

An investigation into human resource practices in micro, small, and medium enterprises (SMEs): *evidence based on service firms in the Republic of Ireland.*

By

Emma Ward

A dissertation submitted in partial fulfilment of the completion of an MA in Human Resource Management.

Submitted to the National College of Ireland August 2021.

Submission of thesis and dissertation

National College of Ireland

Research Student Declaration Form

(Thesis/Author Declaration Form)

Name: Emma Ward

Student number: x16415356

Degree for which thesis is being submitted: Master of Arts Human Resource Management.

Title: An investigation into human resource management practices in micro, small, and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland.

Material submitted for award

- A.** I declare that the work has been composed by myself
- B.** I declare that all verbatim extracts contained in the thesis have been distinguished by quotation marks and the sources of information specifically acknowledged.
- C.** My thesis will be included in electronic format in the College Institutional Repository TRAP (thesis reports and projects).
- D.** Either * I declare that no material contained in the thesis has been used in any other submission for an academic award. Or *I declare that the following material contained in the thesis formed part of a submission for the award of:

Master of Arts Human Resource Management, National College of Ireland.

Signed:



Date:

ABSTRACT

This study is an investigation into human resource management practices in micro, small, and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland. The study will investigate the focus on the four main human resource practices which are recruitment, training and development, performance management and career development and retention. The purpose of the study is to investigate if human resource are absent due to the size of the organisations. As 99.8% of employment with Ireland are employed by SMEs the research felt there was a significant gap in the regarding human resource practices (CSO, 2021).

In order to ensure the research is effective, the researcher will first examine the literature available on recruitment, training and development, performance management and career development and retention in SMEs whilst gathering the opinions and outlooks of the scholars. The study will be conducted utilizing semi-structured interviews as a qualitative research method. The participants selected for this research presented from six different organisations with two aligned to each size category of micro, small and medium.

Due to the nature of an investigation, semi-structured facilitated the researcher performing in-dept interviews in comparison to a quantitative research method would allow. The finding from the data collection will be present in themes generated through the participants opinions and experiences and categorized using thematic analysis.

The researcher will further discuss the finding whist making comparison to the past literature. On the completion of the study the researcher will address the limitations and provide future recommendations based on the finding of the study.

The study will detail the extent of the use human resource practices in SMEs in the service sector in Ireland. Further investigating the stigma attached to micro, small and medium organisations having little or no human resource practices in place.

Acknowledgements

I would firstly like my supervisor, Frances Keating, for her endless help, support, and guidance during the development of this dissertation. Frances's level of expertise and feedback allowed me to bring my research to a higher level which I am extremely grateful for.

I would like to demonstrate my gratitude to the six participants who willingly gave up their time to take part in my research project. Their openness of sharing their opinions, thoughts, and feelings towards human resource practices in their organisation allow me to create the research paper. Thank you all so much it would not be possible without you.

I could express my grateful to my mam and Mart, my dad who believed in me from the day I started brainstorming ideas for my research. Your support and patience throughout the process of the research is something I will never forget. Thank you from the bottom of my heart.

My two brothers and my boyfriend, your endless support and guidance throughout the process of this research project has been unbelievable. Thank you all for keeping me motivated and reminding me daily of my abilities and reminding me constantly of what I had achieved step by step.

Finally, thank you to my family and friend who have provided encouragement and support during the tough times of my research.

Table of Contents

CHAPTER ONE	8
INTRODUCTION	8
1.1 Introduction	8
1.2 Research question	9
1.2.1 Research objectives	9
1.3 Structure of the study.	9
1.4 Summary	10
CHAPTER TWO	11
LITERATURE REVIEW	11
2.1 Introduction	11
2.2 SME's in the Irish Economy.	11
2.3 Services industry in Ireland.	12
2.4 History of human resource practices in SMEs 'Small is beautiful or bleak house'.	12
2.5 Human resource management practices in SMEs.	13
2.6 Recruitment	14
2.7 Training and development	15
2.8 Performance management	15
2.9 Career development and retention.	17
2.10 Summary	18
CHAPTER THREE	19
METHODOLOGY	19
3.1 Introduction	19
3.2 Research Objectives.	19
3.3 Research Philosophy.	19
3.4 Research approach.	21
3.5 Research Methods	22
3.6 Data collection method	23
3.6.1 Secondary Data.	23
3.6.2 Primary data	24
3.6.3 Semi-structured interviews.	24

3.7 Sampling	24
3.7.1 Target population	25
3.7.2 Sample frame	25
3.7.3 Sampling method selection	25
3.7.4 Determine the sample size	26
3.8 Data Analysis Methods	26
3.9 Data instrument	27
3.10 Ethical considerations	27
3.11 Summary	28
CHAPTER FOUR	29
FINDINGS	29
4.1 Introduction	29
4.2 Themes and analysis	29
4.2.1 Theme one: E-recruitment	29
4.2.2 Theme two: Mixed training methods and requirements	31
4.2.3 Theme three: Performance appraisals and performance related pay	32
4.2.4 Theme four: Employee turnover and employee loyalty	33
4.3 Summary	34
CHAPTER FIVE	36
DISCUSSION	36
5.1 Introduction	36
5.2 E-recruitment	36
5.2.1 Objective one: Do SMEs in the services industry in Ireland solely use informal methods of recruitment? If not, what are the reasons behind using different methods	36
5.3 Mixed training methods and requirements	37
5.3.1 Objective two: In the absence of an appointed training personal does SME's in the service industry in Ireland lack appropriate training and development?	37
5.4 Performance appraisals and Performance related pay	39
5.4.1 Objective three: What processes is used for performance management in SMEs in Ireland	39
5.5. Employee turnover and employee loyalty	41
5.5.2 Objective Four: Does the absence of career development effect retention in SMEs in Ireland?	41
5.6 Limitations of the research	42
5.6.1 Covid-19	42
5.6.2 Available data and findings	43
5.7 Summary	43

CHAPTER SIX	44
CONCLUSION	44
6.1 Introduction	44
6.2 Recommendations	44
6.3 Future studies	45
6.4 Conclusion	45
CHAPTER SEVEN	47
CIPD REQUIREMENTS	47
7.1 Recommendations	47
7.2 Implications of the study	47
7.3 Personal learning statement	48
Bibliography	50
APPENDICES	55
Appendix A.....	55
Appendix B	57
Appendix C	58
Appendix D.....	61

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This research paper is an investigation into human resource practices in micro, small, and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland. The area of this study came to light following the development of “small is beautiful” which outlined harmonious working environment in comparison to “bleak house” which inducted management had no limits of control due to the lack of human resources. Although the developments date back to 1971 the perception around human resource practices within SME amongst scholars today is an ongoing debate. SMEs account for 99.8% of the Irish workforce however the use of human resource practice within them presented as a relatively untouched area. Employee capital is the most important intangible asset to any organisation of any size, this suggests a presents of employer-employee relations. Zarkaria, Nazilna and Nasurdin (2012) stated human resource practices enhance the overall efficiency of an organisation, the researcher identified due to the high employment rates there was somewhat of a connect between SMEs and human resource practices.

The research became interested in this field of study during helping a family friend implement human resource practices into an SMEs, were there was general knowledge regarding human resource practices although the owner need guidance on the implementation. This intrigued the researcher to investigate the research to see how surrounding SMEs in the sector use human resource practices in their organisation. It was evident the intention was amongst the owner/manager however wanted help to further implement the use human resource practice. The research noticed the hard work that was put into the previous development of human resource practices by the owner/manager notwithstanding the fact implementation was dependent upon the organisation.

The focus of the research will be based upon human resource practice in SMEs as the researcher feels although there may not be a full-time human resource functions it does not mean human resource practices are not present in the organisations. The researcher believes the practices may not be aligned with human resource practices in larger organisation however this does not

indication there is no effort from SMEs to implement or have active practices. As stated by Arthur (1995) human resource expertise are handled by selected staff in addition to their duties.

1.2 Research question

The outlined research question is This research paper is an investigation into human resource practices in micro, small, and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland. The researcher will investigate the degree of human resource practices presence in SMEs in Ireland.

1.2.1 Research objectives

1. Do SMEs in the services industry in Ireland solely use informal methods of recruitment?
2. In the absence of an appointed training personal does SME's in the service industry in Ireland lack appropriate training and development?
3. What process is used for performance management in SMEs in Ireland.
4. Does the absents of carer development effect retention in SMEs in Ireland?

The research agrees with the statement made by Mankelow (2008) outlined human resource practice in SMEs are correlated with financial position, resources, and knowledge. While this is a limitation for an SMEs the researcher does not feel this would prevent human resource practices. As the chapters develop the reader will gain more in-depth knowledge later in the research.

1.3 Structure of the study.

The research paper will be divided into six chapter alongside the requirement from the CIPD presenting as the seventh. Chapter by chapter the reader will gain a deeper understanding of human resource practices in SMEs in Ireland.

Chapter One: Introduction

This chapter will introduce the overall topic of the study and further outline the research aims and objectives. The study will present a short piece on why this topic was chosen for the study.

Chapter two: literature review

This chapter will provide a foundation for and an examination of key theories and literature. It will assess the literature and categorize it into four categories. The researcher will discuss the significance and relevance of the past literature and how it relates to their own research.

Chapter three: Research Methodology

This chapter will consider all aspects of research methods and outline the chosen methodology and the reasoning for choosing it. Furthermore, the researcher will demonstrate why the other research method were not adequate for this research project. Concluding the chapter with the selected data analysis method.

Chapter Four: Finding and analysis

This chapter will focus on the facts found during the interviews, after thematic analysis the data was categorized into creating themes created from the interviewee responses.

Chapter five: Discussion

This chapter further analyses the data collected making comparisons with the literature presented in chapter two. The research will link the primary data back to the research objectives. As difficult arise during the course of research limitations will be addressed.

Chapter six: conclusion and recommendations

This chapter will draw the research to a close and summarize the study. The researcher will recommend future studies to benefit the field of research.

Chapter seven: CIPD requirements

This chapter will provide details on the four requirements from the CIPD.

1.4 Summary

This chapter has provided useful information on the study's background as well as the researchers' goals and objectives. It also emphasized why the researcher believes this study is relevant and significant, while also acknowledging the inevitable research gap regarding human resource practices in SMEs in Ireland.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This research is an investigation into human resource practices in micro, small, and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland. SMEs hold high importance in the health and employment levels within an economy. Human resource practices within SMEs in Ireland have received little attention from scholars over the past number of years. The literature available are highly focused on individual practices alongside developing countries. For an organisation to gain competitive advantage through human capital, human resource practices are vital.

Wilkinson (1999) suggested most of the research around human resource practices in SMEs are often limited as it gravitates to one of the two ideal types. The occurrence of approaches such as best-fit (Porter 1985) and best practice (Pfeffer 1998) have been developed and used in organisations worldwide but are strongly correlated with larger organisations with little consideration for SME's (Wilkinson, Redman, & Dundon, 2017). In essence these approaches fail to capture the particularities of human resource practices in SME's.

The following literature review will provide a brief description on the role of SME's in the Irish economy and the service industry in Ireland. Alongside the above noted literature, the paper will further provide a background on the history of the development of human resource practices in SME's. The main body of the literature will be broken into the main practices of human resource management (i) overview of human resource management in SMEs (ii) recruitment (ii) training and development (iii) performance management (iv) career development and retention. Although there are human resource practices outside the above noted, these are deemed the most important in organisational success.

2.2 SME's in the Irish Economy.

The European Union offers a clear definition of micro, small and mid-size enterprises (SMEs), Micro, an organisation with 10 or less employees, a small organisation employ between 10-50 employees, and a medium organisation employ 250 or fewer employees (Commission, 2021). SME's play a significant role in contributing to a sustainable of the economy especially post economic crisis in late 2007 in Ireland (Lawless, McIndoe-Calder, & McCann, 2012). The Central Statics Office has stated there are an active 248,344 SMEs in the Republic of Ireland (ROI) (CSO, 2021).

SMEs are extremely important for the Irish labour market as it accounts for the 99.8% of total employment. The main sub-sectors for SMEs within Ireland are services, wholesaling, and job-shop manufacturing (CSO, 2021). In 2017, the services sector accounted for 51% of employment in SME's in Ireland and have continued to maintain a steady growth in the Irish economy, as of 2019 employment increased by 7.9% to the previous year. For this reason, The Dáil stated SME's in the Irish economy should not be understated outlining them as the lifeblood to many villages, towns, and cities across Ireland (Khana, 2021).

2.3 Services industry in Ireland.

One of the fastest growing sectors within Ireland is the service industry. A service can be described in a number of different ways; according to Kolter (1994) "any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything". However, according to Cook (1999) there is no single definition of a service as there is a wide variety and different attributes that accompany them. With respect to the above outlined definitions a service is only effective once it has been delivered to the consumer.

The service sector in Ireland ranges from one end of the scale to another including technology, business personal, retail, wholesale, financial, hotels and restaurants and transport and communication (Collins, 2021). With the service sector, social linking has become a significant contributing factor to services, a social link is the connection between the employee and consumer essentially the face of the business. The function of human resource practices play a role in the development of staff who are in direct contact with the consumers (Rémy & Kopel, 2002).

2.4 History of human resource practices in SMEs 'Small is beautiful or bleak house'.

The history of human resources practices in SMEs have caused an on-going debate over the last number of years especially in respect to the literature developed by the Bolton Committee Report (1971) "small is beautiful" (Psychogios, Szamosi, Prouska, & Brewster, 2016). The report was criticized on the inadequate research into the investigation of the employer-employee relations and employment reactions. The report was highly focused on the characteristics of the firms outlook rather than the employees (Wilkinson A. , 1999). Nevertheless, the emphasis placed on SMEs in terms of 'small is beautiful' romanticised the view of the working environment in smaller organisations (Bacon, Ackers, Storey, & Coates, 1996). The report outlined the close working relationship developed in SMEs facilitating flexible working, role variety and opportunities to develop alongside conveniences due to the close-working relationship (Cassell, Nadin, Gray, & Clegg, 2002).

In direct opposition to “small is beautiful”, Sisson (1993) outlined the poor working conditions present in small organisations with limitations of alternative employment in the labour market referring to it as “bleak house” (Wiesner & Innes, 2010). The study highly focused on SME’s resistance to recognise trade unions and the power of management to rule as they see fit. Furthermore, attention was drawn to SMEs having the authority to not conform to good practices or the processes and structures of human resource management (Matlay, 2002).

Curran and Stanworth (1981) made a direct comparison regarding employee progression in larger organisations to SMEs, stating employees in SMEs are stuck in the same positions since starting employment. However, it was argued amongst other literature in the field the author had an oversimplified outlook on the operations in SMEs in the report. The “bleak house” report was developed to demonstrate the strength of SMEs without trade union presence (Saridakis, Muñoz Torres, & Johnstone, 2013).

2.5 Human resource management practices in SMEs.

Human resource practices have a significant impact on the overall success of the organisation and the ability to gain competitive advantage. The recognition of human capital regardless of the size is the most important asset to an organisation (Ivana & Chiripuci, 2020). Aladwan, Bhanugopan, and D’Netto (2015) further recognised the importance of human capital to organisations describing human resource practices as internal policies and services to equip employees in the organisation with the tools to meet organisational objectives. Human resource practices within SMEs can vary from one organisation to another to suit the needs of the organisation. Although they can differ the overall aim is to influence the behaviours and attitudes of employees. Mankelaw (2008) suggested the implementation of human resources practices in SMEs is dependent upon the organisation’s financial position, resources, and knowledge. Thus, it is argued there is little consideration for SME’s regarding their situational business context and the resources available to the implementation of comprehensive HR systems (Arthur, Herdman, & Yang, 2021).

Human resource practices within SME’s are often left to the owner to design and implement the appropriate practices. Although, Bacon and Hoque (2005) stated in the case the SMEs require a need for skilled employees they are more likely to adopt human resource practices. Marlow and Patton (1993) argued that the key to survival of SME’s business is effective human resource practices. In agreement, Allen, Erickson, and Collins (2013) stated the result of implementing human resource practices increases employee efforts, loyalty, knowledge, and reduce staff turnover. The importance of SME performing human resource practices is to attract, develop and maintain a qualified workforce.

2.6 Recruitment

The ability of SMEs to effectively recruit employees is consistently ranked high by owners as it is one of the most important factors of organisational success (Williamson, 2000). Recruitment is performed in organisation in order to meet the human capital requirements and employ the right candidates. Recruitment is defined as *“the set of activities of an organisation to attract job candidates who have the capabilities and attitudes needed to assist organisation in accomplishing goals”* (Absar, 2012). Rajper, Ghumo and Mangi (2020) outlined the rising concern of the literature regarding recruitment solely focusing on formal approaches which are connected to larger organisations, with little concern to informal recruitment practices which are present in SME's. Recruitment in SMEs are highly associated with informal practices as it is deemed the most cost-effective way. It is important to note in the research available it does not demonstrate that cost saved by SMEs by using this method. Johnson (2002) suggested SMEs are reluctant to use formal recruitment as a pose to informal as they do not see a difference in the outcome.

Informal recruitment is highly associated with word of mouth and family and friend referrals, alongside headhunting employees (Behtoui, 2008). The research available regarding informal recruitment is strongly correlated with the Italian and German labour market where it was found to allow a better matching between employer and employees. Meliciani (2011) suggested this method of recruitment allows social ties to be used by employer in order to save costs formal searches. By an employee entering into employment via personal contact their competencies may not reflect organisational needs. Abraham, Kaliannan, Mohan and Thomas (2015) suggested that quality recruitment is not stressed upon in SMEs hence why informal recruitment is utilized.

In direct opposition, Tanova and Nadiri (2005) found that employees who are recruited through informal approaches receive high recognition in comparison to those who are recruited through other methods. Further to this, Carroll, Marchington, Earnshaw and Taylor (1999) suggested the use of informal recruitment method such as employee referral creates motivation as the employee enters on self-selected terms with a realistic understanding of the role. The re-occurring problem with the absence of formal recruitment in SMEs is the limitation to outsourcing talent (Marsden, 1994). In essence, by only using informal recruitment the SMEs leave themselves open to untouched talent pools alongside leaving openness for discrimination against race, gender, and disability (Jayawarna, Macpherson, & Wilson, 2007). Williamson (2000) argued informal practices are convenient for a small organisation start-up, however, the reality of SME growth is that the function becomes exhausted, and formal recruitment is introduced. Recruitment has changed significantly over the last decade with little coverage on changes on recruitment practices in SMEs.

2.7 Training and development

Training and development is especially important due to growing competition, globalization, and the speed of economic change effectively the key to survival and success for SMEs. Almeida and Aterido (2015) suggested were SMEs invest in training and development it will result in high organisational profitability, high levels of employee satisfaction and a knowledgeable workforce. Furthermore, Kotey and Folk (2007) outlined by SMEs financing training and development it facilitates the levels of expansion. Employee training and development entices significant contributions to the organisation however this is not possible without the compliance of management training. Reid and Harris (2002) survey of training and development found most successful SMEs provide more training and development than average.

According to Bryan (2006) training and development is much more likely to happen in larger organisation than it is SMEs. Due to the extensive amenities of larger organisation in comparison to SMEs allow training and development in more cases to have a personal or human resource practitioner to monitor. For this reason, SMEs are deemed to implement far less training due to cost, time constraints, understanding of the benefits and the shortage of knowledge regarding government funding (Storey & Westhead, 1997). Although Gray and Mabey (2005) stated the most rewarding plan of development within SMEs is personal independence as it is the employee career-choice joining the organisation. Storey and Westhead (1997) states in the conclusion on the topic of training and development in SMEs, there is a linear relationship between the size of the organisation and the amount of formal structured training provided.

The available literature on training and development gravitates towards the use of informal practices with no consideration to formal practices such as government requirement training and development of middle management. MacMahon and Murphy (1999) suggested SMEs use one on-the-job training with no consideration to employee development. In certain environments SMEs can become reluctant to train and develop employees as it can be viewed as increasing the risk of turnover to larger organisations due to lack of career progression. In contrast, Smith, Boocock, Loan-Clarke and Whittaker (2002) stated an informal approach can have higher success in the organisation due to learning skills in the context of the role, ability to problem solve, creation of a multitasked workforce and stronger working relationship.

2.8 Performance management

Performance management play a significant role in the overall success of an organisation as it allows the organisation to align employees with the strategies goals of the organisation. Performance management is defined as *“the process of identifying, evaluating and developing the*

work performance of employees in the organisation, so that the organisational goals and objectives are more effectively achieved" (Lansbury, 1988). There are various different opinions amongst scholars however the overall aim is to manage human capital in line with the organisational needs. Performance management is commonly known as an important tool to organisation efficiency (Schleicher, Baumann, Sullivan, & Yim, 2019). Consequently, much of the literature surrounding performance management in SMEs is based upon the limitations rather than the demonstrations. For the purpose of the study, it is important to note there is little consideration to the size of organisation available in performance management literature.

Due to SMEs not having extensive levels of employee performance management can become part of day-to-day conversation such as addressing of under-performance and recognition. Na-nan, Chaiprasit and Pukkeeree (2017) stated the inclusion of performance management during the working day is due to the limited resource SMEs have available to them. As a result, management can face trouble in SMEs as they find themselves juggling between short- and long-term priorities. Ates, Garengo, Cocca and Bititci (2013) identified the on-going and cyclical process of performance management was strongly connected to the operational environment with the purpose of meeting organisational goals.

Mendy and Kack-Play (2018) outlined the importance of recognising manager's ability to change employee performance due to the close working relationship in SME's. For this reason, Lawler's high involvement management correlates with performance management in SMEs yet there has been no connection in the literature. The high involvement management model involves the enhancement of employee skills and knowledge resulting in a positive impact on motivation and psychological processes such as goal setting (Wiesner, Mcdonald, & Banham, Australian small and medium sized enterprises (SMEs): A study of high performance management practices, 2007). Mendy (2021) stated the involvement of both informal and formal performance appraisals have an impact on performance due to the relatability of owners/middle management to employees positions.

Consequentially, the approach to underperformance in SME's is dependent upon the social context of the organisation. The social context of an organisation is the culture, the climate, policies, and practices of social interaction between the employee and the organisation (López - Pérez, Melero, & Javier Sese, 2017). Although Cardon and Steven (2004) outline even with the consideration of the social context due to the lack of formal procedures in the organisations the action is dependent upon the owner/manager ways of operation. For example, the use of performance appraisals, disciplinary process and dismissals of employees are strong correlated with

ownership values. However, Mendy (2021) suggest that under-performance in certain cases can be management responsibility due to have ineffective resources available, therefore effecting the employees ability to perform Rachmi (2013) suggest that more formal procedures are adopted with SME's growth however there is no outlined figure related to the level of growth before introduction (Otley, 2014).

2.9 Career development and retention.

The retention of talent has become a growing topic of research over the last number of years. There is a strong correlation between employee retention and career development (Yamamoto, 2011). On entry into employment, individuals generally consider the opportunities the employer can offer in the future. Berry (2017) stated the continuing stigma attached to SME's regarding the minimalist room for growth due to ownership. In direct opposition, Long, Ajagbe and Kowang (2014) argued while SME's may not be able to offer career progression as often as larger organisation due to the close working environment it facilitates employee loyalty.

Career progression is an extremely important factor to certain employees, conversely, factors outside career progression also entice employees to stay in an organisation for example pay, work-life balance, and flexibility (Houssein, Singh, & Arumugam, 2020). Morrell (2004) stated two main factors of employees leaving an organisation; firstly, perceived desirability of movement, for example, the levels of job satisfaction and secondly, the perceived eases of movement which refer to the opportunity or assessment available at the time. The current literature on career development within SME's fails to recognise the change as the SMEs experience growth.

Socialization is a key part of career development regardless of the size of the organisation. Although it is a key part of career development the process of socialization varies significantly from larger organisations to SMEs (Nalan & Unsal, 2006). Socialization can be defined as "*the activity of socially mixing with others*" due to the informal nature in SMEs the process of socialisation occurs more rapidly. Rolag and Cardon (2003) outlined in smaller organisation the employees are lightly to be incorporated into meetings, social events, and processes with the SME (Renton & Richard, 2019). For this reason, employees within SMEs receive extensive inclusion which results in high job satisfaction and productivity in comparison to larger organisations.

Al-Emadi, Schwabenland and Wei (2015) defined employee retention "*as a voluntary process by any organization to avail an environment which encourages and motivates people to remain with the entity for the maximum period of time*". Thus, there is a number of studies which focus on the retention of employees; however, a large number of the studies are directly correlated with the larger organisations. Due to the informalization of human resource practices scholars argued the

literature developed on employee retention have overlooked the outcome of informal procedures (Pittino, Visintin, Lenger, & Sternad, 2016).

Millar (2005) provide reasoning for SME's experiencing low retention stating the long-term orientation of the SMEs plans for retention can be weak due to the high focus on short-term goals (Millar, 2005).Nevertheless, regardless of the practices put into place by management in SME's organisational culture is a key attribute to employee retention (Adeyinka & Umar, 2021). Studies have shown whereby employees operate in a positive environment they are likely to remain in the organisation resulting in an overall competitive advantage (Iqbal, HongYun, Akhtar, & Kankam, 2019).

2.10 Summary

For such a high percentage of employment solely within Ireland, there is significantly low attention concerning human resource practices in SME's. Some authors assumed the human resource practices findings in larger organisations are universal; however, others deem this false as the mechanisms and governing factors are entirely different (Duberley & Walley, 1995). It is clear to see from the examination of the secondary data there is a difference in opinion among the scholars regarding approaches of human resource practices in SMEs. The use of human resource practices within SMEs have the capabilities to determine overall organisation success. Human capital is the most important asset to any organisation in today's market for this reason extremally important for SMEs to meet employee needs. The above literature allowed the researcher to identify the research objectives for the study regarding the gap in literature in recruitment, training and development, performance management, and career development and retention in the SMEs.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The purpose of this chapter is to provide detail on how the researcher will approach and answer the research question “*an investigation into human resource management practices in micro, small and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland*”. In order to do so, this section facilitates the way in which the data is collected to ensure the information is accurate and correct. Further to this, the chapter will elaborate on the research philosophy, research objectives, methodology approach, data collection and the chosen sample. Essentially, bringing the research to a conclusion on the appropriate data analysis methods and data instrument alongside the ethical considerations. It is important to note that research is not just about the decision of choosing different methods, but design of the research is as much art as science (Gupta & Awasthy, 2015).

3.2 Research Objectives.

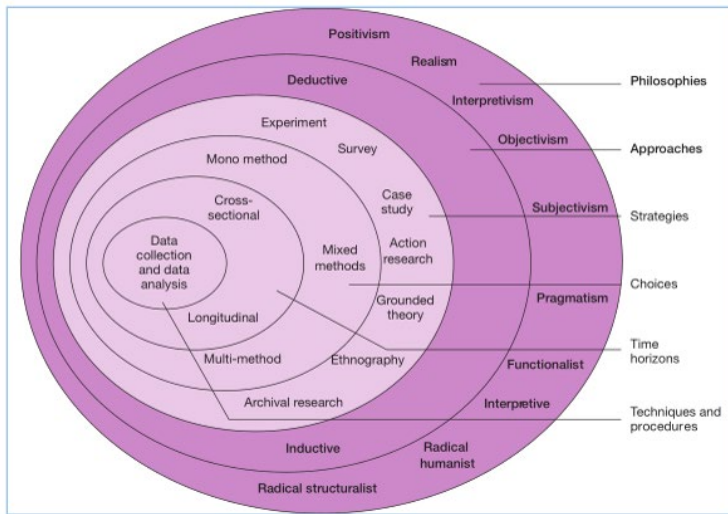
The outlined objectives were developed following the completion of the literature review in chapter two where the researcher identified a gap in the literature regarding human resource practices in SME’s.

1. Do SMEs in the services industry in Ireland solely use informal methods of recruitment?
2. In the absence of an appointed training personal does SME’s in the service industry in Ireland lack appropriate training and development?
3. What process is used for performance management in SMEs in Ireland.
4. Does the absence of carer development effect retention in SMEs in Ireland?

3.3 Research Philosophy.

Research philosophy outlines the system of beliefs and assumptions about the development of knowledge, in essence, the researcher will embark on their development in knowledge regarding the proposed research question (Saunders, Lewis, & Thornhill, 2019). A high number of research today follows the framework outlined by Saunders, Lewis, and Thornhill (2007) known as the “research onion”. This framework explains the importance of considering all steps in gathering the necessary information needed in the research study and the development of an effective methodology (Saunders, Lewis, & Thornhill, 2007). Each level of the philosophy and theory

developed was assigned under a layer of importance which influenced the research design (Saunders, Lewis, & Thornhill, 2019). The below illustrated image outlines the *research onion*:



Source: Saunders et al. (2019, p.102)

The framework developed by Sanders (2019) referred to Burrell and Morgan (2016) who outlined the development of stages regarding assumptions which can be based upon one or more. It is important to note that one assumption does not hold higher importance than the other. Unconsciously the assumptions shape the Authors understanding of the research (Saunders, Lewis, & Thornhill, 2019).

The three assumptions are noted below in detail which contributes to the overall credibility of the research philosophy and the underpinning of the methodological choice, research strategy, the data collection, and findings. It is important to note that there are assumptions outside the three noted ones using the HARP however this is not relevant to the design and philosophies used in the research study (Saunders, Lewis, & Thornhill, 2019).

Firstly, ontological, the assumption is based upon the actualities the author will confront whilst conducting the research (Piórkowska, 2016). In easy terms it can refer to the nature of reality with negative and positive outlooks on a certain topic. Combined to ontology there are two approaches; objectivism and subjectivism. Objectivism accounts for the natural science and social reality of the persons involved in the research. Within the assumption of ontology, objectivism is deemed to embrace the realism of the research with considerations to the natural world (Campbell & Yin, 2018). Subjectivism accounts for the social reality which is made from the opinions and consequents of people. This can also be known as conventionalism which effectively means the researcher will embrace nominalism (Saunders, Lewis, & Thornhill, 2019).

Secondly, axiology assumption applies to the extent in which the author values ethical considerations influencing the research process in a positive way. In direct opposition, it considers the way in which the Author will deal with the combination of their own beliefs and values and those of the participants included in the research. Under this paradigm of research, it is extremely important for the Author to recognise and reflect considerations while writing up the research (Saunders, Lewis, & Thornhill, 2019).

Finally, epistemological assumption is human knowledge which constitutes to the acceptance, validation, and legitimate knowledge (Finkel, Eastwick, & Reis, 2015). It applies to the way the researcher can communicate obtained knowledge to their audience. Within this assumption there are a number of different types of methods. The most common two epistemologies are positivism and interpretivism. Firstly, positivism relates to the social reality of research outlining unmistakable and accurate information. It further emphasizes the influence of social norms on human behaviours (Brand, 2009). On the other hand, interpretivism is the understanding of different social realities and the complexity of different perceptions from different groups of people (Saunders, Lewis, & Thornhill, 2019). Interpretivism allows the researcher to gather meaningful knowledge from the participants.

Following the authors considerations towards the outlined assumptions epistemology was selected for the purpose of this research. The reasoning for the Authors choice was due to the facilitation of gathering meaningful data in order to fulfil the research question. Furthermore, interpretivism is closely combined with qualitative research which places emphasis on interpretation and analysis of data collection with consideration to both primary and secondary data (Helin, Hernes, Hjorth, & Holt, 2014). The researcher felt the most appropriate method was interpretivism as a means of understanding the complexity of different groups as the research focus on three different organisation sizes.

3.4 Research approach.

As outlined in the above illustration of Saunders 'research onion' there are two primary approaches for the Author to consider; inductive and deductive (Soiferman, 2010).

Inductive is the moving of a particular area of research to general, while making empirical observations regarding an unresearched topic. This allows the Author to form concepts and theories based upon them. It was held by Aristotle the first philosopher of science that inductive was necessary in the development of theories (Cottier, 2021). The inductive approach is generally used as a systematic procedure for analysing qualitative research which is likely to guide the Author to specific evaluation objectives (Thomas, 2006). Whereby, deductive refers to the data evaluations

which aims to test the existing assumptions, theories or hypotheses identified or constructed by the researcher (Woiceshyn & Daellenbach, 2018). Within this approach, the author is searching for validation, for this reason it is mostly correlated with quantitative research (Locke, 2007).

Due to the nature of the research *an investigation into human resource management practices in small and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland* an inductive approach will be taken. The justification in the research approach chosen is due to the researcher building upon available theories rather than testing the theories available.

3.5 Research Methods.

During the selection of the research method, the researcher needed to analyse the most appropriate methodological approach to take in order to effectively meet the research objectives. There are two commonly used research method known as qualitative and quantitative. In more recent years the occurring use of mixed methods has sustained growing attention from scholars.

Adams, Khan, Raedise and White (2007) described qualitative research as the ability of the researcher to use the method of data collection and analysis aiming to explore the social relations and the reality of the experiences portrayed by the participants. The use of qualitative research is strongly correlated in the field of social sciences and business research due to the ability of the researcher to gain in-dept knowledge (Gupta & Awasthy, 2015). Qualitative research allows the author to gain justification for human organisations and behaviour as they can present themselves differently among different audiences (Greener S. , 2008).

Bryman and Bell (2011) described quantitative research as the collecting of numerical data and displaying a deductive understanding of the relationship between theory and study. This research is developed under a strict design and is highly comparable to previous research hence statistical analysis is used. The overall aim of quantitative research is to measure something precisely which is generally done through theory testing (Cooper & Schindler, 2012). The concepts of the Authors facts and feelings can be separated, and the universe exists as a single reality made up of facts which can be discovered by observation and other measurements, is common among quantitative researchers (Singh, 2007).

The above outlined research methods have become merged in the last two decades resulting in the formalization of the mixed-method approach. This research method is comprised of both qualitative and quantitative in the aim to answer research question. There is an openness to combining approaches from several 'paradigms' — research traditions with mutually contradictory beliefs. Mix-methods research is highly associated with problem solving and shows resilience of

author to determine what is most useful method in terms of the research question being addressed (Denscombe, 2014).

In the decision of choosing the method of research the researcher examined previous academics in the field of the study, finding there was an equal range of both qualitative and quantitative methods. The Author of this study has chosen a qualitative research method as it allows flexibility and facilitates the ability of the Author to gain knowledge of the behaviours, body language and first-hand thoughts of the participants (Greener S. , 2008). Furthermore, it allows the researcher to explore the issues and presence of practices which cannot be investigated by a number (Kelle, 2006). Furthermore, the researcher did not feel a mixed-method approach was appropriate due to the time constraints of the research. Qualitative research allows a deeper understanding and greater insight into the participants due to the nature of the research being investigative and for this reason the appropriate research method (Burns & Bush, 2010).

3.6 Data collection method.

There are a number of data collecting methods with qualitative research methods such as focus groups, interviews, and group interviews (Denscombe, 2014). For the purposes of data collection for this study a semi-structured interview was the most suitable to answer the research objectives. As outlined in chapter two, the literature available regarding human resource practices in SMEs contain conflicting outlooks. The aim of this research study is to build upon initial assumptions which can be achieved through semi-structured interviews. Furthermore, semi-structured interviews allow for a degree of flexible which in return will allow the author to pick up on information which may not be outlined in the questions (Saunders, Lewis, & Thornhill, 2019).

3.6.1 Secondary Data.

Secondary data regarding SMEs was available prior to the development of the research question. Secondary data is used to understand the problem and undiscovered areas of the topic. It is important to note secondary data is not only used for the discovery of problems but to give the researcher a clear understanding of the research findings (Kothari, 2004). Furthermore, it provides the researcher the opportunity to compare and contrast the data discovery. The gathering of secondary data included a number of sources such as library resources, books, and articles from academic resources. By doing so, it allowed the researcher to evaluate the gap in the literature regarding human resources practices in SMEs.

3.6.2 Primary data

Primary data entails gathering new information that aids the accomplishment of the study's main goal. In the collection of primary data, the researcher must ensure to have a clear formula on how to proceed with the primary research (Anderson, Fontinha, & Robson, 2020). Therefore, primary data allows the researcher to choose the participants for the required data to answer the research question effectively. The primary data in the case of this research will be collected through six owners, managers and human resource professionals who are responsible for human resource practices in SMEs in the service industry in Ireland.

3.6.3 Semi-structured interviews.

Semi-structured interviews offer the interviewee the opportunity to understand the reasons, attitudes, and opinions of the interviewee (Doz, 2011). In order to do so, the researcher must have a clear set of questions, although, must maintain flexibility in letting the participants state their ideas and understanding of the question (Denscombe, 2014). This type of data collection allows the questions presented by the researcher to be open-ended giving the participant the opportunity to elaborate on their most interested topic. As a result, semi-structured interviews facilitate the benefit of being fairly impartial while still allowing for a deeper grasp of the respondent's ideas and the reasonings (Carruthers, 1990). From a researcher standpoint, it allows probing in areas which can contribute significantly to the finding of the study (Saunders, Lewis, & Thornhill, 2019). In essence, semi-structured interviews allow the researcher to avail of new discoveries. This method of data collection assists exploratory and inductive research which is highly compatible with this study.

Saunders (2019) stated a number of considerations which the researcher should implement when conducting semi-structured interviews. For example, the researcher should act in an appropriate manner for the duration of the interview. This can be achieved by ensuring a neutral standpoint, paying full attention alongside interest, and using an inviting tone towards the participants. To avoid any bias within the interviews the researcher must ensure there are no open-ended questions as more in-dept probing questions can result in a data rich information (Saunders, Lewis, & Thornhill, 2019).

3.7 Sampling

Sampling is the key to improving the overall accuracy of the research. Sampling is used to help determine which participants are selected for the research (Saunders, Lewis, & Thornhill, 2019). Within qualitative research the sample process is critical as the research aims to describe or explain what is happening within the group of participants selected (Dawson, 2009).

Hair, Mooney, Samouel and Page (2007) stated the sample process is made up of four steps: target population, choosing appropriate sample frame, select the sampling method and determining the sampling size. The details of the steps are noted below:

3.7.1 Target population

Target population refer to the subset of the population that has been chosen for research (Ghauri, Grønhaug, & Strange, 2020). The target population in the case of this research is directors / managers/ human resource practitioners who demonstrate human resource practices in SMEs in the service industry in Ireland. The reasoning for the selected target population was due to the nature of investigating human resource practices performed by the participants in SME's in the service industry in Ireland. Due to the large scale of employment in SMEs in Ireland it would be impossible for the researcher to interview the full population. However, the researcher will interview six directors/ managers/ human resource professionals from six different organisations. The chosen target population includes two micro, two small and two medium organisations to ensure an accurate investigation.

3.7.2 Sample frame

A sampling frame is a list of real-life situations from which a sample will be taken. The population must be represented in the sample frame (Hair & Page, 2007). Within this study the sample frame is based upon the service sector in Ireland.

3.7.3 Sampling method selection .

There are two main sampling methods that are frequently used in research: probability and non-probability. Firstly, probability sampling is random selection from the population and is used in population research because it is based on probability (Denscombe, 2014). The assumption behind the application is that it is the best approach to achieve a representative sample to ensure that the researcher has no say in who or what gets included in the sample (Denscombe, 2014). Probability sampling works best with larger scale number which tend to be associated with quantitative research. For this reason, non-probability sampling will be applied in this research (Hair, Page, & Brunsveld, 2020).

Non-probability sampling involves the researcher making a selection of the sample population as it does not require large quantities of participants to answer the research question (Cooper & Schindler, 2012). Furthermore, non-probability sampling allows the researcher to gain in-dept knowledge from the small section of participants. This sample method is highly combined with exploratory samples which is an element of investigation (Saunders, Lewis, & Thornhill, 2019). As the selection of people for this research is specific, non-probability sampling is most appropriate. The six

participants in this research were selected on the basis they worked in the service industry in SMEs and had involvement in the performance of human resource practices.

3.7.4 Determine the sample size.

A sample size of six participants were selected from the required area of SMEs in the service sector in Ireland. The requirement was that the sample of six had to be responsible or involved in human resource practices in SMEs. The selection of six participants was sufficient due to the research requiring in-depth knowledge (Saunders, Lewis, & Thornhill, 2019). As the nature of the study is based upon interpretivist research the sample size of six accommodated the needs of the study as the participants are spread across the three different sizes within the term of SME's.

3.8 Data Analysis Methods.

In order for the researcher to ensure the data collected is valid, data analysis is required as a tool in filtering the data collected to ensure it meets the objective of the study. The major distinction between qualitative and quantitative data analysis is that qualitative analysis does not use statistics or mathematical methods (Jackson, 2014).

Due to the nature of qualitative and interpretivist the generation of themes will occur from the data collection process of semi-structured interviews. (Dawson, 2009). The interviews will be recorded for the purpose of transcribing them into Microsoft word documents. Following this, thematic analysis will be applied, the researcher will analyze the data after the interviews are complete. In the application of thematic analysis, it allows the author to break down the raw data in themes and code them according (Anderson, Fontinha, & Robson, 2020). This will generate coded chunks of data which will provide a clear outline of the themes and allow the author to make comparisons regarding different patterns generated across the participants (Strauss & Corbin, 1990). It allows the researcher to make more accurate judgement of the data collected (Dawson, 2009).

As noted above the Author will code the data to ensure the data is fully inspected and accurate. From coding the data, it accommodates breaking the data into smaller groups which can be more simply analyzed (Miles, Huberman, & Saldaña, 2014). Strauss and Corbin (1990) stated a three-step process to coding which was applied to the data in this research.

Firstly, open coding is the process of breaking down, studying, analyzing, understanding, and organizing data. This coding process produces concepts, which are then sorted and organized into categories (Strauss & Corbin, 1990). The author utilized open coding after each interview using Microsoft excel.

Secondly, axial coding refers to a series of techniques for reassembling material in new ways after open coding, involving the creation of linkages between categories. This is accomplished by connecting codes to contexts, outcomes, interaction patterns, and causes (Strauss & Corbin, 1990). The author gathered the data from the previous step putting them into one large excel spreadsheet and removing unnecessary data and dividing them up accordingly.

Thirdly, selective coding refers to picking the main category, systematically linking it to additional categories, validating those links, and filling in categories that require further refinement and development (Strauss & Corbin, 1990). This step enabled the Author to effectively compare and contrast the data sets and categories.

3.9 Data instrument

The method used for the data gathering is semi-structured interviews with thematic data analysis applied. The interviews took place on video conference calls due to the restrictions of Covid-19 in Ireland. Prior to the interviews taking place the participations received a consent form via email to ensure approval was permitted prior to the meeting. Each interview was recorded for the purposes of the research which was agreed upon with the participants before the interview took place. The participants remained anonymous for the protection of themselves and their organisations. An information sheet was provided to the participants with all information regarding their involvement in the research project.

3.10 Ethical considerations

During the research process the Author ensured that the participants were fully protected with full compliance with GDPR alongside the guarantee of no financial damage or disturbance to their reputation. The data collected was stored in a secured file with a password to ensure it was protected at all times and will continue to be until the requested time for data storage is up. The researcher preformed a risk analysis prior to their participation (Greener S. , 2008).The dealings with the participant were performed with professional integrity to ensure confidence was held throughout the interview process (Greener & Martelli, 2018). Furthermore, the researcher provided the participants with appointed dates and times to complete the interview as a token of respects and gratitude for giving up their time to take part in the research (Hair, Page, & Brunsveld, 2020). As noted above a consent form and information sheet was provided prior to the interview which the participants replied with confirmation (Greener & Martelli, 2018).

3.11 Summary

The methodology chapter outlines the justification for using the epistemological and inductive approach. Furthermore, providing detail on why the author felt qualitative research was a more suitable method for this research. Following the decision on taking a qualitative approach, the author detailed the data collection methods concluding that semi-structured interviews would contribute best to the research. To ensure most appropriate sampling was conducted throughout the study, the researcher demonstrated the sampling process to generate the data. Due to using semi-structured interviews, which creates high levels of data the researcher applied thematic analysis to ensure the data was accurate and information rich. The chapter concluded by outlining the overall ethical considerations used during the data collection process.

CHAPTER FOUR

FINDINGS

4.1 Introduction

The following chapter will detail the analysis of the research findings. It will present the emergent of themes from the primary research. As detailed in chapter three, the themes were generated through thematic analysis from the primary research conducted on five co-director and one human resource manager. Thematic analysis is critical for discovering and analysing data in depth, as well as emphasizing themes and patterns (Anderson, Fontinha, & Robson, 2020). The important findings presented by the studied participants in regard to the research topic and objectives are discussed in this chapter. The findings are based upon the participants understanding of human resource practices with their organisation in the service sector in Ireland. To draw this chapter to a conclusion the researcher will discuss in detail the themes which emerged and further discuss in chapter five.

It is important to note six of the participants were interview from three different size companies. Participant A and B presented as a micro sized organisation, participant A employ seven staff while participant B employ eight and currently waiting on one to join after their notice period. Following this, Participant C and D are a small organisation, participant C employs nineteen staff alongside participant D employing twenty-eight. Finally, participant E and F are a medium organisation, firstly participant E employs fifty and participant F employs two-hundred and forty-nine. It is essential to bring to the reader notice that participant E was they only one with a full time HR department. The other participants demonstrated human resource practices however did not have functioning human resource department.

4.2 Themes and analysis.

4.2.1 Theme one: E-recruitment

As stated in chapter two recruitment in SMEs is highly correlated with informal due to costs of recruitment. The findings from the research show there is a significant change regarding the method of recruitment used today in SMEs. The participants were asked by the researcher “what methods of recruitment do you use”. All respondents answered outlined they use a minimum of one online recruitment source. Participant A and B solely used one online recruitment source “We used Indeed” and “Indeed it was really simple”. Participant C when onto say they use two online sources “I use indeed and Facebook” and participant D suggested they uses one of or as they outlined

"websites". Both participants E and F outlined they use more than two online resources for recruitment. This generated the common theme of e-recruitment due to all of the participants using one or more online platforms as a source of recruitment.

The primary research shows the high success of using e-recruitment for micro, small and medium organisations in the service sector in Ireland. The account provided by all participants show that e-recruitment is not their only method recruitment. However, the five participants A, B, C, D, F when on to describe while it is not their first choice of recruitment, but they have got skilled employees to fill the roles advertised. In opposition, participant E solely uses e-recruitment as their source of on-boarding.

The researcher then went on to ask if the participants found this *"attracts the right candidates"*. Participants A, B, C and F agreed it attracted the right talent to their organisation. All four participants insinuated good employees had come from the basis of using e-recruitment as participants A outlined *"I could not say a bad thing about the guy we took on"* and participant B stating, *"he has a lot of experience in the industry."* Participant C and F response was showed passion for the employees recruited through the online resource outlining *"he is excellent"* and *"great assets to the team"*.

However, participant E and D stated whilst they have recruited some great employees using e-recruitment which are still present employees, they felt people on job websites do not fully understand what they are applying for and the requirements of the role. Participant E stated, *"I do use indeed but I feel some people just apply for everything"* in close correspondence participant D commented *"The reason I feel that way is because half of the time I do not even think half of the people know what they are apply for they just click away"*.

Following this participants, A and B went on to comment on the cost of e-recruitment for micro companies. Participant A outlined *"If we did not get someone good it would have been a lot of money wasted"* alongside participant B stating, *"It cost €10 a day which I thought was quite expensive"*. The comment from both participants inducted the cost was taken into account when using this method. Whereby, participants D and E both mentioned that cost was not a factor they were more concerned with *"commitment"* and *"adding long term value"*. This inducted as the organisations grow there is less concern about the cost and more about getting the right employees. Whereby, micro companies have to consider the cost of their recruitment.

4.2.2 Theme two: Mixed training methods and requirements.

In accordance with the findings mentoring has become a statement part of training with SME's in Ireland. When asked about *"how training was performed"* both participants A and B made comment towards senior employees teaching and sharing skills to train employees up, participant A stated, *"We do inductions and see who the right match is to train them in"* and participant B *"The employee goes with my husband the first week, the second week with my son"*. Both participants when onto comment on how they felt this was the best approach for their line of work.

Both participants C and D agreed that classroom training new employees did not give employees the real picture of the work to be completed, participant C outlining it as *"a waste of time"* and participant D *"need to know the ropes"*. Both mentioned that new employees are paired with the *"right person"*. Furthermore, both participants C and D outlined both of them use classroom training in the case the company feel they need to be upskilled in a certain areas. This gave clear evidence that they both only felt classroom training was necessary in the case of development.

Participants E and F both described three uses of training classroom, mentoring and e-learning. However, both used classroom training for development of different objectives. Participant E explained their organisation uses classroom training for *"employee who have been promoted to managers and coordinators"*. Whereby participant F uses it to educate staff *"a new feature is coming out, to train the staff and develop their knowledge around it"*. Both participants E and F expressed their delight in their succession of *"partnering employees"* and *"the mentor embedding themselves in their department"*. The findings indicate as the organisations grow the value of mentoring as a method of training remains the same.

The researcher went on to ask all participants about the *"level of compliance of training by the government"*. Due to the participants working in the maintain services sector in Ireland all six participants agreed they all had a minimum requirement of training due to government regulations. Participants A, C, D explained in their line of work they all needed employees to have a *"safe pass"* and *"manual handling"*. The researcher asked all three participants if their *"government required training was performed internally or externally"* which all three answered *"externally"*.

When asked participants B and F explained they have more than two requirements for employees to be able to perform their works. Participant B when onto explain there are four requirements *"safe pass, confined space training, manual handling, and gas mask training"*. While participant F explained *"manual handling, safe pass and GDPR"*. The training was performed using

different methods. Participant B uses an “*external method*” while Participant F uses “*internal*” the participant went onto outline they use “train the trainer”.

All participants agreed they did not use a source of government funding to pay for any of the above noted training. Participant A “did not know this was available” whereas all other participants expressed their anger towards the level of paperwork required.

4.2.3 Theme three: Performance appraisals and performance related pay.

The researcher identified performance appraisals and performance related pay as the key method of performance practices used in SMEs in the service sector in Ireland. The use of these methods in the organisations felt it enhanced performance and addressed under-performance. Performance related pay has had a number of literatures which focused on the advantages and disadvantage, however there was a common ground of succession established.

The question of the “use performance management practices” was put forwards to the participants. All six of the participants used it as a method of performance management. Three of the six participants indicated performance appraisals were based in an informal setting. Participant A described performance appraisals as “*just a chat to give indication of exactly how the employee is doing*” in close correspondence participant B described it as a “*sit down to see what’s working and what’s not working*”. Furthermore, participant D added “*I do not see the point in a formal setting because we are a tight knit company*”. Participant D also added “*The same goes for if you are not pulling your weight, you are told very informal but the same goes for when the guys are*”. This outlined the three employers have a relaxed approach to performance approach due to the close working relationship.

The same above noted question was put forward to participants C, which outlined there was a mix in the approach dependent on the status of the employees. Participant C response was “*This part is a bit different from department to department*”. The respondent went on to address the “*office staff had a meeting on a monthly basis to address performance*” whereby the operation staff “*was up to the team-leaders to do whatever way they see fit*”. Due to the absence of a human resource department it is indicated performance was addressed by senior employees or middle management.

Participant E and F both explained they had a formal approach to performance appraisals. Due to participant E having a human resource department there was a clear difference in measures taken. However, performance appraisals meetings were delegated to middle management with participant E stating “*I provide a lot of coaching to managers around performance and recognition*”.

Although participant E went onto explain in more serve cases it was delt with my human resources. Participant F had a very similar approach "*Performance appraisals or reviews are held individually by line managers*". Further outlining the HR function would know what's going on regarding the employees, they ensure the policies are being correctly followed. Although both employees presented from a medium size company one with a formal HR department and one with a HR function the participant used the same practices towards performance appraisals.

The findings inducted the growth of the organisation determines whether performance appraisal is held in an informal or formal setting. Furthermore, the finding show performance appraisal are most commonly held by middle management in the organisations.

Performance related pay was addressed much more highly among participants A, B, C, D as it was considered a motivator for employee to continue performing to the best of their ability. While the participants did not outline performance related pay this way inducted by participant A stating, "*we give an €80 incentive for hard work*", participant B "*hard we put in a bonus and would bring the for a bit to eat*", participant C "*We done an incentive for €300*" and participant D "*we give reasonable bonus*". All participants when onto explain they use this as a source of recognition for employees hard work within the organisation. Participant E had a slightly different outlook stating they "*review their benefit package*" when an employee is working towards the strategic plan of the organisation."

While the participants did not use the term performance related pay, rewarding staff with money for doing a task effectively corresponds with it. It is clear to see among the participants performance related pay is used for the purpose of motivation and recognition.

3.2.4 Theme four: Employee turnover and employee loyalty.

The lack of career development SME's are highly correlated with low employee retention. The researcher ask the participants "*is the length of service long or short term*" to determine if employee in fact moved to organisation were progression was common. The overall turnover amongst staff in SMEs is low as outlined by participants A, B, D, F turnover was not something they worried about in their organisation further indicating retention was something they pride themselves on. Participant A outlined "*they have yet to have a resignation letter*" but did outline the organisation is only in business five years. Alongside this, participant B outlined they only had one leaver due to "*relocation*". Both D and F had very similar answer outline most of their employees have remained in the organisation since they started out. The findings inducted SME's in the service sector in Ireland do not have low retention rates due to a lack of carer development.

Participants C when onto explain they have experienced high turnover rates stating *“the job is much more physical and is very hands on”* giving induction it was due to a labour instant workloads. Following this, participant E stated their organisations was high due to the re-structure prior to the interviewee joining the organisation but has dropped enormously since the participant joined. The participant went onto say *“the creation of middle management has helped retention significantly and loyalty”*.

The researcher asked all six participants to further elaborate *“why they felt it was either short-term or long-term”*. This generated the common theme among the participants of employee loyalty. While participants A and B did not brand it as employee loyalty both inducted the retention was due to *“fairness and trust”* and *“very generous employers we recognise respect goes a long way”*. Furthermore, participant C outlined the employees which stay loyal to the organisation during the years of physical generally get promoted. This provide evidence the organisation use employee loyalty as a source of carer development.

Participants D, E and F stated that they created loyalty within their working-relationship from the early stages with their employees. All three-participant outlined they felt that was the reasoning for their retention rates was loyalty. Participant D stated *“I create the loyalty and trust at the early stages”* in close correspondence participant E *“in my personal opinion I think we created loyalty in the organisation so they will let you know if there is more, we can do I try my utmost best”*. Participant F gushed over the employees stating, *“inclusion and opinions really matter to our company, and I think that’s why my employees have been so loyal over the years”*. The creation of employee loyalty at the early stages of a relationship can heighten the chances of employee staying till retirement.

The findings show due to the close working relationship trust, respect and accommodation from the employer has facilitated retention due to employee loyalty. Although participant C had a high turnover level the employer rewarded employees through career development as a result created employee loyalty.

4.3 Summary

All participant taking part in the interviews were from the maintain service sector of SMEs in Ireland. The variety of participant allowed for the research to gain a deep understanding of the ways human resource practice were implemented into the organisations. The findings outlined while there are not a human resource department in all of the organisation, practices are very much present. The studies finding demonstrated five themes; e-recruitment, mixed training methods and requirement, performance appraisals and performance related pay, employee turnover and

employee loyalty. The findings for the data will be cross-examined with the objective of the research and will be further discussed in chapter five.

CHAPTER FIVE

DISCUSSION

5.1 Introduction

This research is based upon an investigation into human resource management practices in micro, small, and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland. The chapter aims to further investigate the data collected from the semi-structured interviews conducted. The data collected from the interviews will be cross-examined with the current literature which was previously discussed in chapter two. By doing so, it will allow the researcher to make a comparison regarding the available literature and the researcher findings. Furthermore, the purpose of the discussion chapter will allow the researcher to relate back to the research objectives and the literature review.

The above outlines themes of chapter four outlines human resource practices in micro, small, and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland. This chapter will further examine the contribution of the study by providing limitations of the research after the five themes are studied. The researcher views of epistemology and interpretivism were applied in the presentation of this chapter.

5.2 E-recruitment

5.2.1 Objective one: Do SMEs in the services industry in Ireland solely use informal methods of recruitment? If not, what are the reasons behind using different methods.

The literature in chapter two outlined a strong connection between SMEs and informal recruitment practices. Johnson (2002) suggested the reason for this was due to cost and SMEs resistance to use formal ways of recruitment for the same outcome. All six participants stated more than one method of recruitment was used for on-boarding in their organisation. It can be said informal recruitment is still very much present in SMEs in the service industry in Ireland, however, e-recruitment is also widely used. The findings from the research show there is high levels of change in how SMEs recruit for roles.

As addressed in the literature review, Meliciani (2011) outlined informal recruitment was to save the cost of search, however only two out of six participants were concerned with the cost of formal recruitment. Participant A commented *“If we did not get someone good it would have been a lot of money wasted”* and participant B commented *“It cost €10 a day which I thought was quite expensive”*. While cost was associated with using formal ways of recruitment it did not prevent the participants from using this method. The study found as the organisation grew to small and medium

cost was of no concern. The literature regarding recruitment in SMEs is highly based around saving costs, whereby, the reality of it is the organisations want talent to join their organisation.

Carroll, Marchington, Earnshaw and Taylor (1999) stated employees enter on self-select terms with a realist understanding of the role when recruited informally. The findings of the study found while e-recruitment is present, five of the six participants said it is not their first choice. All five of the participants agreed due to new recruits knowing an employee in the organisation they had a better understanding of what the role entailed before joining. It could be said SMEs use both methods of recruitment to ensure their workforce is not left short skilled and have the ability to widen their target candidates. From the findings of the study the researcher agrees with the Carroll, Marchington, Earnshaw and Taylor (1999) as certain participants mentioned the advantages of informal recruitment during the interview process, participant D outlined “I feel that people recruited through word of mouth or recommendation have more knowledge of the requirements of the role from information passed on by family or friends”.

As raised in chapter two Marsden (1994) outlined the re-occurring problem with the absence of formal recruitment in SMEs is the limitation to outsourcing talent needed. During the interview the participants all mentioned a need for skilled employees within their organisation, the use of e-recruitment allows for a wider talent pool as informal recruitment is limited to the contacts of employees. Participants A, B, C and D stated by using e-recruitment it has attracted the right talent to their organisation.

It is evident from the answers from the participants e-recruitment is valued in different ways among the SMEs as two of the six participants felt in certain cases that people just “clicked away”. The use of e-recruitment has benefited SME’s in their search for finding reliable employees to fit their organisation. This provides clear evidence that online resources have opened up doors for SME’s to speed up recruitment. Greenidge, Alleyne, Parris, and Grant (2012) stated job posting is a critical tool for all size firms.

5.3 Mixed training methods and requirements

5.3.1 Objective two: In the absence of an appointed training personal does SME’s in the service industry in Ireland lack appropriate training and development?

Reid and Harris (2002) highlights that SMEs which provide more training than average have a higher success rate. Training and development has become a highly topical focus in literature over the last number of years but has been high directed towards larger organisations. The findings from the study outline training and developments are present in SME’s in Ireland however they vary due to different requirements of the organisation.

According to MacMahon and Murphy (1999) SMEs provide on the job training with little consideration to development. Consequently, it was found in the study three of the six participants utilized formal training for the development and upskilling of employees. This gave clear evidence that the participants only felt classroom training was necessary in the case of development. During the interview stage all six participant expressed their concerns of meeting training needs of employees. In regard to development both participant A and B, co-directors in a micro company both externally enrolled employees in development courses, participant A explained an employee is doing a “site-managing course” and participant B outlined “anything we feel will benefit them”. Training and development has become an integral part of SME’s gaining a competitive advantage, according to Fernald, Solomon, and Bradley (1999) employees need training and development in a number of areas to compete better in today's market. Five of the six participants interviewed stated their organisation is in business for fifteen years or more.

As previously outlined in chapter two by Smith (2002) SMEs take a more informal approach to the effective need of on-the-job training which allows for positive working relationships to be built. On the job training and mentoring are within close correspondence, all six participants made comment on partnering new employees to senior employees as a source of training. The researcher agrees with Thassanabanjong, Miller and Marchant (2009) who stated that informal training such as on the job training is most effective with the supervision of a mentor, all interviewees praised mentoring as the most effective way of training. Both participants D and F made comment on the creation of high retention due to the close working relationship from the mentoring systems. Love, Bowler, and Bowler (2020) stated mentoring creates positive work-related outcomes such as commitment, greater physiological attachment, and favourable attitudes. The findings from the study show mentoring is used as a source of on-the-job training for SME’s in the service industry in Ireland as it is deemed to have the best outcomes for the organisation.

Storey and Westhead (1997) put forwards a conclusion in his paper outlining it is depending on the size of the organisation and formal structured training. This study found formal training was present in all participants interviewed, however there was a difference in how micro, small, and medium organisations resourced it. Participants A and B stated, “send them to a training course” and “we get someone from outside”, respondents presented as a micro-organisation. However, Antonioli and Torre (2016) outlined both internal and external training and development contributes to the knowledge creation although there are differences in the knowledge gain. Internal provides articulation and interaction of prior tacit knowledge and external provides internalizing explicit knowledge. Hence, the study found the high possibility of small organisation

using internal development to develop the employees in line with company values and external for to gain the best possible knowledge of required training such as health and safety.

Lai, Saridakis, Blackburn and Johnstone (2016) stated that medium organisation are more similar to larger firms regarding the formal structure in comparison to micro and small organisations. The study found while the participants from the medium organisation used formal methods such as “training programmes” and “train the trainer” informal practices are still very much present and used in their organisations today, the participants outlined “employees learn from experiencing real life situations” and “coaching and mentoring will always be number one”. Dorthey and Norton (2013) argued as SMEs grow, they have a greater demand for a formal human resource department and a greater demand for particular human resource practices such as training and development. The finding of the study is surprising to the researcher as participant F has “250 employees” and participant E “50” whereby participant E has a formal human resource department.

Storey and Westhead (1997) in chapter two outlined the absence of knowledge of government funding for training and development as a limitation for SMEs. Five of the six participant were aware of government funding and had previously looked into availing of it. However, all five participants were not impressed by the level of paperwork required for the grant, participant A from a micro-organisation commented “I’d rather just pay myself”.

The study findings outline there is no lack of training and development practices with the SME’s. If anything, the researcher was taken back by the significant focus aimed at the employees training and development. The evidence suggests as the company grows more and more focus is aimed towards training and development. However, all six of the participants had training and development measures in place which was dependent on the source of internal or external due to size. The lack of an appointed training personal of human resource practitioner did not affect the employees training and development needs.

5.4 Performance appraisals and Performance related pay

5.4.1 Objective three: What processes is used for performance management in SMEs in Ireland.

As outlined in Chapter two performance management allows an organisation to align their goals with employee performance. Schleicher, Baumann, Sullivan, and Yim (2009) described performance management as the key factor of efficiency. However, Haines and St-Onge (2012) argued performance management in organisation can fall short due to the absent of the social context. The findings of the study provided evidence that performance appraisals were used as a source of performance management however there was no clear evidence of ongoing processes of

identifying, measuring and development employee to meet the strategic goals of the SMEs interviewed. Thus, Mashavira (2020) stated performance appraisals has become an important link in the process of performance management.

As mentioned in chapter two by Mendy and Kack-play (2018) management in SMEs have the ability to change employees performance due to close-working relationship. Three of the six participants described their performance appraisal as informal further describing it as a “chat”. The findings from the study suggested that it is possible for management to change performance due to the close working relationship as participant B stated, “*what’s working and what’s not*” and participant D “*I do not see the point in a formal setting*”. In chapter two Wiesner, McDonald and Banham (2007) stated the high involvement management correlates with performance management in SME which the research deems true as the participants stated it is a “two-way system”.

Mashavira (2020) stated performance appraisal as a systematic assessment of employees are performed by supervisors or line-managers familiar with their performance, this method applied to the other three participants as during the interview stage they outlined the responsibility was of these practices were the responsibility of the supervisors or line managers.

As raised in the literature review, Rachmi (2013) suggested more formal procedure are adopted due to growth within SMEs. The findings of the study outline SMEs take a more formal approach when becoming a medium organisation. However, participant C and D are both small organisations although participant C performs appraisals formally. For this reason, the researcher agrees with Cardon and Stevens (2004) which stated the formal or informal use of performance appraisals is dependent upon ownership values. It is important for the researcher to note much of the available literature regarding performance management and appraisals in SME’s are based upon undeveloped countries as outlined by López - Pérez, Melero and Javier Sese (2017) the social context influence practices which are extremally different in Ireland compared to under-developed countries.

The Study found performance related pay was used a source of recognition amongst SMEs. During the development of chapter two the literature review there was no connection between performance related pay. Sabir (2016) suggested all employee are different and not motivated by the same things. During the interview the participants outlined the used “incentives” or “performance related pay” to demonstrate recognition. Although, Montani, Boudrias, and Pigeon outlined that recognition generally does not include pay rewards more non-monetary such as appreciation and intertest. This indicated while the SME’s used this as a recognition method, it was a source of employee motivation. However, Kohn (1993) stated the use of incentive can be damaging

for the organisation due to temporary compliance and no commitment creation. The research believes this works in the case of SMEs due to the close-working relationship and lack of performance and reward management procedures in place. Furthermore, during the interview stage all participants stated the high levels of commitment and retention. It is important to note, two of the participants from medium organisation outlined in the case of employees high performance they review their benefits package. For this reason, the study found more sophisticated performance management was implement with the growth of the organisations.

The finding from the study outline that SMEs in the service sector in Ireland use appraisals as a source of performance management and performance related pay as a source of recognition. However, the researcher identified SME's use the method of performance appraisal which evaluates the employees performance in the past, while performance management looks after the present and the future. Performance appraisals can be limited in some cases as it is not part of a robust performance management system. For this reason, the researcher agrees with Ates, Garengo, Cocca and Bititci (2013) which stated that management in SME's can be construed between long and short-term priorities regarding performance management.

5.5. Employee turnover and employee loyalty.

5.5.2 Objective Four: Does the absence of career development effect retention in SMEs in Ireland?

As outlined in chapter two there is a strong correlation between career development and retention as on entering into employment generally employees want to know they can progress. Berry (2017) outlined the concern of stigma attached to SMEs not facilitating growth. The evidence from the study shows while four of the six participants had present middle management, only one participant experiencing high levels of turnover. The finding presented the theme of employee turnover and loyalty.

As outlined in chapter two Long, Ajagbe and Kowang (2014) argued against scholars stating in the case SME's that do not offer career progression employees stay due to the close working relationship. During the interview, five of the six participant mentioned it was due to loyalty, respect, and the close-working relationship. Kot-Radojewska and Timenko (2018) defined employee loyalty as the act of an employee to consciously act in the employers best interest. The participants went onto further escalate the details of their actions which created the loyalty and attachment to the organisation as an "open door policy". Al-edenat (2019) stated management attributes play a critical role in the generation of employee attributes towards the organisation. The finding of the study supports Long, Ajagbe and Kowang (2014) argument against the other literature as due to the

close working relationship employee loyalty is created which in turn leads to high retention levels in SMEs.

As mentioned in chapter two by Morrell (2004) employees move due to the eases of employment referring to advancements. During the interview progress it was common among the four participants from small and medium organisation that career development was currently active in their organisation. Furthermore, career progression was used as an attribute of employee loyalty in the case of one participant. The research found much of the literature focused on limitations of career development in SMEs but failed to recognise the high levels of job satisfaction and employee retention due to the harmonious working-relationship. In this case the researcher disagrees with Millar (2005) which stated the long-term plans of SME's can be weak due to short-term goals. The reasoning for the researcher disagreeing is due to the high retention levels experienced in SME's because the inclusion culture created among the employer and employees.

The findings of the study show career progression is present in SMEs as they grow from a micro to a small and medium organisation however the researcher does not feel that career development has a significant effect on employee retention. The researcher agrees with Rolag and Cardon (2003) who stated socialization occurs much quicker in SME, from this employee loyalty is created resulting in high levels of retention.

5.6 Limitations of the research

5.6.1 Covid-19

The researcher felt due to the on-going effects of the pandemic on micro, small and medium organisations in Ireland it limited the willing of directors, managers, and human resource practitioners to get involved in the research as the pressure and safety measure inflicted. When the researcher originally extended the invitation to SME's in the service sector in Ireland eight participants agreed, however, two of the eight dropped out due to work demands starting to pick up.

The first time the researcher organised face-to- face interviews, however, due to the unpredictable circumstances alongside the health and safety of participants the interview had to be moved to video confidence call on Microsoft Team. Due to the internet connection, there was complications with two of the participants which caused losing valuable time as the participants had only allocated 30-40 minutes. Roughly 5 minutes was lost, the researcher felt the time lost could have been used to add more value to the data collected. Amongst the other participants in certain cases the research had to ask them to repeat what they had said due to poor connect.

Due to much of the communication with the participants taking place through email and LinkedIn the researcher felt the responses were more delayed in comparison to face-to-face meetings. Which in turn, caused a delay in getting the interviews set up, consent forms sign and links to access the meetings. The researcher felt this further added pressure to the already existing time constraints of the research.

5.6.2 Available data and findings

The researcher understood human resource practices on SMEs was a relevantly underdeveloped area in with human resource literature. However, there are high level of literature based up developing countries. For this reason, the author found it limited the levels of accurate comparison due to the difference in the social context of SMEs within Ireland and for example Thailand. The researcher felt it was especially difficult in the areas of training and development and performance management as the value of these practices differ significantly due to the working culture and value of employment are demonstrated among different management types.

Due to the researcher having moderately low experience in hosting interviews the first two interviews of the six interviews were slightly shorter due to the nervous. It can be said that the data collected in the first two interviews presented slightly less of a contribution towards the research aim due to the researcher lack of confidence. The last four provided much more detailed information as the researcher asked participants to elaborate on certain areas and probing questions.

5.7 Summary

Human resource practices in SME's have changed since the development of the earlier mentioned literature. During the comparison of the literature review and the finding and analysis the researcher discovered a number of new findings regarding human resource practices in SME's. Firstly, the study found the use of formal practices within SMEs, consideration of the cost involved was noted however it did not prevent the use of formal methods. Secondly, the use of training and development in SMEs holds high importance and is demonstrated through both formal and informal practices. Thirdly, while a formal performance management system was not in place in SMEs, the use of performance appraisal was used to align employees with organizational goals. Finally, the effects of career development on retention were found to have little impact due to employee loyalty. The discussion chapter allows the researcher to identify the difference between the literature and findings. From doing so, it was clear to see changes have occurred in certain aspects of human resource practices in SMEs.

CHAPTER SIX

CONCLUSION

6.1 Introduction

This chapter will provide recommendations towards bettering human resource practices in SME's which was drawn upon by the researcher from the findings of the study. Following this, an illustration of ideas for future study will be outlined. To draw the paper to a close the researcher will conclude the dissertation with the aim of giving a detailed insight into human resource practices in SME's.

6.2 Recommendations

The goal of the research was to investigate the use of human resource practices in micro, small and medium enterprises, directing the main focus towards recruitment, training and development, performance management and career development and retention. The findings from the study led the researcher to make the following recommendations to ensure more effect human resource practices are integrated into in micro, small and medium enterprises in Ireland.

1. SME's should consider a prearranged strategy plan for recruitment as all of the organisations required skilled employees. By doing so it will save cost on formal recruitment as it facilitates recruitment only when necessary.
2. As mentoring is used among all SMEs, they should invest time and money into sending managers or senior employees on management training courses to upskill on leadership and management qualities.
3. Performance management was not effectively used in SMEs, for this reason SMEs should appoint an appropriate member of staff to prioritise this practice as it can highly effect the SME meeting organisational goals rather than only using a form of evaluation e.g. performance appraisal.
4. As career development is not always an option, SMEs should implement an employee development plan, for example, employees are giving more independence in the organisation. This allow the employee to feel like they are gaining within the organisation which results in retention.

6.3 Future studies

Human resource practices in SME's is a relatively under researched area in literature. As previously stated much of the literature is attached to under-developed countries. For such high levels of employment in Ireland future research would highly benefit human resource practices in SME's.

- Human capital is such an important factor in organisational success. It would be interesting to see the connection of on-boarding between how SMEs sell their employer brand in comparison to larger organisation.
- Another viable area of study is the different benefits of SME's training and developing employees internally and externally in Ireland due to the difference in knowledge gained.
- As found in the study, performance appraisals were used as a source of performance management. An interesting study would be the different outcomes of performance appraisals which are conducted by a human resource practitioner or line manager with regards to the social context of the organisation.
- The study found that retention in SMEs was not dependent on career development rather employee loyalty. A future study on the fast development of socialization within SMEs which results in the creation of close working relationship and thus higher retention levels in SMEs.

6.4 Conclusion

The researcher selected this topic due to helping a small business implement effective human resource practices. At the beginning of the research, the researcher acknowledged that it is extremely common for SMEs not to have formal human resource management. However, the literature was extremely limited on the overall implementation of human resource practices in SMEs and rather focused on the limitations. Following the research taking place it provided evidence that human resource practices are present in SME's although they are not always human resource departments. As stated by Mankelow (2008) the implementation of human resources practices in SME's is dependent upon the organisations financial position, resources, and knowledge. The implementation of formal practice was certainly connected to organisational growth however the research indicated that in smaller organisations, human resource practices were still present just conducted more informally.

Throughout the study researcher broke down the four main human resource practices. These are: recruitment, training and development, performance management and career development and retention, this was done so for the researcher to gain as much knowledge as possible. Recruitment can be difficult for SMEs to attract talent due to the limited resources

available, the study found the use of e-recruitment has significantly helped maintain employment levels. The most associated resistant to formal recruitment practices was cost, whilst the study found it was considered the most important factor was recruitment of talent for their organisation. In light of training and development consistently being connected to larger organisations the participants interviews showed tremendous benefits towards giving employees the opportunity to upskill and continue to grow regardless of the size of their organisation. Following the findings of the study the researcher feels the label of “unknowledgeable” regarding training and development in SMEs is outdated due to the requirement of skilled employees today in organisations regardless of size. The area of performance management did lack sufficient attention amongst the participants although a method of performance evaluation was used. As a result, the organisations can stun their levels of growth, although they can still strive an approach performance management system would benefit their organisations greatly. Turnover in SMEs is generally connected to the lack of career development; however, the study found the levels of turnover was significantly low due to positive working relationship. Thus, although practices may be more informal, it does not mean human resource practices are totally absent.

The researcher achieved meeting the research objectives although certain topics were touched on slightly more than others such as recruitment and training and development in comparison to performance. As the researcher met the objectives they came to the conclusion: Human resource practices are very much present in Irish SME’s although growth is a contributing factor on how highly they are enforced. Alongside this, there not may not be a formal human resource department however directors, manager and in some cases human resource personals enforce these as stated “there is no organisation without employees”.

CHAPTER SEVEN

CIPD REQUIREMENTS

7.1 Recommendations

The findings from the study have led to the recommendations presented below to strengthen human resource practices in SMEs in Ireland. By doing so, it will create a higher levels of organisational success.

1. SME's should consider a prearranged strategy plan for recruitment as all the organisation required a need for skilled employees. By doing so it will save cost on formal recruitment as it facilitates recruitment only when necessary.
2. As mentoring is used among all SMEs, they should invest time and money into sending manager or senior employee on management training courses to upskill on leadership and management qualities.
3. Performance management was not effectively used in SMEs for this reason SMEs should appoint an appropriate personal to priorities this practice as it can highly effect the SME meeting organisational goals rather than using only using a form of evaluation.
4. As career development is not always an option, SMEs should implement an employee development plans by selecting a dedicated personal for mentoring and guidance, for example, employees are giving more independence in the organisation. This allow the employee to feel self-development which results in retention.

7.2 Implications of the study

The researcher will now discuss how the study's findings might be useful in the future for micro, small and medium (SMEs) regarding them further development of human resource practice.

Cost is a big factor regarding human resource practices in SME's to externally out human resource in Ireland it averages between €1200-€2200 per year. To educate the person in the organisation already looking after human resource practices, in this case, directors and operational managers would be much more sufficient. The cost to do so would remain the same as outsourcing external human resource management although it would no longer be a yearly expense. By doing so, it will also facilitate human resource practices to align with the business goals and values making the

personal currently looking after them more aware of all aspects of human resources not just the necessary ones such as talent management and employer branding.

The organisation may view it as an extra cost over the course of education however it will become much more beneficial for the organisation in the long run. The researcher would advise that owner make comparison in the cost they are spending outside the main practices mention in the study such as employment laws, contacts etc.. Alongside the costs for example, giving out incentives if the organisations invested in a human resource management course, they would gain full knowledge regarding reward management which would benefit employees in the long-term. The researcher suggest SMEs should look at investing their finances in the company internally instead of externally. Dependent upon what course is choose human resource management course can take anything between 6 months to 3 years.

The study found out of the four practices studies performance management receive little to no attention other than employee evaluations such as performance appraisal. It would be wise of the organisation to allocate time to the person currently looking after the human resource practice to set time throughout the working week to implement performance management systems. By doing so the SMEs could have a function performance management system within six months. As the person in charge will be providing additional hours in the development it would cost the additional hour, in return the organisation will have a much more effective system in place.

7.3 Personal learning statement

The decision of researching this topic was due to helping a family friend implement effective human resource practices into their organisation as they began to grow. It triggered my interest to investigate how did organisational size effected human resource practices. Throughout the duration of the study, I have gained a unique experience and built relationships with the participant which will greatly benefit me in the future. The participant were so forthcoming which allowed me to gain a deep understanding of how human resource practice were used within their organisation.

From selecting this as my researcher topic it has shown me the level of care towards employees in SMEs which changed my total perception of companies I would like to work for in my future career. I found making comparisons from the primary to secondary data was exhilarating and prompt me to continue to research different areas to help owner's and directors of SMEs in the future. In saying that the beginning of the journey was very overwhelming for me as I have bad dyslexia, I did not feel I was capable of completing a large research project, once I put my mind to it and started my interviews it gave me a much better perception of my capabilities.

I feel the research has greatly benefited my ability to read and understand literature after developing the research piece. Although it was a great experience there are definitely some areas that I need to improve on such as interviewing skills. The overall course of the research project was externally fulfilling and an excellent learning course for myself and the human resource practices in SMEs.

Bibliography

- Absar, M. M. (2012). Recruitment & Selection Practices in Manufacturing Firms in Bangladesh. *Indian Journal of Industrial Relations.*, Vol. 47 Issue 3, p436-449.
- Adeyinka, O., & Umar, A. I. (2021). . Investigating The influence of organisational culture on the performance of Small and Medium Enterprises (SMEs). *International Journal of Research In Business and Social Science.*, Vol 10, Iss 4, Pp 485-495.
- Anderson, V., Fontinha, R., & Robson, F. J. (2020). *Research Methods in Human Resource Management CIPD*. London: Kogan Page LTD.
- Arthur, J. B., Herdman, A. O., & Yang, J. (2021). Which Way to High Performance? Comparing Performance Effects of High-Performance Work System Components in Small- to Medium-Sized Establishments. *ILR Review.* , Vol. 74 Issue 2, p352-387. 36p.
- Bacon, N., Ackers, P., Storey, J., & Coates, D. (1996). It's a small world:managing human resources in small businesses. *International Journal of Human Resource Management.* , Vol. 7 Issue 1, p82-100. 19p.
- Barczyk, P. C. (2018). The Practice of Human Resource Management by Very Small Business Entrepreneurs. *Facets of Entrepreneurship.*,, Vol 16, Iss 1(73) Pp 11-24 .
- Behtoui, A. (2008). Informal Recruitment Methods and Disadvantages of Immigrants in the Swedish Labour Market. *Journal of Ethnic & Migration Studies.* , Vol. 34 Issue 3, p411-430. 20p.
- Brand, V. (2009). Empirical Business Ethics Research and Paradigm Analysis. *Journal of Business Ethics*, Vol 86(4):429-449; .
- Burns, A., & Bush, R. (2010). *Marketing Research*. New Jersey: Pearson Education, Inc.
- Campbell, D. T., & Yin, R. K. (2018). *Case study research and applications : design and methods sixth edition*. London: SAGE Publications.
- Carruthers, J. (1990). A Rationale for the Use of Semi-structured Interviews. *Journal of Educational Administration*, v28 n1 p63-68.
- Cassell, C., Nadin, S., Gray, M., & Clegg, C. .. (2002). Exploring human resource management practices in small and medium sized enterprises. *Personnel Review.*, Vol. 31, Issue 6, pp. 671-692.
- Collins, S. (2021, January 6). *Services sector optimistic for 2021 growth as business activity picks up*. Retrieved from Independent.ie: <https://www.independent.ie/business/irish/services-sector-optimistic-for-2021-growth-as-business-activity-picks-up-39936521.html>
- Commission, E. (2021, 01 2021). *Internal Market, Industry, Entrepreneurship and SMEs*. Retrieved from European Commission : https://ec.europa.eu/growth/smes/sme-definition_en

- Cooper, D. R., & Schindler, P. S. (2012). *Business research methods*. New York: McGraw-Hill Irwin.
- Cottier, C. (2021, Feb 2). *What Is the Scientific Method and How Did It Shape Science?* Retrieved from discovermagazine.com: <https://www.discovermagazine.com/the-sciences/what-is-the-scientific-method-and-how-did-it-shape-science>
- CSO. (2021, 01 01). *Small and Medium Enterprises*. Retrieved from Central statics office : <https://www.cso.ie/en/search/?addsearch=SME%27s>
- Dawson, C. (2009). *Intoduction to reseach methods ; a practical guide for anyone undertaking a research project fourth edtion*. Oxford: How to books LTD.
- Denscombe, M. (2014). *The Good Research Guide For small-scale social research projects fifth edition*. New York: McGraw-Hill Education.
- Doz, Y. (2011). Qualitative research for international business. *Journal of International Business Studies.*, Vol. 42 Issue 5, p582-590.
- Duberley, J. P., & Walley, P. (1995). Assessing the adoption of HRM by small and medium-sized manufacturing organizations. *International Journal of Human Resource Management.*, Vol. 6 Issue 4, p891-909. 19p.
- Finkel, E. J., Eastwick, P. W., & Reis, H. T. (2015). Best research practices in psychology: Illustrating epistemological and pragmatic considerations with the case of relationship science. *Journal of Personality and Social Psychology*, , Vol 108(2), Feb, pp. 275-297.
- Ghauri, P., Grønhaug, K., & Strange, R. .. (2020). *Research method in business studies fifth edition*. Cambridge: Cambridge University Press.
- Greener, D. S., & Martelli, D. J. (2018). *An introduction to business research methods third edition*. Sheffield : Bookboon.
- Greener, S. (2008). *Business Research Methods*. London: Ventus Publishing.
- Gupta, R. K., & Awasthy, R. (2015). *Qualitative Research in Management : Methods and Experiences*. India: Sage publications.
- Hair, J. J., Page, M., & Brunsveld, N. (2020). *Essentials of Business Research Methods; Fourth Edition*. New York: Routledge Taylor & Francis Group.
- Hair, J. M., & Page, M. (2007). *Research Methods for Business. 1st*. London: John Wiley & Sons.
- Helin, J., Hernes, T., Hjorth, D., & Holt, R. (2014). *The Oxford Handbook of Process Philosophy and Organization Studies*. London: Oxford Handbooks Online.
- Houssein, A. A., Singh, J. S., & Arumugam, T. (2020). . Retention of Employees through Career Development, Employee Engagement and Work-life Balance: An Empirical Study among Employees in the Financial Sector in Djibouti, East Africa. *Global Business & Management Research*, Vol. 12 Issue 3, p17-32. 16p.
- Iqbal, S., HongYun, T., Akhtar, S., & Kankam, W. A. (2019). Organizational Culture and Employee Retention at SMEs in Pakistan; an investigation of mediating role of Quality of Work Life. *International Journal of Research* , Volume 06 Issue 10 pp 1-11.

- Ivana, D., & Chiripuci, B. (2020). Human resource practices improving employee retention. *Review of Economic Studies & Research Virgil Madgearu.*, Vol. 13 Issue 1, p33-43. 11p.
- Jackson, S. L. (2014). *Research Methods and Statistics: A Critical Thinking Approach, Fifth Edition*. Boston: Cengage Learning LTD.
- Jayawarna, D., Macpherson, A., & Wilson, A. .. (2007). Training commitment and performance in manufacturing SMEs: Incidence, intensity and approaches. *Journal of Small Business and Enterprise Development*, , Vol. 14, Issue 2, pp. 321-338.
- Kelle, U. (2006). Combining qualitative and quantitative methods in research practice: Purposes and advantages. *Qualitative Research in Psychology.*, Vol. 3 Issue 4, p293-311. 19p.
- Khana, K. (2021, May 11). *The Role That SMEs Will Play in Rebuilding the Irish Economy*. Retrieved from All Ireland business times: <https://aibf.ie/times/the-role-that-smes-will-play-in-rebuilding-the-irish-economy-free-downloadable-executive-summary/>
- Kothari, C. (2004). *Research Methodology methods and techniques. second revised edition*. New Delhi: New Age International.
- Lansbury, R. (1988). Performance management: a process approach. *Asia Pacific Journal of Human Resources*, , Vol. 26 No. 2, pp. 46-54.
- Lawless, M., McIndoe-Calder, T., & McCann, F. (2012). SMEs in Ireland: Stylised facts from the real economy and credit market. *Central Bank of Ireland*, pp 1-25.
- Locke, E. A. (2007). The case for inductive theory building. *Journal of Management*, Vol. 33 No. 6, pp. 867-890.
- López - Pérez, M. E., Melero, I., & Javier Sese, F. (2017). Management for Sustainable Development and Its Impact on Firm Value in the SME Context: Does Size Matter? *Business Strategy & the Environment* , Vol. 26 Issue 7, p985-999. 15p.
- Marsden, P. V. (1994). The Hiring Process. *American Behavioral Scientist.* , Vol. 37 Issue 7, p979.
- Matlay, H. (2002). Industrial relations in the SME sector of the British economy: an empirical perspective. *Journal of Small Business and Enterprise Development*,, Vol. 9, Issue 3, pp. 307-318.
- Miles, M. B., Huberman, M., & Saldaña, J. (2014). *Qualitative data analysis: a methods sourcebook; Third edition*. California: SAGE Publications LTD.
- Millar, D. (2005). *Managing for the Long Run: Lessons in Competitive Advantage from Great family business*. Boston: Havard business school press.
- Montani, F., Boudrias, J.-S., & Pigeon, M. (2020). Employee recognition, meaningfulness and behavioural involvement: test of a moderated mediation model. *International Journal of Human Resource Management.*, Vol. 31 Issue 3, p356-384. 29p. .
- Nalan, Y., & Unsal, Y. (2006). The Cultural Orientations of Entrepreneurs and Employees' Job Satisfaction: The Turkish Small and Medium Sized Enterprises (SMEs) Case. *Social Indicators Research.*; Springer,, vol 77(2):257-286.
- Otley, D. (2014). Performance management: a framework for management control systems . *Management Accounting Research.*, Volume 10, Issue 4, pp 363-382.

- Piórkowska, K. (2016). Ontological, epistemological and methodological taxonomy of creativity phenomenon research – call for path forward. *Journal of Economics & Management.* , Vol. 25 Issue 3, p97-108. 12p.
- Pittino, D., Visintin, F., Lenger, T., & Sternad, D. (2016). Are high performance work practices really necessary in family SMEs? An analysis of the impact on employee retention. *Journal of Family Business Strategy.* , Vol 7(2):75-89.
- Psychogios, A., Szamosi, L. T., Prouska, R., & Brewster, C. (2016). A three-fold framework for understanding HRM practices in South-Eastern European SMEs. *Employee Relations*, Vol. 38, Issue 3, pp. 310-331.
- Rémy, E., & Kopel, S. (2002). Social Linking and Human Resources Management in the Service Sector. *Service Industries Journal* , Vol. 22 Issue 1, p35-56, 22p,.
- Renton, M., & Richard, J. E. (2019). Exploring brand governance in SMEs: does socialisation provide a means to value creation? *Journal of Brand Management.*, ol. 26 Issue 4, p461-472. 12p.
- Sabir, A. (2016). Reward and Recognition System-Key Behaviors to Benefit Employees and Businesses in Competitive Job Markets. *American Research Journal of Business and Management* , Vol 7 pp 1-7.
- Saridakis, G., Muñoz Torres, R., & Johnstone, S. (2013). Do Human Resource Practices Enhance Organizational Commitment in SMEs with Low Employee Satisfaction? *British Journal of Management.* , Vol. 24 Issue 3, p445-458.
- Saunders, M. N., Lewis, P., & Thornhill, A. (2019). *Research Methods for Business Students*. Harlow: Pearson Professional Limited.
- Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research Methods for Business Students. 4th Edition*. Edinburgh: Financial Times Prentice Hall.
- Scanlan, B. K. (1973). motivating employees in small businesses. *Journal of Small Business Management.* , Vol. 11 Issue 3, p1-6. 6p.
- Schleicher, D. J., Baumann, H. M., Sullivan, D. W., & Yim, J. (2019). Evaluating the Effectiveness of Performance Management: A 30-Year Integrative Conceptual Review. *Journal of Applied Psychology.*, Vol 104(7), pp. 851-88.
- Singh, K. (2007). *Quantitative Social Research Methods*. New Delhi: Sage Publication.
- Soiferman, L. K. (2010). *Compare and Contrast Inductive and Deductive Research Approaches*. Manitoba: ERIC.
- Storey, D. J., & Westhead, P. (1997). Management training in small firms - a case of market failure? *Human Resource Management Journal* , Vol. 7 Issue: 2 p61-71, 11p.
- Strauss, A., & Corbin, J. M. (1990). *Basics of qualitative research: Grounded theory procedures and techniques.* . Washington: Sage Publications.
- Thomas, D. R. (2006). A General Inductive Approach for Analyzing Qualitative Evaluation Data. *American Journal of Evaluation.*, v27 n2 p237-246.
- Wiesner, R., & Innes, P. (2010). *Bleak house or bright prospect?: HRM in Australian SMEs over 1998-2008*, *Asia Pacific Journal of Human Resources.*, Vol. 48 Issue 2, p151-184. 34p.

- Wiesner, R., McDonald, J., & Banham, H. C. (2007). Australian small and medium sized enterprises (SMEs): A study of high performance management practices. *Journal of Management & Organization* , vol 13(3) pp 56-88.
- Wilkinson, A. (1999). Employment relations in SMEs. *Employee Relations*, Vol. 21 Issue 3, p206-217, 12p.
- Wilkinson, A., Redman, & Dundon, T. (2017). *Contemporary Human Resource Management: Text and Cases*. Harlow: PEARSON EDUCATION LIMITED.
- Williamson, I. O. (2000). Employer Legitimacy and Recruitment Success in Small Businesses. *Entrepreneurship: Theory & Practice*. , Vol. 25 Issue 1, p27. 16p.
- Woiceshyn, J., & Daellenbach, U. (2018). Evaluating inductive vs deductive research in management studies : Implications for authors, editors, and reviewers. *Qualitative Research in Organizations and Management: An International Journal*, Vol. 13, Issue 2, pp. 183-195.
- Yamamoto, H. (2011). The relationship between employee benefit management and employee retention. *International Journal of Human Resource Management*. , Vol. 22 Issue 17, p3550-3564.

APPENDICES

Appendix A

Participant information sheet

Please read the following information sheet carefully as it provides details regarding the research study and what will be required from you. If you are happy to participate after reading the information a consent form will be sent to you. It is important you take your time making your decision with no pressure to do so.

Research title

An investigation into human resource management practices in small and medium enterprises (SMEs); evidence based on service firms in the Republic of Ireland.

Background on myself and the study

I am a master's student studying Human Resource Management in the National College of Ireland. I have one year's experience in Human Resources in a medium company alongside currently helping a family friend in a small business implement human resource practices which influenced my decision for this topic. This research was conducted as part of the required course work for my Masters in HRM.

What is involved in participating in the research?

It will involve an informal interview regarding human resource practices in your organisation. The duration will be 30-40 minutes in length and will take place via Microsoft Teams due to the restrictions and to ensure no-one's health is at risk. The video chat will be recorded with consent to do so as it helps to ensure the findings are accurate.

Why you?

The aim of the study is to gain in-depth knowledge of human resource practices in SMEs in the service sector in Ireland. As you are responsible for these practices within your organisation, I feel your thoughts and opinions would provide great contribution to my study.

Is this voluntary?

It is completely your choice to be part of this study, there is no pressure, and it is voluntary. It is your right to refuse my invitation, refuse to answer questions you may feel uncomfortable with and end the meeting at any stage. It is important to note in the case of any of the above noted, no penalties will apply. I as the researcher will remain grateful for any time and thought given towards my research.

Will your information be kept confidential?

The final research will be made public, which could be interesting for you to read and contribute to your knowledge of human resource practices in SMEs in the service industry in Ireland. Anonymity of all participants will be secured. The data will be labelled as organisation A, B, C etc.

The interview will be recorded for the purposes of the research and will be placed in a locked folder on my protected laptop to ensure safety. The data will only be recorded following the consent form being signed.

Where will the information be stored?

The signed consent forms and recordings will be kept on my laptop which can be only accessed by me. It is your right under the legislation to access the information at any time by contacting me.

If I have further questions, who should I contact?

Researcher: Emma Ward x16415356@studentncirl.ie

Supervisor: Francis Keating Francis.keating@ncirl.ie

It is greatly appreciated by the researcher for taking the time to read the information sheet. If there are any questions on the content contained in the information sheet do not hesitate to contact me.

Appendix B

National college of Ireland Consent Form

Email: Emmaward2850@gmail.com

MA in Human Resource Management

This research is an investigation into human resource management practices in small and medium enterprises (SMEs); evidence on based service firms in the Republic of Ireland.

This study aims to investigate how the owner/ manager / human resource professionals demonstrating human resource practices in SMEs in the service industry in Ireland and the effects of the external environment in Ireland on the human resource practices performed.

I would like to express how grateful I am for you to be participating in my research project. It is important for me to note that your participation is voluntary meaning you can withdraw from the study at any point. The research project will be made public after it has been submitted however, I can assure you your information will remain anonymous with full confidentiality.

- i. The participant understands they are participating in a voluntary research project in which at any point they want to withdraw they are fully entitled to do so.
- ii. The transcript will be in the appendix of the thesis but will remain anonymous. For example, your data will be noted a "Organisation A".
- iii. The participant has read the information sheet sent to them via email and understands the information provided.
- iv. The participant has had the opportunity to ask questions regarding the study and their participation.
- v. The participant understands the Microsoft Teams call will be recorded.
- vi. Any questions the participant asked regarding the research was answered by the researcher. Furthermore, the researcher provided contact details in the case of any future questions.
- vii. The participant has agreed to take part in the research and interviewing process.

By signing below, you are agreeing that you understand the criteria and are giving your consent to your participation in the research.

Participant's signature:

Name in print:

Date:

Appendix C
Interview Questions

Questions	Response
<p>Background on interviewee, role in the organisation and size:</p>	
<p>The use of HR practices in the organisation (intrigued to see what size organisation know most) and who deals with HRM.</p>	
<p>How would you describe the value of your employees to your organisation?</p>	
<p>Is there a need for skilled employee within your organisation? For example, certain level of requirements?</p>	

<p>What method of recruitment do you use, and do you feel it attracts the right candidates? Cost, short/long term and growth.</p>	
<p>How is training performed in the organisation? Compliance with government regulation or employee development. What is most beneficial do you feel. – Avail of government funding.</p>	
<p>Performance management is this part of your organisation e.g. feedback, recognition under performance? Is the employee within the organisation highly involved in the day-to-day operations?</p>	

<p>Is the length of services of employee within your organisation short or long term? Why do you think whether short or long the time was serviced?</p>	
---	--

Transcripts available upon request

Appendix D

Thematic analysis

Opening coding example

Participant A	
Open coding	Descriptions
PO	Post jobs online
JB	Job websites
ID	I used indeed sometimes
LI	LinkedIn

Axial Coding Key

Participant A font=	
Participant B font=	
Participant C font=	

Example of axial coding.

Axial coding	Open coding	Description
Recruitment platforms		
	PO	I use job post online since Covid, I find it good
	ID	We have just put an ad up on indeed recently
	LI	LinkedIn I my go to I have experience great success

Example of selective coding

Selective coding	Axial coding	Open coding	Description
E-recruitment			
	Job websites	JW	I use Indeed
			I advertise jobs on Indeed and Jobs.ie
			I use Glassdoor and Indeed
	Social Media	SM	I post jobs on our page on Facebook but do not pay
			I used paid adverts on Facebook
			I frequently use LinkedIn

