumpkin, 2003). Only recruitment of HRM is relevant for this study because this relates to the recruitment strategies of small growing firms. Recruitment is the process of looking for, finding and enlisting new recruits for the organization (Armstrong & Taylor, 2014). In this study, the recruitment process is analyzed with a focus on attracting the recruits. Therefore, the definition of recruitment is: *attracting new recruits for the small growing company.*

A distinction can be made between formal and informal recruiting methods (Carroll, Marchington, Earnshaw & Taylor, 1999). The formal recruitment method is a systematic process of finding recruits and often advertisements or hiring recruitment specialists are used as methods (Barrett, Neeson & Billington, 2007). Besides, there are informal recruitment methods. These methods are easy and fast and less structured and depend more on existing employee relations (Carroll et al., 1999). The HRM structure in most small growing firms is informal, but all firms do have some form. Informal recruitment can be sufficient when it's needed that the new employee fits in the organization rather than a specific job (Marlow & Patton, 1993).

One of the most mentioned criticisms in small growing firms is about finding the right people to fit the organization (Cardon & Stevens, 2004). When the firm is growing, the demand for new employees increases (Marlow & Patton, 1993). A growing firm reaches a point where informal recruitment can cause problems to the growing phase. There are three reasons why

informal recruitment has its limits. First of all, informal structures do often not contribute to long-term growth (Williamson, 2000). When the company is still focussing on the informal staffing contacts, like family members, friend or acquaintances, this can lead to hiring an inappropriate person for the firm. In this way, it is difficult to form a diversified team, because the team is formed by too many of the same people (Williamson, 2000). Second, informal selection practices can lead to select the inappropriate person because the focus is not enough on the appropriate skills, capabilities, and experience (Williamson, 2000). Third, labor market conditions like scarcity of proficient personnel can be problematic (Mayson & Barrett, 2006). This can cause problems in finding employees because small firms cannot always offer the same salaries and job securities as large companies. Employees who could contribute to the success of a small company, but prefer a definitive salary and job security, will prefer a large company over a small company (Sauermann, 2018). Human resource management can only grow in a more formal direction when the owner recognizes this need (Mayson & Barrett, 2006).

1.3 Problem definition

There is still not much research done in the field of HRM within small growing firms (Dundon & Wilkinson, 2003). HRM development gets essentially attention in large firms. Most small-medium enterprises don't pay enough attention to these issues, while especially fast-growing small and medium companies face difficulties with finding and retaining the right employees (Poljasevic & Petkovic, 2013). The companies that faced the highest growth, demonstrated the most challenges with attracting the right recruits (Huang & Brown, 1999). Although, small growing businesses recognize that HRM is of critical value for the company (Mayson & Barrett, 2006). 'HRM theory and practice can contribute to understanding issues faced by small, growing and entrepreneurial firms. For example recruitment, retention, and deployment are important issues for all small firms, but particularly for those facing skills shortages and competitive markets and these issues are magnified in start-up and highly innovative ventures' (Mayson & Barrett 2006, p. 452). Talents prefer a well-managed company with tremendous values and a good culture. Bureaucratic issues are main disadvantages for talented people, which is often the case in big companies (Fishman, 1998). Accordingly, small growing companies and start-ups can often not get in touch with talents (Fishman, 1998). There is a knowledge gap in finding appropriate personnel when a small business is growing. 'We know that as new firms grow in sales or production rates, they must also grow in the number of people they employ. However, few studies have examined how these individuals are recruited, hired, trained, motivated, or rewarded for their contributions to the venture' (Cardon & Stevens 2004, p. 296).

1.4 Research aim

Making sure a company can grow and can do this in a sustainable way, is not in line with the informal structure of HRM in small growing businesses (Mayson & Barrett, 2006). As stated above there is a need to do more research on finding the right strategy of HRM. The focus of this paper is on recruiting new employees in small, growing entrepreneurial companies. The specific objective of this study is to get more insight into the field of structures of HRM with a focus on the attracting part of the recruitment process of new employees within a small growing firm.

1.5 Research question

- **To what extent could a fitting strategy of recruitment in small growing businesses, that want to grow, be identified?**

1.6 Sub-questions

To be able to answer the research question it is necessary to split it up into a number of sub-questions.

- What kind of informal recruiting strategy do most small growing businesses use?
- What kind of challenges do small growing businesses face using an informal strategy?
- What are the advantages and the disadvantages of the different recruiting strategies?

To be able to get to know to what extent we could identify a fitting strategy of recruitment to make small businesses grow, a literature study has been conducted. Every sub-question has been studied separately and afterward a conclusion has been made.

2. Methods

This study has been a descriptive study. Research has been done in order to project an image of the recruitment process in small growing businesses. There has been a focus on the informal strategies of recruitment because during the exploratory phase it has become clear that most small growing firms use an informal recruiting strategy. This study has been conducted because there was a need for further research in the field of recruiting strategies within small growing businesses. This is the case because many small growing firms find difficulties finding the right employees for their organization (Poljasevic & Petkovic, 2013).

The methodology that has been used in order to answer the research question is a desk research. Only secondary sources have been used to study the topic of recruitment in small growing firms. This has been done through a literature study by starting to search for the right articles. Studying these articles has been the second step. In this way, the results could be formulated and afterward, a conclusion could be composed. The main advantage of desk research has been time: the method is relatively fast. This has been a good method for a bachelor thesis because time is very limited in this process. Although, this method has become challenging when there were not enough articles available related to the topic because you are dependent on the sources that are published.

The articles have been found through different search engines. Google Scholar and Scopus are the two search engines which have been used. Through Google Scholar by far the most articles could be found related to recruiting in small businesses. Scopus has been used for articles which could not be opened through Google Scholar. Besides, Google Scholar presents also not scientific papers. In order to guarantee that only scientific papers have been used, Scopus has been used as a search engine. Also, the 'snowball' effect has been used. Looking for relevant articles for the topic by searching the references of articles which already have been used for the research. In this way, a lot more information has become available.

The reliability and validity have been guaranteed. The validity has been guaranteed because much care has been taken towards the relevance of the article for answering the questions. The focus was on small growing businesses and recruitment. Therefore, the articles have been found through searching for concepts like: small business, growing business, recruiting, attracting and HRM strategies. Within the recruitment process, the focus was on attracting new employees. For sub-question 2, there has been searched with a focus on challenges. For sub-question 3, there has been searched with a focus on the advantages and disadvantages of the strategies. Besides, the reliability has been guaranteed because much care has been taken towards the quality of the articles. The article should be found via Google Scholar or Scopus, it should be cited, it should be published in a scientific journal or magazine, it should consist of clear questions, methods, findings and conclusions, it should consist of enough and right references and quality of writing should be sufficient.

3. Sub-question 1: What kind of informal recruiting strategy do most small growing businesses use?

Commonly, there is a separation being made between formal recruitment methods and informal recruiting methods (Carroll, Marchington, Earnshaw & Taylor, 1999). The formal recruitment process is a systematic and intense approach to finding new employees. Besides, it is written down and it is an ongoing process (Barrett, Neeson & Billington, 2007). Press advertisements or hiring agencies are examples of formal strategies. Often, this approach is not taken by small organizations. Subsequently, these firms regularly encounter problems finding the right people for their organization in order to be able to grow (Earnshaw, Goodman, Harrison & Marchington, 1998). Small firms often use informal recruiting strategies (Carroll et al., 1999).

In the following, different kinds of informal recruiting strategies small growing businesses use, are being discussed. This is of importance to get to know what could be improved in the recruitment process in order to be able to keep growing.

Before the focus is on the different kind of recruiting strategies, the importance of the owner or senior manager is described. The owner or senior manager is usually very involved in the HR tasks and the recruitment part (Kaliannan & Pillaiyan, 2015). The owner of a smaller organization has a big influence on the decision-making process. Also in the recruitment part, the owner decides and controls (Taylor, 2006). The final decision whether someone is being hired or not depends on the 'gut feel' of the owner or manager. The owner or manager will base his/her decision on the feeling of the individual; does he or she fit in the organization (Kaliannan & Pillaiyan, 2015)?

Informal recruitment methods consist of different strategies like word-of-mouth, internal recruitment, responsive recruitment, and open searches (Carroll et al., 1999). Also, formal recruitment methods as (print) advertisements, newspapers, magazines, commercial broadcasts, recruitment consultants, and the internet are being used by small growing organizations to hire new employees. Nevertheless, most of these formal methods are not being used very often, only very exceptionally (Cassell, Nadin & Gray, 2002). Therefore these methods will not be discussed any further. Advertisements and recruitment consultants are used more often and are therefore described below.

3.1 Word-of-mouth (closed searches, internal labor market)

The most used recruitment method in small firms is word-of-mouth, also called closed searches (Holliday, 1995). Word-of-mouth is a strategy of recruiting by asking family, friends, relatives, contacts in the industry or anyone who is somewhat connected to an employee in the organization, to come to work at the organization (Cassell et al., 2002). Family members, relatives, friends, alumni or any person that is connected to existing employees in the organization are commonly recruited and are 'good sources of referrals and recruitment' (Cassell et al. 2002, p. 684). This is most often done by using recommendations from staff (Cassell et al., 2002). Second, many small firms prefer to hire trained and experienced people who have already worked for a similar organization. These kinds of people are often found by word-of-mouth. The network of contacts of direct competitors is being used to find

people with experience. However, this is not always seen as fair. Sometimes it is even seen as unethical because people wouldn't like to be treated that way themselves. But, when someone leaves the company for a competitive company, the initial company often hires the employee back. In this way, the small growing business knows that the new employee has already some experience in the field (Carroll et al., 1999).

Word-of-mouth is recommended if there is a need for reducing staff turnover. Motivating existing employees to look for family, relatives or any known person to become a new employee of the organization through financial motivation is a method that is being used regularly. In this way, existing employees get motivated to find new employees to fill the vacancies and to stay inside the organization (Carroll et al., 1999). Besides, the use of word-of-mouth methods depends on what kind of vacancy has to be filled. Word-of-mouth is a more frequently used method for recruiting 'managers and manual workers' while more formal methods of recruiting are being used for hiring 'clerical and technical employees' because then this strategy is not sufficient enough (Carroll et al. 1999, p. 239).

3.2 Internal recruitment

Another approach of informal recruiting is looking inside the organization to find people. Internal promotion is often being used in small growing firms. The organization tries to find the right person internally to give them more responsibilities, like becoming a senior manager or getting a more supervisory role. First of all, job descriptions are often not clear, the tasks of the job differ over time and sometimes even employees compose their own tasks (Holliday, 1995). Therefore looking internally to promote employees is more efficient than finding a person outside the organization to be able to fill the job. Besides, this approach is also being used to motivate people and to connect people more to the firm in order to make them more loyal (Carroll et al., 1999). If the nature of work doesn't allow promoting, it is difficult to use internal recruitment as a method. It could be that there is just no possibility or that training is needed. When there is no possibility to promote someone, another method is needed to fill the vacancy (Carroll et al., 1999).

Another approach of internal recruitment is via interns and trainees. Interns or trainees are people who come to work at an organization but do not have a specific job. It is a way to get to know how to work in such an organization and to get to know what kind of tasks to do. Besides, it gives interns the opportunity to start working in such a company after the internship (Zhao, 2013). Firms who take trainees or interns offer them often possibilities to stay in the company if there is an ability for career development and if it is financially possible (Carroll et al., 1999).

3.3 Responsive recruitment

Responsive recruitment is a method to hire people when there is not a clear vacancy. There are people who call the firm or contact the firm in another way, asking if there is a place for them to be involved in the organization (Carroll et al., 1999). In order to be accepted as a new employee, a recruit needs to have certain capabilities to fill in the job. If the recruit is suitable for a job inside the organization, and there is room for a new employee, he or she will be selected (Carroll et al., 1999).

3.4 Open searches (external labor market)

Open searches is a recruitment method which is in between formal and informal and has a focus on advertising. An advertisement with a description of the requirements and all the information about the job is provided. This more formal way of recruiting tries to find the right person who meets the requirements to fill the vacancy (Carroll et al., 1999). It is not a full formal method, because many small growing businesses use this method, but not in a structured way. Most often, an advertisement is placed in the local press or in job centres. Some companies only use open searches 'when less expensive methods had failed to produce a suitable candidate' (Carroll et al. 1999, p. 245). Besides, this method is being used when the company searches for a specialist or a recruit with specific characteristics (Carroll et al., 1999).

3.5 Formal recruiting strategies

For small companies, the informal methods are the standard for recruitment (Kaliannan & Pillaiyan, 2015). However, when a firm is growing and its staff consists of more than 20 employees, informal recruitment will cause limitations (Barrett et al., 2007). The small growing firms can no longer attract the right staff by word-of-mouth or another informal recruiting strategy because the networks are exhausted (Barrett et al., 2007). When a company reaches a certain size, management has to become more professional and thus more formal in order to attract the right people for the company to sustain growth (Wilkinson, 1999). Therefore, the formal strategy of HRM is related to firm growth (Kaliannan & Pillaiyan, 2015). Besides, not in all industries, informal approaches to recruitment are the standard. High-technology sectors use more formal methods when vacancies have to be filled. Although, only a very few companies use formal systematic recruitment strategies as a starting-point (Carroll et al., 1999).

First, advertisements are being implemented when a more formal strategy is being followed. An advertisement is also being used with the open searches method. This differs from advertisements in a formal way because it is not used in a systematic and structured way. Second, recruitment specialists or agencies are being hired. In this way, an expert is being used to find new employees. In general, these methods are being implemented because where informal techniques suggested new employees before, it now no longer can (Kotey & Slade, 2005). Besides, there is a need for employees with more managerial skills and employees who are able to take 'responsibilities for operational activities' when a firm is growing (Kotey & Slade 2005, p. 26). Formal recruitment methods can contribute to finding people with these skills (Kotey & Slade, 2005).

A job description is part of formal strategies. It is an explanation of a job. It can be used for the advertisements and recruiting specialist. The job is being described and it becomes clear what the job contains. Job descriptions are being used by many small firms, but often the descriptions are not complete and written in detail in practice. Very few organization describe the characteristics of the job, because small firms think that the tasks of the job are clear for everybody. However, a job analysis is often not achieved (Carroll et al., 1999).

3.6 Unstructured recruiting strategies

Kaliannan & Pillaiyan (2015), found out that managers confuse between informal and unstructured recruiting strategies. Informal strategies have not to be unstructured. An informal recruitment strategy can have structured phases. Unstructured strategies are implemented by just doing something to fill the vacancy. It is the unstructured HR practices that cause the difficulties managers of small growing firms face and not the informal strategies (Kaliannan & Pillaiyan, 2015). Besides, also Taylor (2006) argued that the use of an informal strategy does not mean that the recruitment strategy is unstructured. An absence of formality in the process does not mean that the right people are unable to find (Taylor, 2006).

3.7 Recruitment process

When looking at different studies on recruitment, a systematic approach of four stages is advocated. The starting-point is a vacancy to be filled, then a job analysis follows. After this, the job description will be stated. The last part consists of a person specification (Torrington, Hall, Haylor & Myers, 1991). However, a job analysis is often not performed and the job descriptions are often not clear and complete within small businesses (Carroll et al., 1999). For small growing companies it is recommended that the vacancy is filled by an employee who can fit in the organization well and has the job's important aspects and requirements rather than it perfectly suffice the job description and specifications. Therefore, the job description and analysis are of less importance. It is recommended to first approach this vacancy internally, by promoting already existing employees. Afterward, if internally the vacancy cannot be filled, an external approach can be taken. A clear strategy on how to attract the right people has to be made, before the beginning of this process (Torrington et al., 1991).

In conclusion, the most used informal method of small growing businesses is word-of-mouth. Besides, internal recruitment, responsive recruitment, and open searches are methods that are being used frequently but not at all companies. In the end, the owner is the critical factor. When a small company is growing, formal methods as advertisements and recruitment specialists or agencies are implemented. Informal recruitment as a recruitment strategy is good as a starting-point is. However, when the vacancy cannot be filled internally, a systematic approach needs to be implemented to fill it externally. Besides, unstructured strategies often cause the difficulties in finding new employees (Kaliannan & Pillaiyan, 2015). When a company meets a certain size, researchers suggest that a more formal strategy should be implemented. To become a successful firm a fundamental strategy should be implemented. Only a few small businesses use a formal strategy (Wilkinson, 1999). 'Whatever happens, it is clear that small employers need to give rather more thought and attention to the management of employment than is currently the situation' (Carroll et al. 1999, p.249).

Sub-question 2: What kind of challenges do small growing businesses face using an informal recruiting strategy?

Small growing firms have the highest rate in recruitment problems (Carroll et al., 1999). A lot of small companies think their recruitment method is not sufficient and many of these companies think this can cause problems for the company. Besides, small firms face many more difficulties finding new employees than other firms. In particular, these businesses find it hard to attract and retain well-skilled staff that can have a contribution to the firm. So, small growing businesses face different kinds of challenges when using different recruitment strategies (Carroll et al., 1999). However, only some firms recognize the need for recruitment improvement in order to be able to keep growing (Cassell et al., 2002).

In the following, different kind of challenges of small growing companies using an informal strategy face, are mentioned. This is relevant for this research because in this way it becomes clear what could be improved within the recruitment process.

4.1 Approaching recruits

The recruitment practices of small companies are often not open (Carroll et al., 1999). Word-of-mouth is often the starting-point of the recruiting process and this is a closed approach because only friends, relatives, and family members belong to the potential new employees. This results in excluding many potential new employees because the focus is on an existing interpersonal network and not on new relationships. As a consequence, it can be challenging for small companies to reach many recruits (Carroll et al., 1999).

4.2 Quality of recruits

Attracting recruits with the right skills is difficult for small growing companies. Most often the main problem is the quality of the recruits. First of all, for small firms, it is difficult to find people with basic skills. Second, qualified people for a specific job are hard to reach. This means that people with specific skills for a specific job are hard to find. Because small businesses often use an informal strategy, the pool of recruits is limited. This makes it more difficult to find qualified recruits. Besides, sometimes small businesses find it important to hire young skilled people. Especially finding these people with specific skills can be a challenge (Carroll et al., 1999).

4.3 Keeping (the right) recruits

Many small growing firms face the difficulty of retaining staff. The employment turnover in small growing organizations is very high compared to more mature organizations (Baron, Hannan & Burton, 2001). The 'average duration of employment' is for many small growing firms very low, like two or three years. First of all, this could be because the owners or senior managers, who are often responsible for the recruitment process in small businesses, are not in the right position to hire new employees. Second, probation is not seen as valuable and thus often not applied. Not implementing probation makes it impossible to find out if the employee is suitable for the job or not. Often a short-term view is being used with making sure the vacancy is filled, while the long-term view is more useful. In this way, the

right person for the vacancy cannot be found because they 'just' hire a person to fill the vacancy (Kaliannan & Pillaiyan, 2015).

Because of the low average duration of employment, the growth journey of small growing firms can be harmed. This, because the employees cannot contribute to the long-term goals of the company (Kaliannan & Pillaiyan, 2015). In addition, 'key employees', who are very needed for the operations of the firm, are difficult to manage (Sambrook, 2005). In this way, the team will change regularly and this makes it more complicated to do all the tasks which are needed to be successful (Kaliannan & Pillaiyan, 2015).

4.4 Dependency of the external labor market

The informal approach is often the starting-point of recruitment, but sometimes it can also be difficult to stay in touch with the internal labor market through word-of-mouth. When no new employees can be found within the interpersonal networks of existing employees, small companies become dependent on the external labor market and are forced to use open searches to attract new people (Sambrook, 2005).

Thus, small growing companies can become dependent on the external labor market and are therefore weak to changes in the external labor market (Carroll et al., 1999). Besides, small companies often find it difficult to stay in touch with the external labor market. The engagement is less constant and not systematic. This makes it more difficult to use the external labor market in a sufficient way because it is not an ongoing process (Carroll et al., 1999).

4.5 Critical role of employees

Small firms often have jobs which are more complex than jobs of large firms (Greer et al., 2016). More different tasks have to be covered within one job because there are just a few people working in such a company while there is diversified work to do. All the people have a big influence on the performance of the company and are thus of critical value. This makes it more difficult for the recruitment process because finding employees with 'unique skills' is difficult. Besides, when a mistake is being made in the recruitment process, it can have a big influence on the performance and costs, of the company. The effects of hiring an employee who is not adequate for the job or company can have a major influence on the firm (Greer et al., 2016).

4.6 Critical role of owner/ senior managers

When the company is growing, management can become more complex. There is a need for more professional management (Sambrook, 2005). Therefore new employees, in this case specialists and managers, are needed for specific jobs, in order to stay able to grow. Using informal strategies for recruitment can cause problems in this process. First of all, using an informal strategy makes it difficult to find these specialists. Secondly, when it has been possible to attract the right skilled specialist, it can be difficult to make sure he or she has enough knowledge of the business or sector as the owner wants (Sambrook, 2005).

Besides, the owner or senior manager plays a big role in the recruitment process. In many small growing businesses, the owner or 'senior management' is responsible for hiring new people. However, this is not their official role and they are not educated for this role. As a

consequence, it becomes more difficult to hire new employees (Ghassemieh, Thach & Gilinsky, 2005).

4.7 Interpersonal relations

New employees who are hired through word-of-mouth have a connection with existing employees. These interpersonal relations can cause challenges in acting professional to each other (Kaliannan & Pillaiyan, 2015). First of all, managers find difficulties with being objective to relatives, friends or family. Staying professional to people with whom you have also another relation with then only being colleagues, can be challenging for people. Second, managers also find it difficult to identify if the person actually will fit in the job (Kaliannan & Pillaiyan, 2015). Besides, because relationships and friendships can change over time, the relations can be different from the initial situation. This can have an influence on the work performance of the employees because once trust is being harmed by a person you know well, it is almost impossible to go back to the initial situation (Carroll et al., 1999). Sometimes, it is even very difficult for employees to stay professional in these kinds of situations. Often it has a dismissal as result (Carroll et al., 1999).

4.8 High costs

Another challenge small growing companies face within the informal recruitment process is high and unaware costs of recruitment. First of all, these costs can be caused by new employees who are leaving the company after starting for a few days or if they fail to perform appropriately. The costs can become very high, due to the fact that much time is involved finding new employee because these are needed to fill the place from the employee who just has left. Besides, sometimes expensive tools are necessary to find new skilled recruits in a short time period (Carroll et al., 1999). Second, paying above the rate for jobs similar to other jobs in the market is a reason why high costs can arise. Paying above the rate is necessary to attract and retain skilled employees who see more potential in bigger firms. This is not a specific challenge because of the informal recruitment strategy, but more specific for small firms. This is also relevant for this study because it influences the recruitment process. Because small growing companies don't offer the same things as big companies do, like corporate possibilities, they compensate this with a higher salary than related market rates. In this way, the employees who prefer working for a big company could be attracted (Kaliannan & Pillaiyan, 2015). As a consequence, the turnover can be lower than expected (Carroll et al., 1999).

4.9 Competition of other companies

For some companies, larger companies are competitors when focussing on attracting new employees (Carroll et al., 1999). Although this is not typical for informal recruiting strategies, for small companies as an organization, it is relevant for the recruitment process of these companies. Therefore, it is included in this question. When looking at the preferences of employees, it depends on the type of employee. 'Compared to employees in large established firms, start-up employees place a lower value on salary and job security, the latter possibly reflecting a more general willingness to bear the risk. On the other hand, start-up employees have stronger motives related to responsibility and challenge, although

these differences are smaller than might be expected. Thus, employee motives may play an important role in distinguishing innovative performance in start-ups versus established firms' (Sauermann 2018, p. 23). Employees who can fit a vacancy of a small firm well, but prefer a higher salary and job security are thus difficult to reach (Sauermann, 2018). Besides, sometimes paying above the rate is implemented to attract skilled employees (Carroll et al., 1999).

Small growing companies try to attract new employees by sharing the flexibility of working hours, 'family culture', flat organization structure and low bureaucracy of the company. For some potential employees, these can be reasons to work at a small growing company instead of a large organization (Kaliannan & Pillaiyan, 2015). However large businesses have also things to offer, like really having an impact in the sector and capital possibilities (Chambers et al., 1998). Besides, talents prefer a well-managed company with tremendous values and a good culture but don't prefer bureaucratic concerns which are often related to large organizations (Fishman, 1998).

Things can change when a small business grows. Employees who prefer a small firm can decide to leave the firm and start at another small growing firm or start-up to guarantee the role they prefer. Other small companies can also be competitors (Sauermann, 2018). 'It are the most entrepreneurial and productive employees who are most likely to leave aging firms to join a new venture' (Sauermann 2018, p. 25). For many small growing firms, it is challenging to secure these employees (Sauermann, 2018).

4.10 Formal recruiting strategies

Although different articles suggest that small growing firms should move to a formal recruitment strategy, not all movements result in a positive conclusion. Small firms are moving to a more formal strategy when the firm is growing. As a consequence, the owner or manager is more experienced in ruling the company, has moved to a more professional management style and has designed teams. Although these developments, it does not always influence the company's outcome in a positive way. Because of the implementation of formal recruiting strategies, the average duration of employment, productivity, and engagement to the firm can be influenced, but either in a positive or negative way (Carroll et al., 1999).
Besides, small companies do not always see the benefits of formal strategies (Mazzarol, 2003). Small companies which are using formal methods are less satisfied with the recruitment strategy than those using informal methods (Carroll et al., 1999). Often the 'wrong' employees are being hired (Barrett et al., 2007). Second, managers or owners of small growing businesses think formal recruitment strategies, like professional recruitment services, are related to high costs. That is why they do not make use of these services. However, recruitment portals are being used, which are much cheaper. As a consequence, it takes a lot of time and effort to go through all the potential new employees (Kaliannan & Pillaiyan, 2015). Because there are no clear benefits, small businesses are not always convinced to move to formal recruiting strategies (Carroll et al., 1999). Many companies continue their recruitment strategy just as it is and still use an informal approach (Mazzarol, 2003).

In conclusion, there are different kind of challenges small growing businesses face using an informal recruiting strategy. The most mentioned challenges are related to finding (the right skilled) staff and retaining the staff. Approaching recruits, quality of recruits, the dependency of the external labor market, the critical role of owner or senior manager, the critical role of employees, the competition of other companies and high costs are related to finding the staff. Quality of recruits, the critical role of employees, interpersonal relations and high costs are related to retaining the staff. In sub-question 1, the advice has been given to move to a more formal recruitment strategy when the firm is growing. However, in this part, it has become clear that it is not always positive to move to a formal strategy because it does not always benefit the firm. Often not the right people are hired and high costs are related to formal recruiting strategies (Mazzarol, 2003).

Sub-question 3: What are the advantages and the disadvantages of the different recruiting strategies?

Formal as well as informal recruitment strategies have a direct contribution to the outcome of the firm (Mazzarol, 2003). That's why it is important which strategy to implement because the recruitment strategy can have a major addition to the success of the firm. In sub-question 1 the different recruiting strategies have been described. In order to know what kind of strategy is the most suitable, the advantages and disadvantages of the different recruiting strategies mentioned in sub-question 1 are discussed in this paragraph.

5.1 Informal recruiting strategies in general

Advantages
When looking at the overall informal strategies there are some advantages and disadvantages that count for all the different informal strategies. First, the main advantage of the different informal recruitment strategies is that **new employees blend in well** because they already know the company structures, employees and culture of the company. Because 'fitting the company' is seen as a very important part, this is the main advantage. Second, this strategy is most often related to **low costs**. Third, informal recruitment strategies make it possible to **attract 'right' people,** especially for small businesses, because in this way recruits get in touch with working in an organization with less bureaucracy, more room to grow and to be of critical value for the firm (Greer et al., 2016). Small businesses offer 'a less formal, more personal, close working environment' (Carroll et al. 1999, p. 237). Many employees see this as attractive because this gives them the room to grow and to be of critical value for the firm. Because of the informal recruiting strategy, new potential recruits are attracted who prefer a smaller organization (Carroll et al., 1999).

Disadvantages
Many companies which are using an informal strategy mention that they are not satisfied with their strategy. As a consequence, the informal recruitment strategy can cause serious problems in recruiting new employees. First of all, it has been wondered if informal strategies **cause a disbalance within the workforce**. Because people are mainly recruited via existing interpersonal networks, existing race and gender are emphasized and even specific groups are totally excluded from jobs within small firms (Carroll et al., 1999). Second, **reaching the right recruits is difficult** because of only using the existing interpersonal networks. There could be lots of good new recruits, but because only a focus on existing networks is being used, these people are not reached (Carroll et al., 1999). In this way, it also gets more complicated to find skilled people or people with specific characteristics (Ghassemieh et al, 2005).

5.2 Word-of-mouth (closed searches, internal labor market)

Advantages
First of all, the main advantage of the word-of-mouth approach is that it makes the recruitment process **easier** and **simpler.** This because this strategy relies heavily on an already existing network. It is not needed to contact recruitment experts of specialist because the contacts are already known. Second, there are **little costs** involved. Because the

new employees can be found within the existing network there are none to little costs involved. Third, the **new employee can be found fast**, because of the close connection between the new employee and the company. So, less time is involved (Cassell et al., 2002). Fourth, the new employee is already very connected to the organization. Therefore, the new employee has already quite some knowledge about the job and the company and knows what to expect (Mazzarol, 2003). As a consequence, **people can blend in well**. Fitting the organizational culture is suggested as the most important part of recruiting new employees (Mazzarol, 2003). Fifth, for the company it is **easy to get information about the potential recruit**. This makes it easier to get to know the characteristics and qualities of the person (Cassell et al., 2002). Sixth, **risk and uncertainty** which is often related to hiring new employees **will be reduced** because the new employees have already a connection with the company and the existing employees (Carroll et al., 1999). At last, **existing employees** will not **suggest a person** who will not fit the organization or **who is** not **suitable** for the job. The existing employee knows people who are suitable for the company and will almost always only recommend those persons. Besides, the already existing employees who have recommended the new employees, do their very best to make sure the new employees fit in well because they know the people already and want to make sure that they are confident within the organization (Carroll et al., 1999).

Disadvantages
First of all, with the word-of-mouth strategy, the focus is on the network of existing employees. People who do not have a connection with the organization, but could be of great value to the organization, cannot be found. In this way, **a lot of potential new employees cannot be reached**. There is a lack of equal opportunities because a lot of people are not included and indirect discrimination arises (Cassell et al., 2002). Some people are totally excluded from the potential jobs that small businesses could offer (Carroll et al., 1999). Second, the potential threat of attracting friends, relatives or family is that if **one will leave the company, more employees could follow**, because of the interpersonal relationship of employees (Carroll et al., 1999). At last, word-of-mouth could give some **difficulties in acting professional**. Because the employees are already connected to the organization in some way and have an unprofessional relationship with someone from the organization it could become difficult to be professional to each other (Carroll et al., 1999).

5.3 Internal recruitment

Advantages
First of all, like any other informal recruitment strategy, the advantage of **blending in well** is applicable to this strategy. Because the employee already works in the firm, the employee knows what to expect. Second, promoting existing employees has an advantage that **existing employees get more motivated to show their worth** because they know there are possibilities to be promoted. In this way, the performance of the employees gets better and this contributes to the success of the firm. Third, because people are being promoted, the **higher level jobs are filled internally and the lower level jobs can be filled easier externally** (Carroll et al., 1999).

Interns and trainees are also being used as internal recruitment. First of all, hiring the **interns** or trainees has an advantage that these people already **know what to expect** because of

their internships. Interns or trainees work like they are a 'real employee' and they fulfill tasks that belong to a certain job. They receive more realistic information about different aspects of the firm than potential employees from outside the organization (Zhao, 2013). Second, they **get to know the firm culture** because they are involved in the firm for a longer time. In this way, they can judge their fit within the organization well and they can have a good self-reflection of themselves within the organization (Zhao, 2013). 'Internship is a valuable and safe recruitment tool for entrepreneurs to identify prospective employees of good quality, and it provides opportunities for interns to realistically preview the job and the organization. Allowing and encouraging interns' involvement in the firm will increase their justice perception and intention to join'(Zhao 2013, p. 454). Hiring the wrong people will be done less frequently and this can save money (Zhao, 2013).

Disadvantages
First of all, sometimes it is necessary that someone with a 'different view' participates in the organization. It's better to have different views on a problem, in order to be able to solve such a problem. Because the employee already works in the organization, **the focus is on existing patterns.** Second, sometimes **the job is too complicated** that promoting is not possible. You are dependent on the skills of the existing employees. If these skills are not sufficient enough, promoting is not possible and cannot be used (Carroll, 1999).

Interns and trainees can also have some disadvantages. First of all, it could be that interns or trainees are **not really interested in the job**. Therefore, they are not motivated enough to work at the organization. Second, it could be that they **don't have the good expectations of the job or the company**. Often it is long days of work and it is not as exciting as expected. Besides, you have to deal with uncertainties. Third, some interns or trainees are **not prepared to work in a small business** (Zhao, 2013).

5.4 Responsive recruitment

Advantages
Responsive recruitment can only be used when someone who wants to work at the company, applies. **People show lots of initiative** to contact the company even when there is no vacancy available. In this way, they show that they really want to work at the organization and are interested in the work that has to be done. Often an open application is being done which indicates that the potential recruits are not interested in a specific job but especially in the company. This is of value for the company because in many small companies there are often not specific tasks for a job, but a broader approach is being used (Carroll et al., 1999).

Disadvantages

The disadvantage of this approach is that you, as a small growing business, are **dependent on the potential recruits who contact the firm** and there is no other way to get in touch with them. It is a less proactive strategy than other strategies because you cannot have an influence (Carroll et al., 1999).

5.5 Open searches (external labor market)

Advantages
First of all, open searches can especially be used when the company is searching for a specific specialist or a manager and not for a regular recruit. When using advertisements you can **specify on the job you are offering.** In this way, you can focus on the characteristics of the potential employee that are needed. Second, it has the advantage that you **almost always find a recruit**. This is because the 'advertisement stays in until the vacancy is filled' (Carrol et al. 1999 p. 244). In this way, you can search specifically for the employee you want and you can be sure the vacancy will be filled (Carroll et al., 1999).

Disadvantages

First of all, the main disadvantage of the open searches strategy is that **often not the 'right skilled' people are attracted** by this strategy. Often people who don't have any experience in the sector or for the job or who are not looking for a full-time job are attracted by open searches. The potential recruits are not being screened in a sufficient way and this results in a mismatch with the vacancy, job or firm. Often, it looks like these people are 'not really interested in finding a job' (Carroll et al. 1999, p. 245). So often no 'good' people could be found in this way. Second, this method involves **more time of management** because the whole process consists of screening, reading and judging application forms, interviewing, checking references and making selections of recruits (Carroll et al., 1999). At last, a disadvantage of open searches is that often **relatively high costs** are involved. For small growing businesses, this can be a problem because often the budget is limited and there are more things needed that require money. Because high costs are a big disadvantage for small businesses this has a major influence in choosing this strategy (Carroll et al., 1999).

5.6 Formal recruiting strategies

Almost all small companies which make use of a formal recruiting strategy are not satisfied with their recruitment process (Carroll et al., 1999). Open searches are being used in a formal way if it is used in a structured way (Carroll et al., 1999). Therefore, the advantages and disadvantages of open searches are also applicable to the advertisements, because these belong to the formal recruitment strategies. So first of all, when a specialist is needed, you can **specify on the job** you are offering. Second, **the vacancy stays in until it's filled**, and therefore always somebody will be found. However, **often not the right people are being attracted and high costs are involved** (Carrol et al., 1999).

Advantages
Barret et al. (2007) found some evidence that when small firms apply formal ways of recruitment the problem of **finding the right staff** can be solved. Second, when a more formal recruitment strategy is being used, there is **less employee turnover** and **quality of staff is better** than using an informal strategy (Barrett et al., 2007). Also, Kaliannen et al. (2015) support this finding. Formal recruitment strategies enable small growing businesses to attract qualified employees (Kaliannen et al., 2015).

Disadvantages
Although the finding mentioned above, Carroll et al. (1999) do not support these statements. First of all, implementing a formal recruiting strategy **does not always lead to a higher duration of employment or better productivity.** Second, **not always the 'right' recruits are attracted** (Carroll et al., 1999). Third, formal recruiting strategies are also often related to **high costs**. Using a recruitment specialist, which is a formal strategy,is for many small growing businesses too expensive. Fourth, this method often can attract **people who are not motivated** or who are not suitable for the job (Kaliannan & Pillaiyan, 2015). Fifth, it is **a time-consuming process** to implement a formal strategy in a small firm (Barrett, Neeson & Billington, 2007). Therefore they don't hire an HR specialist to focus on this specific part of the company (Kaliannan & Pillaiyan, 2015).
Looking at job descriptions, small organizations can face different disadvantages. First of all, small growing businesses need people who are flexible and who can react to unknown situation fast. However, job descriptions often **lead to less flexibility** because the descriptions are too fixed. Second, the **descriptions are often vague and not complete** and therefore it is often not clear what to expect from the job (Carroll et al., 1999).

5.7 Unstructured strategies

Advantages
Unstructured strategies are in the short term related to **low costs**. Because there is actually not a real structure, there are no to little costs involved in creating this (Kalinannan & Pillaiyan, 2015).

Disadvantages
The main disadvantage of an unstructured recruiting strategy is that the **new recruits will not fit the business** and are not suitable for the job. This is caused by the fact that unstructured strategies will not find the 'right' people. In this way, it can cause a negative influence on the performance of the firm. As a consequence, **higher costs** can be caused because there is a **high employee turnover and there a constant request for new employees**. Other strategies need to be used to get the 'right' people. In this way, much time is involved (Kaliannan & Pillaiyan, 2015).

In conclusion, every method has some advantages and disadvantages. The main advantages of word-of-mouth are low costs, time and that people can blend in well. However, the focus is on existing networks. Internal recruitment has as main advantage that the employee knows the company already. However, when it is not possible to promote someone this method cannot be used. Responsive recruitment is a way to attract people who really want to work at the company, but you are dependent on the people who apply. Open searches make it more easy to find new employees when the informal networks are exhausted or when a specialist is needed, but often not the 'right' people are attracted. Formal strategies often cannot attract the 'right' people and are often related to high costs. However, formal strategies make it easier to specify the characteristics or skills of recruits needed for the job. At last, unstructured strategies often not attract the 'right' employees but is a cheap method.

Conclusion

This research has been conducted in order to get more insight into the field of recruitment strategies within small growing businesses. The research question sounds: *'To what extent could a fitting strategy of recruitment in small growing businesses, that want to grow, be identified?'*.

This research implies that most small growing businesses use informal recruitment strategies as a starting-point and move to a more formal strategy while growing. The influence of the owner plays a big role in the recruitment process. Sub-question 1 answers the question which informal strategies most small growing businesses use. The informal strategies which are used the most are word-of-mouth, internal recruitment, responsive recruitment, and open searches. Besides, formal strategies like advertisements, and hiring a recruitment specialist or agency are used but less frequently. In the table on page 25, a summary of the descriptions is stated. Sub-question 2 mentions the challenges small businesses face during the growing phase. The challenges can be summarized into two main challenges: finding (the right skilled) recruits and retaining the staff. Approaching recruits, quality of recruits, the dependency of the external labor market, the critical role of owner or senior manager, the critical role of employees, other companies as competitors and high costs are related to finding the staff. Quality of recruits, the critical role of employees, interpersonal relations and high costs are related to retaining the staff. Sub-question 3 looks more in detail to the different strategies; which advantages and disadvantages can be distinguished? In the table on page 25, the advantages and disadvantages are summarized.

Looking at the research-question there is not a real fitting strategy for a small growing business. Both informal as formal strategies of recruitment do not always lead to finding the right recruit and have. However, as starting-point in the beginning phase of growth, an informal recruiting strategy is advised. Low costs, attracting the right people at this stage, and blending in well are the main advantages of an informal strategy (Greer et al., 2016). Focussing on the informal strategies, internal recruitment is the best-recruiting strategy to use. The employees are very used to the organizational culture and know what to expect. Therefore, they can blend in well. Besides, existing employees get motivated to show their worth to the organization, which can lead to the success of the firm (Carroll et al., 1999). For the beginning phase of the growth process of small companies, it is important that the person is really part of the organization; it is more important that the employee can fit the organization well than specific fitting the job (Torrington et al., 1991). When it is possible to use this strategy, the challenges of finding (the right skilled) recruits and retaining the staff are solved. Internal recruitment is the right informal strategy to use as a starting-point, but small growing companies should move to a more systematic approach of recruitment. To be successful as a small firm, a constitutional HRM strategy, including recruitment, should be implemented (Wilkinson, 1999). However, because formal strategies do often not lead to attracting the right recruits (Carroll et al., 1999), scientists do not agree about whether a formal recruitment strategy is the solution.

Strategy	Word-of-mouth	Internal recruitment	Responsive recruitment	Open searches	Formal recruiting strategies	Unstructured recruiting strategies
Description	An informal recruiting strategy by asking family, friends, relatives or contacts in the industry to join the company. It is used by almost all small growing companies as starting point of the recruiting process and it is used most often to hire manual workers.	An informal recruiting strategy that tries to fill a vacancy internally, by promoting existing employees. A second approach of internal recruitment is hiring interns and trainees who already joined the company by an internship.	An informal recruiting strategy by hiring people who contacted the firm with a motivation that they like to work at the company, while there is no vacancy open.	A recruiting strategy which is formal and informal at the same time. This strategy triest to fill a vacancy by using an advertisment that describes the job and outlines the charactertistics and tasks. This methods is most often implemented when a specialist is needed.	Systematic recruiting strategies which most often are implemented through advertisments, job descriptions, or hiring a recruitment specialist. This strategy is often used when a manager or specialist is needed and when the informal strategies no longer can do this.	Recruiting strategies that is not structured. Just 'something' is being done in order to fill the vacancy.
Advantages	• easy, simple and fast • little costs • people can blend in well • low risk and uncertainty • easy way of finding information of recruits • employees will suggest people who are suitable	• people can blend in well • existing employees get motivated • higher levels jobs are filled • interns and trainees know what to expect and know the culture	• only people apply who really want to work at the company	• useful when searching for a specific specialist • you can set requirements of the job • alsmost always a recruit is found	• useful when searching for a specific specialist • you can set requirements of the job • alsmost always a recruit is found • less employee turnover • better quality of recruits	• low costs
Disadvantages	• many potential recruits are not reached • when one emloyee leaves the company, more could follow • difficulties in acting professional	• people with different views are not attracted • promoting is not possible because job is too complicated • interns are not interested or prepared to work at the organization or don't have good expeciations	• dependent on the potential new employees who apply	• often not the 'right' recruits are attracted • there are high costs involved • more time of management needed	• often not the 'right' recruits are attracted • there are high costs involved • does not lead to less employee turnover or better productivity • attract people who are possibly not motivated • job descriptions lead to less flexibility • job descriptions are often vague and not complete and are only relevant for existing staff	• new recruits will not fit the company or are not suitable for the job • high employee turnover and constant request for new employees

Discussion

In the conclusion some advice for small businesses has been given. Also, some advice for recruits can be given. Besides, the conclusion results in some limitations and future recommendations related to this study.

Advice for recruits

First of all, small growing companies are interested in people that are flexible and that can blend in well (Carroll et al., 1999). If a recruit is interested to work at a small company that wants to grow, he should show that he has these characteristics. Second, when the recruit is interested in working in a small growing business, but there is no vacancy, the advice is to send an open application. In this way, the recruit shows that he is really interested in working at the organization. If there is room for a new employee, this will be a great change of being hired. Third, if the recruit is interested in working at a small growing business because of the flexibility, family culture, and a low level of authority but he does not prefer a specific company, he should ask friends, relatives or family members who work at a small company if there is room for a new employee. The most used recruitment strategy within small growing businesses is word-of-mouth and often a new employee is attracted in this way (Holliday, 1995).

All small companies?

The conclusion is applicable as advice. However, it is difficult in what way it can be generalized to all small companies that are growing. First of all, in the introduction, a definition of small growing companies has been set up. However, this definition is not applicable in all countries. This is the case because when looking at the numbers of employees, there are different kinds of standards in different parts of the world. In Australia, there is a maximum of 15 employees (Australian Government, 2009), in Europe, there is a maximum of 50 employees (European Commission, 2003), and in the USA, there is a maximum of 250 employees (Beesley, 2014). In this study, a maximum of 250 employees has been used in order to cover almost all small growing firms. However, a recruiting strategy for a company of 10 employees could be very different from a recruiting strategy for a company of 250 employees. Besides, the challenges a company of 10 employees has, could be very different from a company of 250 employees. Second, it is difficult to know if the knowledge is applicable in the countries that are not studied in the papers. Both Cassel et al. (2002) as Carroll et al. (1999), had a target group of companies within the United Kingdom. Because these two studies have been used a lot, it is difficult to say if the finding of this thesis can be used in other countries. Culture can have a big influence on the organizational structure and practices of companies and therefore it is difficult to say if these findings are useful for all small companies around the world.

How and when to move to a more systematic approach?

As said in the conclusion, small businesses are advised to implement a more systematic recruitment strategy (Wilkinson, 1999). Besides, the advice has been given to use an informal strategy as a starting-point of the recruitment process. In practice, most small businesses use informal recruiting strategies as a starting-point (Carroll et al., 1999) but often face a moment when not the right employees are attracted anymore (Poljasevic &

Petkovic, 2013). The question arises, when to move to a more systematic recruitment strategy or a formal recruitment strategy? it is difficult to say which exact moment in the growing phase of small companies is right to implement a more systematic approach of recruitment. Perhaps, it is already necessary to move to a more systematic approach of recruitment before the informal sources are exhausted. Every company is different and every growth path is different which makes it, even more, challenging. Besides, it could be difficult for small companies to move to a more systematic approach. There is no HRM specialist yet, so where to start? How to move from an informal strategy to a more systematic strategy in practice? Ghassemieh et al. (2005) could give good advice in moving towards a more systematic strategy, with keeping in mind that Ghassemieh et al. (2005) are talking about HRM strategies and not specific recruitment strategies. When informal strategies are not sufficient anymore, but implementing a full formal HRM strategy, like hiring an HRM specialist, is too expensive and not fully needed, it is recommended to hire an HR consultant (on a limited basis to keep costs low) (Ghassemieh et al., 2005). 'The HR consultant could provide the legal counsel needed, but would not burden the small company with the overhead of a full-time HR professional' (Ghassemieh 2005, p. 33). In this way, it is possible to offer professional HR practices without hiring a full-time HR specialist. This makes it possible to upgrade recruitment strategies (Ghassemieh et al., 2005). This advice is a mean value between informal and formal. However it is still questionable if moving to a formal method is the answer, the HR consultant can be of great value for small businesses that want to improve their recruitment process. More research is needed in how and when to move to a more systematic approach of recruitment.

What kind of strategy to implement?

Looking more in-depth to informal and formal recruitment strategies, both strategies do often not lead to attracting the right employees. If both strategies aren't able to get in touch with the 'right' recruits, which strategy to implement? First of all, it could be that there are other strategies beyond literature that are more sufficient for small growing companies. However, during the beginning phase of this research, it became clear that most small businesses make use of an informal recruitment approach. Therefore the focus was on informal recruiting strategies. Besides, perhaps more research is needed in order to find out what kind of strategy can be advised. Second, it could be that there is a lack of 'right', skilled or specialized recruits in the area of the company. In this way, the company should look further to attract the right recruits or the company should train people to make them more suitable for the job. For small growing businesses this could be difficult, expensive and time-consuming. However, it could also be that the problem is more at the macro level. This would mean that not enough specialized people in that field appear which leads to a structural problem in the whole industry.

Unstructured strategies the problem?

Little attention has been given to the fact that many small growing businesses use an unstructured strategy. However, I think this structure is often applied, unintended, and has a major influence on the difficulties of the recruitment process of small growing businesses. Because the small growing company is most of the time at the beginning of the life cycle, many things besides recruitment are not structured. The owner or senior manager only spends time on recruitment when a new employee is needed. In that way, the recruitment process does not get much attention.

The use of an unstructured strategy makes it more complicated to find new employees because just something is being done to fill the vacancy (Kaliannan & Pilliaiyan, 2015). When a strategy is more structured, it becomes more clear what to do when a new employee is needed and the process is not dependent anymore on the feeling of the owner or senior-manager. In this way, it could become easier to find a recruit. Perhaps informal methods could be more useful when it is used in a structured way. Besides, when the strategy is already structured but is still informal, it could become easier to move towards a more formal structure or towards another more systematic structure. Therefore, it is recommended to do more research into the field of unstructured recruiting strategies.

Is social media the solution?

At last, the absence of social media as strategy is discussed. The use of social media has not been discussed in this paper. Social media is a tool that we as a society use all the time. Many people can be reached in this way. However, the researches that have been studied in this paper, didn't provide ways to include social media as a method to attract recruits. Cassell et al. (2002) mentioned that the internet is being used as a formal recruiting strategy, but very exceptional. However, in my opinion, the internet and especially social media is being used as a recruitment method lately and could be of great value to find people for a small growing business. For example LinkedIn, Facebook, or Instagram could be of great value for the recruitment process of small firms nowadays.

In conclusion, it is recommended to do further research in the field of small business recruiting strategies. This research is an addition to the current research in this field because it gives information about which strategies most small growing businesses use and what their challenges and difficulties are. Besides, advice has been given about which strategy to use. However, further research is needed in order to be able to find the optimal fitting recruiting strategy for small businesses to be able to continue the growth process.

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