

**Exploration of strategies to recruit skills to a small
Software Development company**

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Resource Management

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DECLARATION

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of BA (Hons) in Human Resource Management is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

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ABSTRACT

The aim of the research was to explore strategies to recruit skills to a small software development company. The research methodology for the primary research was qualitative semi-structured interviews. A sample group of five companies based in the Digital Hub were interviewed. The findings showed that the companies who were achieving most success in recruitment were utilising a broad range of both formal and informal recruitment methods. The findings also showed that in addition to the regular recruitment methods, Outsourcing was the most utilised response to skills shortages. The use of technology has not had a significant impact in recruitment, even in the software sector. There was some evidence that Employer Branding is starting to play an increasingly important role in recruitment. All of the companies appeared to be very choosy about selecting applicants, to the extent that perhaps they themselves are creating skills shortages by being so selective.

DEDICATION

For

Kevin, Caoimhe and Orna.

Thank you for all your support over the last year.

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CHAPTER 1

INTRODUCTION

1.1 Research Objective

The aim of the research was to explore what strategies are currently being used by small software development companies to attract and recruit skills and what initiatives are being deployed to overcome skills shortages. The research also sought to determine what impact, if any, technology is having on recruitment and if companies were adopting strategies to develop their brand as an employer.

1.2 Research Justification

The researcher has several years experience in working in the technology sector and difficulties in attracting and recruiting employees has been a recurrent theme over the last decade. The organisation, Mobile Travel Technologies Ltd believes that the inability to recruit suitably skilled employees is the single biggest threat to its future growth and expansion.

1.3 Research Literature

There is a significant amount of literature available on the topic of recruitment. And while there is impressive theoretical precision around some key aspects of recruitment research, writers like Ployhart (2006) and Saks (2005) suggest that much of it still has little practical use for managers and organisations. The research findings will establish whether or not small companies are finding this theoretical precision useful and the literature review will highlight the gaps in current literature.

1.4 Methodology

The methodology chosen was a qualitative approach, using face to face semi-structured interviews. The sample group was Senior Managers in software development companies, based in the Digital Hub. Five in-depth interviews were conducted, recorded and transcribed. These were then analysed using content analysis and five main themes were developed.

1.5 Limitations of scope

The topic of recruitment is extremely broad; therefore, the research for this Dissertation limited the scope to one particular aspect of recruitment, the initial “attraction” of employees by organisations.

1.6 Chapter Overview

This Dissertation will be divided into five chapters. The following is a brief summary of the next four chapters:

Chapter 2 Literature Review

This chapter will provide an overview of the current literature available on the research topic and it will also provide a brief outline of the industry and organisational context for the research.

Chapter 3 Research Methodology

This chapter will detail the reasons for choosing the qualitative research approach, its advantages and limitations and will also outline the steps followed during the research process.

Chapter 4 Findings & Analysis

This chapter will provide a summary of the key findings and analysis of the in-depth face to face semi-structured interviews.

Chapter 5 Conclusions and Recommendations

This final chapter will provide conclusions and recommendations derived from the key findings. It will also conclude with a brief summary of the learning derived from the process.

Chapter 2

Literature Review

2.1 Introduction

This chapter will provide an overview of the Literature reviewed relating to the research topic. The Literature Review involved a review of material available at the Library at NCIRL, on-line databases including Emeraldinsight, Business Source Premier and EBSCOHOST, CIPD website and general internet searches. This chapter will conclude with a brief summary of the industry and organisational context for the research.

2.2 Recruitment

2.2.1 Definition

Recruitment is one of the core activities of People Resourcing. Pilbeam and Corbridge (2002, p.115) identify it as “a process which aims to attract suitably qualified applicants for a particular position from which it is possible and practical to select and appoint a competent person”. Taylor (2005, p.124) defines as “actively soliciting applications from potential employees”. There is currently a view that many organisations now face greater recruiting challenges than selection challenges (Ployhart, 2006). There is also increasing recognition that recruitment alone, irrespective of selection, is critical not only for sustained competitive advantage but for basic organisational survival (Taylor & Collins, 2000). Pilbeam and Corbridge (2002) suggest that recruitment and selection can be divided into four categories of which “attraction” is recognised as the first sub-system of these categories, which is essentially about “attracting suitable candidates” to the organisation. The research will focus primarily on the “attraction” phase and how companies attract suitable candidates, particularly in the context of a tight labour market.

2.2.2 Methods of Recruitment

There are many different methods of recruitment, both formal and informal, used by organisations to attract employees. Formal methods include printed media, employment agencies, education liaison, head hunters and job boards.

Informal methods include social networking, and word of mouth. They can be used exclusively or in combination. Table 1.0 summarises the main recruitment methods, both formal and informal, typically used by organisations as identified by Pilbeam and Corbridge (2002) and Taylor (2005).

Table 1.0 Recruitment Methods

| | |
|-----------------|---|
| Formal | Press Advertising: <ul style="list-style-type: none"> • Local, regional and national newspapers • Professional and trade journals and other specialist publications |
| | Other media: <ul style="list-style-type: none"> • National, local radio • Teletext • Billboards • TV & Cinema |
| | Internet Advertising |
| | External agencies: <ul style="list-style-type: none"> • Employment Agencies • Head-hunters • Job Centres |
| | Education Liaison: <ul style="list-style-type: none"> • Careers Services • University Milk round • Direct access to universities, Course Tutors etc. • Work placements, student sponsoring, internships |
| Informal | Networking <ul style="list-style-type: none"> • Word of mouth • Former colleagues • Ex employees (re-hiring) • Professional contacts, e.g. industry, suppliers |

Each method has its own advantages and disadvantages. Many employers use formal methods such Recruitment Agencies and Head-hunters to gain access to their expertise, particularly when operating in unfamiliar labour markets and they can potentially save in terms of administration time (Taylor, 2005). However, these methods can be expensive and often limited in applicant pool. Press advertising, generally costly, has declined considerably over the last decade with the increased use of the internet. Education liaison, which includes work

placements, student sponsorship and Internships continue to grow in popularity. Coco (2000) found that Internships provide a “risk free” method for companies to evaluate prospective employees and that they provide a steady stream of resources that are comparatively less expensive than other staff.

Despite the many methods available, Breaugh and Starke (2000) and Storey (2004) found that little systematic research has been done on the sources and the ways organisations actually go about attracting candidates. Some studies that have examined the benefits of informal recruitment methods and found that informal recruitment methods yield a better selection of well qualified applicants (Barber 1998). More recently, Yakubovich and Lup (2006) found that the advantage of a referral increases with the performance of the referrer. However, the informal recruitment methods are often criticized for having the potential to be discriminatory as they may only reach a very limited target audience and are not likely to be representative of a wider community (Taylor, 2005).

The nature of the job, the structure of the organisation and the nature of the external labour market will typically determine what methods are used (Gunnigle, Heraty and Morley, 2006). The choice of method or methods is vitally important as Morley (2007) found that applicants develop perceptions of fit during the recruitment process and they can potentially select themselves out of the process if they perceive a misfit between themselves and the organisation.

2.2.3 Methods of Recruitment in small companies

The previous section has highlighted the variety of recruitment methods used by organisations, but as Carroll et al (1999) found, much of the research on recruitment is focused on large organisations. They also found that much of the literature on small firms has found that these firms typically use more informal methods of recruitment and were significantly influenced by the external labour market. Small companies experience their own particular challenges when attracting employees. The lack of an established brand name, structure, enhanced

benefits packages, as well as career paths can act as disadvantages, particularly when competing against larger companies. Baron & Shine (2004) suggest that these issues can be overcome largely through the use of informal recruitment methods such as the use of social networks either by hiring people known either directly, from personal contact, or indirectly, through recommendations from people known and trusted. Their research found that new ventures generally hire people known to the founding entrepreneurs either directly or indirectly. In this way they are able to expand in a relatively rapid and cost-effective manner.

2.2.4 Technology in Recruitment

Given that the industry and organisational context for this research is based in the technology industry, it is important to examine the use of technology in recruitment. The CIPD Recruitment, Retention and Turnover Survey (CIPD 2006c) examined the methods used by organisations to attract candidates and found that almost two thirds of companies are now using technology such as email, corporate websites, internet and online applications. It found that 84% of respondents had made greater use of email applications in the last three years. Despite the increase in the use of online recruitment, which offers instant and continuous access to vacancies, it seems it has not made recruiting any easier. The same survey showed almost 50% of companies felt that its use is increasing the number of unsuitable candidates.

Henkens, Remery and Schippers, (2005) suggest that “recruiting via the internet” has become a clearly identifiable, separate recruitment strategy among employers, though typically used by those in search of younger more highly educated employees. Actively searching for employees via the internet includes posting jobs on the company’s own website, searching CV databases on the internet, searching career sites and placing banners and links to own website to attract potential employees. There is no doubt that the internet has become an important search tool for applicants. Cober et al (2004) examined how organisational Web sites influenced applicant attraction and found that corporate websites can

influence applicant attraction to organisations by using form, (e.g. images, pictures), content (e.g. culture, job information) and function (e.g. interactivity, online applications).

The arguments in favour of using technology in recruitment are that it gives employers a wider target audience and faster response time from applicants. It is cost effective because employers can reduce costs as they no longer need to pay for expensive print media advertising and it can possibly save administration time by reducing the need for formal written correspondence or the need to field telephone calls (CIPD, 2006b). In a tight labour market, where vacancies can take months to fill, any time saved is invaluable. The CIPD (2006b) found a major disadvantage of technology in recruitment is the high level of unsuitable applicants, causing unnecessary effort on the part of the employer in responding to such applicants. There are also concerns that the use of technology in recruitment may exclude those who do not have easy access to a computer and it may actually limit the target audience.

It seems certain that the use of technology in recruitment will increase further and employers will need to find ways of effectively incorporating it into their overall recruitment strategy. There is still, however, limited research as to what aspects of technology really impact the recruitment process and how technology could be utilised more effectively in recruitment.

2.2.5 Employer Branding

In recent years, there has been an increasing amount of literature on employer branding and its impact on the recruitment process. Sullivan (2004) defined employment branding “as a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees.....” A clear finding in recent recruitment research by Saks (2005) is the importance of the employer’s image or reputation. Overall employer brand image offers an opportunity of competitive advantage because it is rare, difficult to imitate, valuable and cannot be

substituted (Turban and Cable, 2003). Collins and Stevens (2002) found that in the early stages of recruitment, organisations can use publicity, sponsorship in universities, word of mouth and advertising to create a positive brand image. They found that these practices are particularly important in the early stages when applicants have little information about the company. Collins and Han (2004) found that using multiple practices positively influenced applicant quantity and quality. Employer branding is a relatively new approach in recruitment that employers are using in a very competitive environment (Backhaus and Tikoo, 2004). Taylor (2005) advocates the deliberate use of it, particularly by organisations that do not have a strong corporate brand as means of improving an employer's position in the labour market. It enables them to differentiate themselves from competitors, particularly in tight labour markets. However, there is little research available to demonstrate how employers might achieve this.

2.3 The External Labour Market

The external labour market has been highlighted in 2.2.2 as one of the key factors in determining the method of recruitment. For small companies, and in particular for software companies, the availability of skills is the single biggest external influence. With increased labour mobility, employers have to consider both global and local labour markets.

2.3.1 Global Skills Shortage

Over the last few years, there have been many global studies, which have included demographic and economic projections about a shortage of workers. But some writers like Dychtwald, Erickson and Morison (2006) argue that it is a shortage of skills that will precede the shortage of workers. They purport that the EU economy will either need significant increases in productivity or a significant enlargement of the labour force via immigration to avoid contraction. There are many reasons for the global skills shortage, too numerous to address as part of this research, but it is clear that employers are experiencing difficulties in recruitment. The CIPD Survey (2006c) found that 82% of respondents were

experiencing recruitment difficulties with a lack of necessary skills cited as the key reason.

2.3.2 Irish Skills Shortage

The Irish labour market is experiencing its own difficulties. The majority of Software Developers are typically educated to degree level; therefore any movement in the supply and demand for graduate labour is significant. Research by the Expert Group for Future Skills Needs (EGFSN, 2005) highlighted shortages in the supply of software engineers. The survey found that demand would continue to be relatively high whereas the supply of graduate software engineers is expected to remain static or fall. The downturn in the high-tech sector following the September 11 (2001) terrorist attacks led to a steep decline in college intake from 2001 through to 2005. This has translated into falling graduate output from at least 2005 up to 2009. Table 2.0 sets out the gaps in projected supply and demand for computing graduates.

Table 2.0 Skills Gap Analysis for Computing Graduates

| Year | Demand | Supply | Gap |
|---|---------------|---------------|------------|
| Computing Degree | | | |
| 2003 | 870 | 2,254 | 1,384 |
| 2004 | 2,016 | 2,244 | 228 |
| 2005 | 2,208 | 2,134 | -74 |
| 2006 | 2,424 | 1,818 | -606 |
| 2007 | 2,667 | 1,698 | -969 |
| 2008 | 2,945 | 1,876 | -1,069 |
| 2009 | 3,254 | 2,234 | -1,020 |
| 2010 | 3,612 | 2,395 | -1,217 |
| Computing Diploma or Certificate | | | |
| 2003 | 170 | 443 | 273 |
| 2004 | 325 | 372 | 47 |
| 2005 | 352 | 271 | -81 |
| 2006 | 383 | 307 | -76 |
| 2007 | 427 | 323 | -104 |
| 2008 | 472 | 321 | -151 |
| 2009 | 523 | 316 | -207 |
| 2010 | 579 | 370 | -209 |

Source: Forfas/EGFSN

The EGFSN (2005), like the CIPD (2006c), found that many companies are coping with shortages by recruiting overseas, both within and outside of the EU. The conclusions of this report were that Ireland would require significant immigration of graduates over the years 2005-2010 and that it was unlikely that the demand for skilled graduate labour would be adequately addressed entirely from the EU countries. This would concur with Dychtwald, Erickson and Morison (2006) that employers will have to look beyond the EU to address skill shortages.

2.4 Employer Responses in a tight labour market

It is clear that the software industry is operating within a tight labour market, but despite many studies on skill shortages, there seems to be little research available as to how employers are actually addressing the issue. Henkens, Remery and Schippers (2005) sought to analyse what methods of recruitment employers were using in a tight labour market. They examined to what extent employers were using traditional recruitment methods such as placing an advertisement and passively waiting for a response, or if they were behaving more actively by using the internet, approaching educational institutes, visiting careers fairs and using social networks. They found that organisations influenced by tight labour markets are more likely to be active rather than passive in recruitment activity. Table 3.0 is a summary of their findings. Approximately half of the employers were still using passive methods of recruitment such as job advertisements (49%) and unsolicited applications (57%). They also found that approximately half of the employers were involved in more active recruitment methods such as social networks (52%) and approaches to educational institutes (44%).

Table 3.0 Recruitment through passive and active methods by Organisations in the Netherlands (N= 1,054)

| Recruitment Methods | Hardly ever/never % | Frequently % | Often % |
|--|------------------------|-----------------|------------|
| “Passive Recruitment” | | | |
| Job Advertisements in newspapers/magazines | 16 | 49 | 35 |
| Job Advertisements on own website | 45 | 19 | 36 |
| Unsolicited applications | 15 | 57 | 28 |
| Offering Traineeships | 23 | 52 | 25 |
| Outsourcing to temp agency | 38 | 46 | 17 |
| Outsourcing to recruitment agency | 60 | 31 | 9 |
| “Active Recruitment” | | | |
| Using social networks of existing workforce | 23 | 52 | 24 |
| Approaching institutes of education | 46 | 44 | 10 |
| Contacting colleagues in other companies | 47 | 44 | 10 |
| Searching vacancy databases and/or career sites | 69 | 26 | 6 |
| Searching through recruitment and industry fairs | 65 | 30 | 5 |
| Searching in CVs databases | 77 | 20 | 4 |
| Organising special recruitment events | 81 | 16 | 3 |
| Placing banners and links to own website | 87 | 11 | 3 |
| Spreading information through flyers, free postcards, beer mats etc. | 89 | 9 | 2 |

Source: Henkens et al. (2005)

The CIPD (2006c) also examined initiatives undertaken by employers in response to recruitment difficulties and found that 66% of respondents were recruiting people who had potential to grow but did not currently have all the skills required and over a quarter (27%) were targeting migrant workers or recruiting in foreign countries. The CIPD (2006a) found that 37% of private sector organisations were Offshoring because of skill shortages.

The literature would suggest that employers are utilising a wide variety of responses to address the issue of recruitment in a tight labour market. The next section will provide a brief summary of the industry and organisational context for the research.

2.5 Industry & Organisational Context

2.5.1 The Global Software Industry

The global software industry is one of the fastest growing sectors within the overall Information and Communication Technology (ICT) industry, up year on year by 9.9% (Digital Planet, 2006). During the 1990s the software industry began to develop in a number of economies including Brazil, China, Korea, India, Israel and Ireland. Of these, India, Israel and Ireland experienced spectacular growth and emerged as major software exporters. There were a number of common factors which contributed to this success, including an excess supply of engineering and technology graduates during the 1980s, the response from the education sectors to growth in the 1990s and a large Diaspora (Arora and Gambardella, 2005).

2.5.2 The Irish Software Industry

The Irish Software Industry has expanded from just 365 companies at the beginning of the 1990s to an estimated 900 companies by the end of 2005. The majority, approx 760, are indigenously owned. In total, in 2005, they employed some 24,000 people and exported over €23bn worth of products and services, accounting for 13% of total Irish exports (National Software Directorate). Table 4.0 summarises the composition of the Irish software industry.

Table 4.0 Composition of the Irish Software Industry

| | Multi-nationals Firms | Indigenous Firms |
|---------------------|------------------------------|-------------------------|
| Number of Firms | 140 | 760 |
| Number of Employees | 12,900 | 11,100 |
| Total Exports | €23bn | |

The software industry accounts for 25% of the ICT sector's contribution to the Irish economy. Although the majority of software companies are Irish owned, employment has typically been divided almost equally between multinationals

and locally owned companies. During the late 1990s, employment in the industry grew at an annual rate of 20%. Although the industry suffered a slowdown during 2002 and 2003, there is plenty of evidence that buoyancy has returned.

2.5.3 Characteristics of the Irish Software Industry

In contrast to Brazil, India and China, the majority of Irish software companies tend to focus on products rather than services, typically targeting niche or vertical markets. (E.g. Iona specialises in middleware, Riverdeep concentrates on e-learning products). There is a heavy concentration on export markets, the largest of which is the US. Uniquely, there is a high prevalence of entrepreneurial start ups and many Irish software companies have origins in university campuses. Spin-outs from developed indigenous companies are also significant, with several new start ups accredited to former employees from Iona alone. Arora and Gambaradella (2005) found that at least 66% of companies surveyed had at least one founder who had worked for a multinational abroad.

2.5.4 Factors contributing to success

A number of factors have contributed to the success of the Irish software industry. Initially, the supply of quality graduates and the fact that English was spoken were significant factors. The efforts of the IDA, the low rate of corporation tax and other financial incentives helped attract foreign direct investment, including a number of large multinationals such as Microsoft, Motorola and IBM. In the meantime, Enterprise Ireland has been very active in supporting indigenous companies. Although no direct link has been established between the presence of multinational software companies and the indigenous companies, there is some evidence to show that they provided a spin off in terms of experienced labour and have helped to enhance the reputation of the indigenous companies.

2.5.5 Threats to the industry

The software industry, like many other industries, currently faces a number of threats. As the US is the largest export market for Irish software, any recession

or downturn would have a serious impact on the growth of indigenous companies. The fluctuation of the US dollar also has a significant effect on the profits earned by Irish companies. Globalisation and competitiveness are having a strong impact on jobs and this has been recently visible with the loss of jobs at companies like Motorola. The greatest threat, however, perceived by many in the industry, including the Irish Software Association, the National Software Directorate and the EGSFN is the shortage of skilled people. The number of computer graduates has declined over the last few years and there are concerns that there will be insufficient supply of labour to meet the growth demands of the industry.

2.5.6 Organisational Context

The organisational context for this Dissertation is a small software development company, Mobile Travel Technologies Ltd (MTT), founded in 2005 and based in The Digital Hub. MTT focuses on the travel industry and its products and services enable travel suppliers and intermediaries worldwide to distribute their services to travelers through mobile phones and devices. MTT's software provides the capability to allow travelers to make flight, hotel and restaurant reservations via mobile phones. Shareholders include Enterprise Ireland, who has recognised MTT as a "High Potential Start Up" Company. A 'high potential start up' is defined by Enterprise Ireland as a company which is:

- Based on technological innovation;
- Likely to achieve significant growth in 3 years (sales of €1.0m per annum and employment of 10 or more) and is export oriented
- Ideally, led by an experienced team, with a mixture of technical and commercial competencies

Like all software companies, MTT is heavily dependent on people and skills in order to be successful. The primary HR focus at this stage of the company's life cycle is the recruitment of suitably skilled labour to support the business growth. The company perceives the biggest threat to its growth and expansion will be the inability to recruit suitably skilled labour.

2.6 SUMMARY

Recruitment is viewed by some as more important than selection. The choice of methods is influenced by a number of factors, including the external labour market. Technology in recruitment and employer branding are playing an increasingly important role in recruitment. In literature, questions still remain as to how technology could be utilised more effectively in recruitment, how organisations that lack a familiar brand compete and what recruitment methods give the best outcome for small organisations when labour markets are tight.

The Irish software industry has experienced remarkable growth and established itself as a key player in the field of exporting software. The greatest threat to its future growth and success, perceived by both the industry and the organisation, MTT, is a shortage of skills. These are the key factors which have influenced the research, the methodology for which will be outlined in the next chapter.

Chapter 3

Research Methodology

3.1 Introduction

Chapter 2 outlined a number of research questions relating to recruitment, in particular recruitment of skills within small organisations and in the context of tight labour markets. This chapter will describe the qualitative methodology used for the research for this dissertation.

3.2 Research Objectives

The purpose of the research was to explore what strategies are currently being used by small software development companies to attract and recruit skills and what initiatives were being deployed to overcome skills shortages. The research also sought to determine what impact, if any, technology is having on recruitment and if companies were adopting strategies to develop their brand as an employer.

3.3 Research Design

3.3.1 Choice of research method

Once the research objectives were established, the three main approaches to research were then evaluated. The quantitative method, qualitative method and mixed methods were all considered against three factors proposed by Creswell (2003) as influencing the choice of approach. These factors were the nature of the research problem, the personal experiences of the researcher and the audience for whom the research is intended.

As the nature of the research problem had a number of variables including a variety of recruitment methods and possible differing responses to overcoming skill shortages, it was considered that a quantitative approach, such as a survey, may not capture the variety of potential mixed responses. The researcher has several years experience of in-depth interviewing gained through recruitment; general and competency based interviewing, assessment centres and psychological testing feedback interviews. The researcher felt confident, therefore, that this experience and skills could be effectively utilised in a qualitative approach. Finally, the organisation expressed a strong preference that

the research topic was explored through in-depth discussions with senior management in comparable organisations. Typically managers are more likely to agree to be interviewed than to complete a questionnaire or a survey, particularly when they find the topic interesting or relevant to their own work (Saunders, Lewis and Thornhill, 2007). It was, therefore, concluded that a qualitative approach, using face to face semi-structured interviews would be the most appropriate research method. This is often referred to as a 'qualitative research interview' (King, 2004).

3.3.2 The Qualitative Approach - Advantages and Limitations

Each research method brings its own advantages and limitations. There are arguments that as the qualitative method takes place in a natural setting such as the interviewee's offices, it enables the researcher to become highly involved in the actual experiences of the interviewee. The qualitative approach is therefore more humanistic and emergent rather than tightly prefigured (Rossman and Rallis 1998). A key strength is the depth, detail and real experiences that this type of interview can provide and the opportunity it gives to probe answers to give meanings that add significance to the data (Saunders, Lewis and Thornhill, 2007). For this research, it provided the flexibility required to explore the complexity of the topic in a very dynamic industry. The use of interviews provided an opportunity to explain the purpose of the research and how the information would be used. This was highly important in assuring confidentiality and anonymity and gave participants a level of security and confidence that they may not have gained by receiving a survey in the post or via email.

There a number of limitations associated with the use of qualitative research methods. Issues can arise in relation to the use of semi-structured interviews, particularly in relation to reliability, validity and generalisability and researcher bias. The main reliability issue is related to whether alternative researchers would reveal similar information (Easterby-Smith et al, 2002). However, the findings from this research are not necessarily intended to be repeatable since they reflect

reality at the time they were collected in a very dynamic industry environment (Marshall and Rossman, 1999). When the interviews are conducted carefully, issues of validity can be overcome by probing and questioning. Given that the research was carried out in a small number of organisations, it makes generalisations about the findings more difficult and this is compensated for by the in-depth and detailed experiences of the organisations interviewed. The qualitative approach is fundamentally interpretative and therefore can be influenced by both researcher and interviewee bias. The concept of 'trustworthiness' as discussed by Creswell (2005), Lincoln and Guba (1985) and Padgett (1998) suggests that if the research findings authentically represent the meanings as described by the participants, it can help overcome the issues of trustworthiness and bias.

3.3.3 Sample Group

It should be noted that qualitative research generally uses a relatively smaller sample size than quantitative research. While there is no definite consensus in any of the literature reviewed on the appropriate sample size, there were limitations as to the number of interviews that could be carried out. The amount of time involved in conducting and transcribing the interviews meant that the number of interviews needed to be kept at a reasonable level. A target to carry out between five and eight in-depth interviews was established.

Purposive sampling was chosen as the research questions did not require generalisations. A list of local software companies based in the Digital Hub was examined and twelve software companies were identified as possible participants. The companies chosen were based on the criteria that they were small growing software companies, based in the same locality. In some cases, contact names for Senior Managers at these companies were provided by the organisation's Directors, as the use of existing contacts is more likely to lead to success in terms of access (Buchanan et al.; 1988, Easterby-Smith et al. 2002). In other cases, the

researcher telephoned the organisation and requested the email address of the person most likely to be familiar with the research topic.

The initial approach to request an interview was made by email, briefly outlining the purpose of the research, the main interview themes, the length of time required and the researcher's background. The email also included assurances about anonymity and confidentiality and stated that an executive summary report of the findings would be made available to all those who participated. Sample text is attached in Appendix 1. Replies were received from eleven of the organisations contacted. Four companies were unable to partake due to diary commitments and heavy workloads and eventually a total of seven interviews were agreed to. However, two companies withdrew their commitment due to heavy workloads and five interviews were carried out in total. To protect confidentiality, a detailed list containing full contact details and company background information of the interviewees will be submitted directly to the Supervisor of this Dissertation.

3.3.4 Conducting the interviews

Based on the literature reviewed, an interview theme sheet was drafted (see Appendix 2) for use during the semi-structured interviews. This ensured that there was an element of structure to the interview, even though the questions and pattern of questioning were varied according to the nature of the discussion within each individual organisation. Unstructured interviews would not have given sufficient focus and following a rigid structured method would have left no room for the interviewees to present their own views (Ghauri and Grønhaug, 2005). Following the first interview and a review of further recent literature, the interview theme sheet was amended to include a section with three additional questions relating to employer branding (see Appendix 3). One company, INT004, requested a copy of the interview questions prior to making final agreement to interview. The face to face interviews took place between 10 May and 7 June 2007 and were conducted at locations suggested by the interviewees.

Generally, this was at the participant's offices, except for second interviewee, who requested that the interview be conducted in a local coffee shop. All interviews began with introductions, an overview of the interview themes to be covered, re-iteration regarding confidentiality and anonymity and clarification of time available. Permission to record the interview was sought at the beginning of each interview and all the interviews were recorded with the interviewee's prior consent. Interviewees were also advised that they could request the audio recorder to be stopped at any point. The recording ensured maximum concentration by the researcher during the interview, with limited note-taking.

3.3.5 Data Preparation and Analysis

Each interview was fully transcribed verbatim by the researcher within one or two days of the interview taking place to ensure that any narrative and contextual details were fresh in the researcher's memory and could be included. Each interview was allocated a code, from INT001 through to INT005. The transcripts were saved as separate word processed documents and saved with recognisable filename INT001, INT002 etc. Copies of the transcripts are attached in Appendices 4 to 8.

In qualitative analysis the data analysis frequently begins to take place alongside the data collection and during the transcribing of the interviews, many similarities and differences started to become apparent. The data for this research was analysed using content analysis and five main themes were developed and analysed. Strauss and Corbin (1998) suggest that one of the sources for naming these categories or themes is to derive them from terms used in existing theory and literature and this approach was used. Developing themes and placing the data from each interview within these themes or categories was a key part of the analysis process. Given the relatively small number of interviews a manual process was utilised as opposed to computer software.

3.3.6 Ethical Considerations

Throughout the entire process, careful consideration was given to any potential ethical issues such as those highlighted by Creswell, (2003) and Saunders, Lewis and Thornhill, (2007). Before proceeding, the research issue was discussed and approved in advance with the organisation, MTT. When requesting the interviews, the information contained in the initial email ensured that all potential interviewees were aware of the purpose of the research, the main interview themes and their right to confidentiality and anonymity. At this point, the researcher's previous work experience was disclosed as there was a possibility that the researcher had worked for clients or competitors of a number of the potential participating companies. Once the initial email was distributed, no more than one follow up email was sent if no response was received within one week. This ensured that the recipients did not feel under any pressure to participate. During the data collection, the interviewees were re-assured of confidentiality and anonymity once again at the beginning of each of their interviews. During the data transcription, the transcripts were coded to protect anonymity and if an interviewee referred to a client's name, this was left blank in the transcript. The researcher is confident, therefore, that the ethical guidelines relating to the conduct of research have been followed at all stages and consideration has been given to all potential ethical issues.

3.4 Summary

Following consideration of the three main research approaches, the qualitative method of semi-structured interviewing was selected as being the most appropriate method for this research. The advantages and limitations of this approach were evaluated and consideration was given to the ethical issues. The sample group of five senior managers from small software companies were interviewed over a one month period. The interviews were recorded and transcribed. These transcripts were analysed by using content analysis and five main themes were derived. The findings and analysis will be presented under these five themes in the next chapter.

CHAPTER 4

FINDINGS & ANALYSIS

4.1 Introduction

As discussed in the previous chapter, once the data was collected and transcribed, the research findings were analysed using content analysis. This Chapter will outline the key findings from the five in-depth interviews. Table 5.0 summarises the research findings which will be discussed in more detail throughout this chapter under five main themes.

Table 5.0 Summary of Research Findings

| Formal Methods | INT001 | INT002 | INT003 | INT004 | INT005 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Recruitment Agencies | Yes | Yes | No | Yes | Yes |
| Head-hunters | Yes | No | No | Yes | No |
| Press/Media Ads | No | No | No | Yes | No |
| Graduates | Yes | No | Yes | No | No |
| Internships | Yes | No | Yes | No | Yes |
| Informal Methods | | | | | |
| Referrals/Networking | Yes | Yes | Yes | Yes | No |
| Direct Applications | Yes | No | Yes | Yes | No |
| Technology | | | | | |
| Online Forums | No | No | Yes | No | No |
| Online job boards | Yes | Yes | Yes | No | Yes |
| Viral/Banner Adverts | No | No | No | Yes | No |
| Branding | | | | | |
| PR/Brand awareness | Yes | No | Yes | Yes | No |
| Sponsorship | No | No | No | Yes | No |
| Other Strategies | | | | | |
| Outsourcing | Yes | Yes | Yes | Yes | No |
| Offshoring | Yes | No | No | No | No |
| Recruit for Potential | No | No | Yes | No | No |
| Target Migrants | No | No | No | No | No |
| Total no of methods used: | 10 | 4 | 9 | 9 | 2 |

4.2 Methods of Recruitment

4.2.1 Formal recruitment methods – recruitment agencies, etc.

The use of formal recruitment methods featured strongly in all of the companies interviewed, particularly the use of recruitment agencies. Four of the companies stated the use of recruitment agencies was a significant part of their recruitment

strategies. Only one company, INT003, was currently not using recruitment agencies. Although the companies found it an expensive method, and had some reservations about their use, some felt they had little choice but to use this option. This view was best summed up by INT002 and INT005:

regrettably...it is the Recruiter...yeah regrettably...and ahem...personally I hate spending money on Recruiters... all they are ...are gatekeepers of information and they are very very expensive for what they do...ahem...but it just seems to be way the market is set up right now [INT002]

the main method of...ahem...recruitment would be agencies. Initially I started off with websites such as jobs.ie, monster.ie...the usual ones out there...but ahem...I found that I just wasn't getting what I wanted....so then I ended up going back to the agencies... although I had sworn from previous life that I would never use agencies again....they are just so expensive....but what can you do? [INT005]

The companies interviewed cited a number of reasons for choosing to use recruitment agencies. Some felt that as their companies were too small, they did not have the resources to deal with volume of applications received directly from online advertising. INT001, INT002 and INT005 suggested that candidates were driving the market and that they were not sufficiently driven to deal directly with companies:

I think again in a tight market you almost have to use intermediaries to...to pull people. People won't go around, I mean recruits won't go to different companies and register with them. They just go to one agency and let the agency do the work [INT001]

People who you are looking for, they don't bother looking at your ads...they go to a Recruiter and say you know how skilled I am, go find me a job [INT002]

Only one company, INT004 had used newspaper advertising in the last twelve months. Two companies, INT001 and INT004 had used Headhunters to fill senior roles, but stressed that this method was only used for senior roles, as the costs involved were extremely high.

4.2.2 Formal recruitment methods – Education Liaison

INT001 and INT003 had recruited Graduates in the past and found it successful, though it had typically happened in an unplanned manner. INT001 expressed how satisfied they were with this particular method:

.....we don't kind of...on a yearly basis say we are taking on three Graduates. We take on people as the need arises...ahem...but we would have a quite a number, let me see now...ahem...probably about four or five Graduates here we have taken on over the years and they have all expanded their responsibility and have been promoted and done very well [INT001]

INT002, the smallest of the companies, felt that they did not currently have the management capacity to support Graduate Recruitment. INT004 found that it required more experienced people than Graduates, as they outsourced a significant proportion of junior level work.

INT003 and INT005 had used Interns in the past and found it a useful method of long term recruitment. INT003 cited a particularly successful example of this method, where an Intern had progressed to become General Manager:

....typically we....ahem...take them on for about three to six months Internship...ahem...hopefully...ahem...he will stay on in some capacity....whatever that may be....but last year we had...ahem...three in all...ahem...Interns last year and actually our...actually our General Manager started as an Intern...like...she started with us in 2004 [INT003]

Even though INT004 felt they needed more experienced resources; they were currently examining the use of Graduates and Interns as a longer term recruitment strategy, where Graduates would come to them after gaining experience in other companies:

we are exploring the Graduate side of things....we are exploring the Interns and Co-Op programmes, recruitment fairs at universities, like you know, they may not come directly to us but they may come to us after their *first* job....or their second job [INT004]

The success of Graduates and Internships by INT001, INT003 and INT005 would concur with literature by Coco (2000) that education liaison and in particular, Internships can be a very successful and economical means of recruitment. The findings showed that even where companies, such as INT004, were currently not in a position to recruit Graduates; they were still able to see the longer term potential and value of this method.

4.2.3 Informal recruitment methods

Alongside the use of recruitment agencies, the use of referrals and social networking emerged as an important source of candidates for four interviewees. INT001 and INT003 regarded it as their most successful method and for INT004, referrals and networking was accounting for approximately 50% of recruitment:

referrals as well would be a big one, where we have actually managed to you know....recruit some very key people just through relationships that we have had with people in the past, from past employment etc...ahem...then....sort of the networking piece there, ex-colleagues..... the most successful one I would say is the ex-colleagues networking piece...definitely...because it is a tried and tested resource that you are bringing in..... I'd say it is a 50/50 split in terms of ex colleagues, net-working, you know...relationships versus recruitment agency [INT004]

INT002 appeared to recognise the benefit of referrals and networking, but had achieved limited success with this source to date. INT001, INT003 and INT004 all mentioned that they were receiving a reasonable amount of direct applications.

In literature, Carroll et al (1999) suggest that smaller organisations were more likely to use informal recruitment methods and are significantly influenced by labour markets. While four of the companies considered informal methods a successful part of their recruitment strategy, the findings showed that they were also still heavily dependant on formal methods, in particular recruitment agencies. The findings also showed that their choice of method was strongly influenced by the current labour market situation. Baron and Shine (2004) suggest that small

companies can overcome recruitment difficulties through social networking and referrals. While the companies had success with this method, it clearly could not be used as a sole method of recruitment for these companies, given the current labour market conditions. When referrals and social networking were used, the findings concurred with Barber (1998) that they can be very successful sources of new employees.

4.3 Technology in Recruitment

Despite the increased use of technology in recruitment, the findings showed that even in the software industry, technology was not making a significant impact. Three of the companies that had used online job sites were dissatisfied with the results; the other two companies had not used such sites recently. The common complaints of high volumes of unsuitable applicants and poor value for money were best summarised by INT001 and INT002:

but we found most of the other stuff doesn't work. Just putting an ad up on Monster or something doesn't seem to do a lot in terms of decent responses..... you know, 80% of it could be completely unsuitable. Certainly it makes it easy for people to send silly applications in for things that they are just not suited for at all [INT001]

but the response we have seen from these sites in the Irish market is very low ...ahem...it is poor value...we spend a lot of money advertising on these sites and we didn't really get a lot back for it and ahemto put it in Euro terms, I would have spent €6,000 on advertising on these job sites within a two month time-frame and ahem...the results I got were probably poorer than spending €6,000 on a decent Recruiter that had access to the right people [INT002]

All of the companies interviewed found that the use of email was the most beneficial aspect of technology, as it created greater efficiency in terms of receiving CVs, responding to applicants and arranging interviews. INT003 was the only company that was actively searching Irish and International online forums and databases for candidates and INT002 believed that online forums were working more effectively in the US:

Ahem...in the Software sector, you would expect people to be using the on-line medium to present themselves and to find companies... but they don't seem to be doing that so much as they do in the States. In the States you would find that everybody you know would have an on-line profile and that they would keep it up to date and they would also be member of these professional social networking sites like.....LinkedIN.....
[INT002]

INT004 had run a viral campaign on the internet linked to a newspaper advertisement that was running at the same time. Although it was difficult to measure its actual success, the company had received an increased number of direct applications following the campaign. INT003 was the only company currently advertising jobs on their corporate website.

These findings would concur with the CIPD Survey (2006c) that online recruitment is currently not very effective. While two companies were using newer techniques such as searching on-line forums and viral campaigns, there is yet little evidence available on the potential effectiveness of these methods. Despite the evidence in literature by Cober et al (2004) that the use of corporate websites can influence applicant attraction, four of these companies did not currently use their corporate websites to advertise jobs. A possible reason for this is that these smaller companies were unlikely to have in-house resources to regularly update and maintain a corporate website with job vacancies.

4.4 Employer Branding

None of the companies had any formal employer branding policies, though some were aware of its potential impact on recruitment. INT002 had conducted business related PR activities such as press releases, TV ads, online ads and banners last October and received some spin off from these activities at the time, through increased direct applications. INT003 was acutely aware of the importance of branding and had gone through an 'exhaustive branding and re-branding phase' last year, summed up below:

one of the things that was brought to our attention was like the brand...that the brand...when a company is sold...you know...that

actually 70% of the company's worth is how well known the brand is...that was kind of you know...a shock really. We knew we had to get the brand out there...and ahem...but we set ourselves a target that you know in 2 years time...we are...you know...planning to be the biggest digital animation company in Ireland... at least in terms of ahem...generating our own content and ahem...you know moving towards owning our own intellectual propertyto characterise our brand...so our brand is almost like a another show...so ahem...and you know ...make it...we are fairly informal organisation...we have fun here too.....and we want to get that into it as well...ahem...I think that in terms of prospective employees visiting our website and having a look at our brand...you know...we are re-launching it in a couple of months...but ahem... you know that will all come across from the brand very clearly. [INT003]

INT004 was trying to capitalise on the spin off from press coverage of a recent acquisition and was endeavouring to ensure that jobs were mentioned in any media coverage:

definitely you know employment was discussed as part of ahem...some of the key interview...that our CEO did in the Sunday Business Post for example...you know ahem...I recall there was Company 004 would develop 150 jobs over the next, you know whatever years....and so definitely we try and link it where possible...yeah. [INT004]

INT004 was also the only company engaged in sponsorship. INT005 described itself as a 'white label' software company. With its origins in the Netherlands, it did not have any local PR activities. It is not well known and had no particular strategies for the future in this area.

In literature, Saks (2005) highlighted the importance of employer's image in recruitment and though none of the companies had a clear Employer Branding strategy, there was evidence that they were aware of the impact that PR, sponsorship and image could have on recruitment. INT003 and INT004 were, as Taylor (2005) suggested, deliberately trying to use branding and PR to differentiate themselves and when multiple practices were used, it appeared to influence applicant quantity and quality, as suggested by Collins and Han (2004).

4.5 Labour Market & Skills Shortages

The findings showed that all of the companies found it more difficult to recruit staff than previously and recruitment was proving more difficult than selection. INT001 found that it was trying to compete on an international basis, because there was not a lot of local expertise in some of its technologies. Although it found that it had not the level of choice it had previously, they believed they were coping with the current labour market situation. INT002 and INT003 believed that candidates were not putting the effort into job hunting and that generally overseas candidates were significantly better at presenting themselves and selling themselves. INT005 echoed the concerns regarding candidate's presentation for jobs and was concerned about the attitude of Irish workers; particularly younger workers who seemed to expect higher salaries for less work.

All of the companies interviewed talked about the difficulties in acquiring skills specific to their niche software markets. INT004 proposed the thought that perhaps the companies themselves were creating skills shortages by being so choosy about applicants:

are skill shortages nearly our decision to a certain extent? Because we are so fussy and specific...like you know....and specific.....like you know....we nearly create that ourselves if you know what I mean....lots of people who claim to be all singing, all dancing IT professionals but unfortunately they are not as far as we are concerned [INT004]

The findings concurred with the evidence from the EGSMN, the CIPD and Dychtwald, Erickson and Morison (2006) on skills shortages. However, INT001, INT003 and INT004 appeared to be coping better than the others with the current labour market conditions. These three companies were using up to ten various methods to attract candidates. INT002 and INT005 appeared to be finding recruitment more difficult and these companies were utilising significantly less methods, four and two respectively.

4.6 Additional Strategies to overcome skills shortages

Finally, the research sought to determine what additional strategies were being used in addition to those already discussed above. Four of the companies employed migrant workers, but none of these had specifically targeted this group. The migrants had typically been recruited through the normal channels such as recruitment agencies, referrals or direct applications. None of the companies had adopted any strategies to attract under represented groups of workers, such as those with disabilities.

INT001 had previously Offshored to India but found that this option was better suited to large scale software development projects as the overheads associated with managing it were too high. Four of the companies were engaged in Outsourcing both locally to companies in the Digital Hub and globally, to a range of countries including the US, Eastern Europe and South America, Philippines, Australia and New Zealand.

In addition to Outsourcing, INT003 was considering the establishment of a subsidiary abroad to open up an alternative talent base and this was the only company that mentioned recruiting those with potential as a means of overcoming skills shortages. INT002 found a way using technology to utilise a slightly different method of Outsourcing:

we definitely would consider Offshoring or Outsourcing....but in a slightly different way....ahem...you see with the web now there is a lot of freedom to post a project or a job. You can ahem... get quotes from freelance Software Developers...who live in any part of the world...These can cost as little as €1,000...you would get a lot from some Software Developers in certain countries for this...the cost is low and therefore the risk is low [INT002]

In literature CIPD Surveys (2006a) and (2006c) suggested that employers were using a wide variety of methods such as Offshoring, Migrant workers and recruiting those with potential to overcome skills shortages. However, these

companies were not using all of those strategies to the extent suggested by literature. The findings showed that Outsourcing was the most utilised response by these companies to overcome skills gaps.

4.7 Summary

This chapter has outlined the key findings from the five in-depth interviews. These findings showed that three of the companies were using up to ten different methods to attract applicants; two of the companies were using four or less methods, with a combination of both formal and informal recruitment methods being used. While the use of email is proving very effective, on-line recruitment has proved unsuccessful for these companies. There was some awareness of the importance of Employer Branding in recruitment and Outsourcing was the most popular response by these companies to overcome skills shortages. These findings form the basis for the conclusions and recommendations in the next Chapter.

CHAPTER 5

CONCLUSIONS & RECOMMENDATIONS

5.1 Introduction

This final chapter will provide conclusions from the key findings outlined in Chapter 4. It will also outline a number of recommendations which the Researcher believes the organisation should implement to develop a successful recruitment strategy. The chapter will conclude with a brief summary of the learning derived from the process of preparing and presenting this Dissertation.

5.2 Conclusions

5.2.1 Methods of Recruitment

The research set out to explore what methods of recruitment were used by small software companies to attract staff. It is clear from the findings that these companies have to use a variety of recruitment methods, both formal and informal to attract applicants. There was no single method that was more proving more successful than another. The three companies that were using a wide variety of methods seemed to be coping better with recruitment and skills shortages than the other two companies. They were generally adopting a more pro-active approach through their use of social networks, contacting colleagues in other companies and searching on-line forums.

Despite the company's misgivings about the use of recruitment agencies, their use in attracting applicants was still a core part of their recruitment strategies. While some companies cited difficulties in managing applicant responses as a reason for choosing agencies, the decision was largely being influenced by the current labour market. Although the fees associated with the use of recruitment agencies are typically expensive, these companies believed they have little choice. However, given the poor success rate of on-line recruitment and the lack of management time to search on-line forums and databases, recruitment agencies may not be the most expensive option after all.

The use of informal recruitment methods such as employee referrals and social networking proved highly successful for four of the companies. In the findings,

INT002 was achieving less success with this method and there were a number of likely reasons why it had not been as successful for them to date. Firstly, the Founder of the company had worked outside of Ireland in the US for the last ten years, so therefore, probably had a limited network in Ireland and secondly, the company currently had the smallest number of employees in the sample group and was limited in terms of the pool from which it could seek referrals. Therefore, this method is likely to work best when the Founders or Management Team have strong local social and professional networks and there are a reasonable number of employees in the company from which to seek referrals.

In the sample group, INT001 and INT004 were the most well known of the companies in the Irish market and along with INT003 were receiving a reasonable number of direct applications. This could be linked to the higher profile in the marketplace of these companies and a possible spin off from their CEOs PR and media activities. It is possible that there is a link between informal recruitment methods and employer branding. If employers are using word of mouth and PR to generate interest in jobs in their organisations, then they need to consider what messages they are spreading, and what company image they are creating.

It would appear, therefore, that a combination of recruitment methods, both formal and informal, some passive and some pro-active are forming the basis of successful recruitment strategies for these companies in this sector.

5.2.2 Impact of Technology

The research sought to establish what impact technology was having on recruitment. While the literature and findings showed that technology has certainly had an impact on the recruitment process, it has not all been entirely beneficial for employers. It is clear, however, that the high level of unsuitable applicants received from on-line job sites is actually turning the companies away from using online sites and encouraging them to return to the more traditional methods, such as recruitment agencies.

Although there has been little available literature on the success of online forums and databases, the use of these methods would require significant management time. While larger organisations may be able to support this, smaller companies are likely to struggle to find the time, even if they were shown to be successful. Lack of time and resources could also possibly be a reason why only one company was currently advertising jobs on their corporate website. There was evidence of willingness amongst the companies to try newer pro-active methods such as searching on-line forums and databases and using viral campaigns, though these are currently largely untested in literature. This appeared to be more prevalent in those companies that were already using a broader range of recruitment methods.

5.2.3 Employer Branding

In addition to exploring the impact of technology on recruitment, the research also explored if companies were adopting any strategies to develop their brand as an employer. Although none of the companies had a clear Employer Branding Strategy in place, there were using a range of activities, from PR activities, sponsorship, corporate website and a re-branding program. Those companies that were engaged in these activities appeared to be benefiting from them by receiving direct applications. It was clear in the findings that the two companies who had charismatic and well known CEOs were receiving spin-off from their PR and media activities. Though not every small company will have this benefit, where it does exist, it could be capitalised upon to support recruitment. A positive Employer Brand can have huge potential. As one company highlighted in the findings, up to 70% of the value of the company can be brand related. As well as having significance in its own right, it can also underpin many other recruitment activities. The messages and images created could be used to influence recruitment agencies, to attract Graduates and Internships, and to build relationships with like minded Outsourcing partners.

The literature and findings showed that Employer Branding is becoming increasingly important. There appeared to be awareness amongst the companies that perhaps this was a way in which they could differentiate themselves from other employers and also increase the overall company value

5.2.4 Labour Market & Skills Shortages

As the research and literature showed, these companies were being significantly influenced by the external labour market. It is certainly clear that the current labour market in the technology sector is employee driven and the companies have to work harder than ever to attract applicants. While a number of companies, INT002 and INT005 felt that candidates were not putting sufficient effort into the job hunting process, there is currently little that employers can do to change the way candidates behave. In reality, this is unlikely to change until there is a slowdown in the labour market, so companies have to develop their own strategies to overcome these issues.

To some extent, as proposed by INT004 in the findings, it seems that the companies themselves were contributing to the skills shortages. All of the companies were extremely focussed on finding applicants with the skills set relevant to their particular technologies or to their niche market. This narrow focus, to attract only experienced applicants in their niche markets would appear to be limiting their pool of talent. It was further constrained by the fact that none of the companies had done anything to deliberately target under represented groups of workers, such as those with disabilities or migrant workers. It is possible also that candidates too, are limiting their scope, as once they gain experience in a particular niche area, they tend to remain in that area. For example, those that gain experience in financial services software tend to remain with financial services software companies, If, as the literature suggests, the current skills shortages continue for the foreseeable future, then these companies will have to rethink their target applicant pool and perhaps target groups for workers that they would have not previously considered.

5.2.5 Other Strategies to overcome skills shortages

Finally, the research sought to examine what alternative strategies these companies were using in the context of a tight labour market. It found there was limited use of alternative strategies to overcome skills shortages. These companies were more likely to Outsource than to Offshore and there could be number of likely reasons for this. Software development is typically project driven and Outsourcing can often suit this type of work as it can help manage peaks and troughs in workloads. It can also be useful when certain skills are only occasionally required, such as audio or translations. The lack of available skills or management time to recruit skills could also be a reason why these companies were Outsourcing. It is possible, given the cluster of software companies based locally in the Digital Hub that these companies are more likely to engage with each other and create Outsourcing arrangements.

Outsourcing has implications as a strategy, particularly for small companies, and its use has to be carefully planned and managed. Intellectual property is a key component of the overall value of software development companies. Over dependence on Outsourcing could ultimately reduce value of the company. If companies, such as INT004, continue to outsource low end software development work, then there are implications for Graduates of the future, in terms of where they acquire their experience.

It is clear both from the literature reviewed and the research findings that no one method of recruitment or strategy will address the issue of recruiting skills in a tight labour market. Therefore, the researcher has concluded that the organisation will need to utilise a variety of recruitment methods, both formal and informal, if it is to achieve success in recruitment. The next section will outline a number of recommendations for the organisation.

5.3 Recommendations

5.3.1 Introduction

The research findings outlined in the previous chapter and the conclusions of this chapter have led the Researcher to present a number of recommendations for the organisation. Small companies have to use a wide variety of recruitment methods simultaneously if they are to be successful in attracting applicants. Given the small size of the organisation currently, and the constraints on management time, it is recommended that five main recruitment strategies are implemented over the next 12 month period. The recommendations range from the formal, generally expensive, recruitment agency method to less expensive options such as the use of Internships.

5.3.2 Employer Branding

Although the organisation is currently not well known, this should not prevent it from developing its brand as an employer. The company is fortunate to have a charismatic CEO and this should be capitalised upon. As the company expands, it should consider articles in the technology sections of reputable newspapers and trade journals. It should also consider interviews in online technology news sites such as siliconrepublic.com. In all these PR related activities, the company should endeavour to make references and links to expansion and employment opportunities. The company should take advantage of the use of technology and enhance its corporate website. A dedicated area should be made available on the website to outline full details of all job vacancies, the corporate culture and company values. This section needs to emphasise what the company is like to work for. It needs to be user friendly and must have clear links from the homepage. The link to this "Careers Section" should be included in all on-line correspondence. All of these activities should help to increase the number of direct applications to the company and create a positive image of the company as an employer. They will also help to underpin other activities such as the use of Referrals, Recruitment Agencies, Internships and Graduate Recruitment.

5.3.3 Referrals and Social Networking

Given the success in the findings and evidence of literature of this method of recruitment, the Company Directors should use their contacts from previous organisations and begin to spread the word that the company is now expanding and recruiting. This could be done using email or text messaging, which should provide a link to the corporate website containing the more detailed job and company information. The organisation should implement an Employee Referral Programme to encourage existing employees to refer ex colleagues by offering a bonus payment. A bonus payment in the region of €1-1.5k would be the industry norm.

5.3.4 Recruitment Agencies

Recruitment agencies are still playing a significant role in recruitment. The organisation cannot change the fact that a significant number of candidates will still only use recruitment agencies in the current tight labour market. They should focus on building links with a few reputable agencies and should encourage the agencies to visit the company's offices to become familiar with the work environment, the company culture and values. This will enable the agency to have a better understanding of the company and its roles and subsequently this should enable them to be able to present high quality candidates, who closely match the company's requirements. It can be useful to provide recruitment agencies with visibility of the growth plans and overall number of vacancies likely to occur over a twelve month period. It may then be possible to negotiate a reduced placement fee based on future volume of business. This source is one of the most expensive methods so costs and results have to be carefully monitored.

5.3.5 Internships & Graduates

The findings and the literature have shown how effective and economical the use of Internships and Graduates can be. The use of internships would require an investment of management time. However, this method could prove a valuable low cost source of labour, which would be highly likely to return to the company

after graduation and would therefore be worth pursuing. Given the current size of the organisation, an initial one internship would be appropriate for the first year. This could be increased as the company grows. The organisation should also consider a Graduate Recruitment strategy. This would tap into a broad pool of applicants with Computer Science Degrees and would capture them at an early stage of their careers before they get locked into a particular niche market. The company should establish links with two or three universities, targeting those whose course material in Computer Science is most relevant. This method could provide a regular, low cost sustainable supply of labour.

5.3.6 Outsourcing

In the findings, we saw that the companies interviewed were all using outsourcing to overcome skill shortages. The organisation should investigate the possibility of developing links with outsource providers to manage workload peaks. This strategy will need to be carefully planned. The particular skills or projects to be outsourced would need to be carefully identified and selected. Intellectual property is a key concern of any software companies and any Outsourcing Agreement will need to ensure that Confidentiality Agreements and Intellectual Property Agreements are signed by both parties.

5.3.7 Monitoring effectiveness

Finally, as with any strategy, it needs to be monitored and reviewed regularly to ensure its effectiveness. The company should keep a database tracking all its recruitment sources and any costs associated with these. This is essential for analysis in the future to establish which methods are proving to be successful and will provide the basis for future decisions in this area.

5.4 Implications for Theory

Section 1.3 highlighted that while there is impressive theoretical precision around some key aspects of recruitment research, writers like Ployhart (2006) and Saks (2005) suggest that much of it has little practical use for managers. The literature review highlighted gaps including how technology could be utilised more effectively in recruitment and how can employers differentiate themselves using branding. The research findings showed that while three of the companies were using up to ten different recruitment methods, much of their responses were being dictated by the current external tight labour market, rather than by recruitment literature. Therefore, it would appear for these small software companies, much of the recruitment research currently has limited practical use and these companies could certainly benefit from broader literature on recruitment in the context of the current global skills shortages.

5.5 Limitations of Research

Given the relatively small sample size for this research, company or industry generalisations should be avoided. The qualitative nature of the interviews provided valuable insights into how these companies were approaching recruitment of skills within the context of a tight labour market. The findings are highly relevant to the organisation, MTT, but may not fully apply to other companies in a wider geographical area or different industry.

5.6 Implications for future research

The research findings provide a number of implications for future research. Future research could focus on a larger sample group extending beyond the Digital Hub area. It could explore the link between a charismatic CEO, Employer Branding and Informal Recruitment Methods. Finally, it could explore the impact of Outsourcing on the value of small companies. As the literature suggests the topic of recruitment is a broad and complex area, impacted by many factors which could set the foundation for further research.

5.7 Self Reflection and Learning

The process of preparing and doing this Research has undoubtedly been a very valuable learning experience. Personally, I found the Research Proposal the most difficult aspect of the process. I found it very difficult to gather momentum after the Christmas exams and with a busy work schedule in January; it seemed an almost impossible task. However, it did help to generate initial broad ideas for the research topic and it started the process of reviewing the literature and considering the research methodology.

I found that the process of doing the Research required many skills from researching literature, interviewing, time management, computer skills and typewriting skills. The literature review broadened my awareness of the vast amount of books and in particular, journals and online material available. It had been ten years since my last studies and in that period, the use of the internet has entirely changed the way research is conducted. It has opened up so many potential avenues of information that the challenge is now deciding what information is relevant and what is not. I found conducting the interviews an enjoyable experience and all five participants were very engaging, interesting and helpful. Through the interviews and the research on the industry, I learned a great deal about a fascinating and dynamic sector.

There were challenges along the way, particularly in terms of time management and getting the interviews agreed and organised. I discovered that a flexible approach was required as two companies changed the interview time at short notice and although a total of seven interviews were originally agreed; two companies withdrew their commitment due to heavy workloads. As well as utilising existing skills, I learned new skills which included research methods and preparing and presenting a Dissertation. Ultimately it was a valuable learning experience that will benefit me for many years in the future.

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Appendix 1

SAMPLE EMAIL

The following is a sample of the text included in the email sent to companies requesting interview. The content varied slightly depending on nature of contact with company.

Re: BA (HONS) Human Resource Management at National College of Ireland

Currently, I am studying the final year of the above program. A key part of the assessment is the completion of a 10-12,000 word dissertation, which must include primary research. The research topic for the Dissertation will be:

“Exploration of strategies to recruit skills to a small Software Development company”

The research will focus on five main themes:

- 1) Methods of Recruitment
- 2) The use of technology in recruitment
- 3) Employer Branding
- 4) Skills shortages
- 5) Strategies to overcome skill shortages

The research will be conducted by interviewing key people in established technology companies or other relevant industry experience. Given your company's experience in the technology industry, I would be very interested in arranging an interview with you or another appropriate person in your organisation. I appreciate time constraints and would endeavour to keep the interview to approx. **45 minutes**. It is hoped to carry out the interviews **during May**. A summary of the key findings of this Dissertation will be made available to all participants.

Confidentiality

Companies and participants will NOT be directly identified and will be identified by number only. Companies and participants can be assured that in accordance with National College of Ireland confidentiality guidelines, the final Dissertation will only be available to the Supervising Lecturer. Any further access will be restricted and only made available with the written permission of the author.

Researcher's Background

My background includes several years HR experience in the technology sector including HR Manager roles at Nokia, Sabre (formerly Gradient Solutions) and WBT Systems Ltd and is currently providing HR consultancy to Mobile Travel Technologies Ltd (MTT).

Appendix 2

DISSERTATION INTERVIEW THEMES – VERSION 1

1 METHODS OF RECRUITMENT

- 1.1 What are the main methods of recruitment currently used or predominantly used by your organisation? (Advertising, online, staff referral, networking (ex colleagues) unsolicited applications)
- 1.2 Do you use different approaches for different locations?
- 1.3 Do you use different approaches for different vacancies?
- 1.4 Which methods have proved most successful for your organisation to date?
- 1.5 Do you have a planned graduate recruitment strategy? Any particular universities?
- 1.6 Do you take interns? If so typically what stage of study and which colleges?
- 1.7 Do you use sub-contractors? If so, reasons (cost v skill) Do you retain them on a short or long term basis?

2 TECHNOLOGY & RECRUITMENT

- 2.1 What types of technology does your organisation use in recruitment (e.g. email, online recruitment sites, online applications, corporate websites etc.)
- 2.2 Does the use of technology in recruitment make an impact on the **quantity** of applications received?
- 2.3 Does the use of technology in recruitment make an impact on the **quality** of applications received?
- 2.4 Does the use of technology in recruitment impact on the efficiency of the recruitment process?
- 2.5 In your opinion, which aspect of technology in recruitment has been the most beneficial?

3 LABOUR MARKET & STRATEGIES TO OVERCOME SHORTAGES

- 3.1 Is your organisation experiencing difficulties in attracting skills from the local Irish labour market?
- 3.2 What are the key challenges facing small companies such as your organisation when recruiting in a tight labour market?
- 3.3 To what extent, does your organisation use migrant workers to fill skills gaps?
- 3.4 Has your organisation adopted any strategies to overcome skills shortages in the local Irish labour market? If so, give details.
- 3.5 Has your organisation adopted any strategies to attract migrant workers?
- 3.6 Have your organisation adopted any strategies to attract under represented groups of workers (disability, female etc)
- 3.7 What, in your opinion, should be done to address skills shortages?
- 3.8 In your opinion, will the recent changes to the Work Permit Regulations have any impact on recruitment in your organisation?

4 OFFSHORING/OUTSOURCING

- 4.1 Does your organisation currently “offshore” any activities?
- 4.2 Would your organisation consider Offshoring activities in the future?
- 4.3 If so, what would be the main drivers – e.g. cost reduction, fill skills gap, increase capacity?
- 4.4 If so, what countries would you consider to place offshore activities?

Appendix 3

DISSERTATION INTERVIEW THEMES – VERSION 2

1 METHODS OF RECRUITMENT

- 1.1 What are the main methods of recruitment currently used or predominantly used by your organisation? (Advertising, online, staff referral, networking, ex colleagues, unsolicited applications, etc.)
- 1.2 Do you use different approaches for different locations?
- 1.3 Do you use different approaches for different vacancies?
- 1.4 Which methods have proved most successful for your organisation?
- 1.5 Do you have a planned graduate recruitment strategy? Any particular universities?
- 1.6 Do you take interns? If so typically what stage of study and which colleges?
- 1.7 Do you use sub-contractors? If so, reasons (e.g. cost v skill). Do you retain them on a short or long term basis?

2 EMPLOYER BRANDING

- 2.1 Has your organisation adopted any strategies to develop awareness of the organisation as employer? E.g. word of mouth, sponsorship, use of awards etc.
- 2.2 Does your organisation utilise any of the general marketing strategies to increase awareness of org as an employer?
- 2.3 Does your organisation believe there is anything further it could do to develop awareness of it as an employer?

3 TECHNOLOGY & RECRUITMENT

- 3.1 What types of technology does your organisation use in recruitment (e.g. email, On-line recruitment sites, online applications, corporate websites etc.)

- 3.2 Does the use of technology in recruitment make an impact on the **quantity** of applications received?
- 3.3 Does the use of technology in recruitment make an impact on the **quality** of applications received?
- 3.4 Does the use of technology in recruitment impact on the efficiency of the recruitment process?
- 3.5 In your opinion, which aspect of technology in recruitment has been the most beneficial?

4 LABOUR MARKET & STRATEGIES TO OVERCOME SHORTAGES

- 4.1 Is your organisation experiencing difficulties in attracting skills from the local Irish labour market?
- 4.2 What are the key challenges facing small companies such as your organisation when recruiting in a tight labour market?
- 4.3 To what extent, does you use migrant workers to fill skills gaps?
- 4.4 Has your organisation adopted any strategies to overcome skills shortages in the local Irish labour market? If so, give details.
- 4.5 Has your organisation adopted any strategies to attract migrant workers?
- 4.6 Have your organisation adopted any strategies to attracted under represented groups of workers (disability, female etc)
- 4.7 What, in your opinion, should be done to address skills shortages?
- 4.8 In your opinion, will the recent changes to the Work Permit Regulations have any impact on recruitment in your organisation?

5 OFFSHORING/OUTSOURCING

- 5.1 Does your organisation currently “offshore” any activities?
- 5.2 Would your organisation consider Offshoring activities in the future?
- 5.3 If so, what would be the main drivers – e.g. cost reduction, fill skills gap, increase capacity?
- 5.4 If so, what countries would you consider to place offshore activities?

Appendix 4

INTERVIEW TRANSCRIPT - COMPANY 001

Date: Thursday, 10th May 2007
Time: 12 Noon
Location: Company 001 Offices, The Digital Hub

Following the initial introductions, the Researcher commenced the interview by thanking the Interviewee for giving their time to do the interview.

A brief background was given on the course and the reason for the Dissertation. The main themes of the Dissertation were outlined. A brief summary was given of the Researcher's previous work experience in the Software Industry.

Confidentiality was re-iterated as outlined in the introductory email. The Researcher confirmed once again that a summary of the key findings of the research would be made available to all participants.

The Researcher sought clarification of the Interviewee's available time. The Interviewee confirmed that they had about 30-40 minutes available in their diary before their next meeting.

Permission to record the interview was the requested. Recording then commenced.

NOTE ABBREVIATIONS:

RES: Researcher
INT001: Interviewee

RES: I have a number of interview themes which I will work through with some questions. If any of them pose a problem, please just let me know.

INT001: No problem. Right.

RES: The first theme of the Dissertation is what are the main methods of recruitment currently used by your organisation?

INT001: Ahem...by methods you mean?

RES: Typically we categorise them into the traditional ones – the recruitment agencies, the referrals, the networking aspect, online or any other particular ones such as contracts.

INT001: We use a combination of everything really ahem...at senior level we have just used a recruitment consultant to hire a new FD – that was almost a head hunter. We placed an ad in the paper and ahem...particularly in the UK we have to use agencies the whole

time, we just don't get anyone direct, ahem...here in Ireland...we have...

RES: Just to clarify, do you have a significant amount of staff in the UK?
INT001: We have 8 in place

RES: OK, so it would be reasonable % in terms of your size?
INT001: Yes it is reasonable. Ireland is a combination of agencies and you know, we have I suppose we have a higher awareness of ourselves here so we would have some people contacting us directly here. Similarly, we have been working in other companies so we would be aware of people and we would have approached them or they have come to use, so...

RES: Right
INT001: So ahem, as regards online, we would use online...ahem use one site, grad, gradireland.com something like that, to attract graduates. But we found most of the other stuff doesn't work. Just putting an ad up on Monster or something doesn't seem to do a lot in terms of decent responses.

RES: Right, OK. So I suppose you have kind of answered my next question. Which method would you say has been most successful for the Irish market?

INT001: Well for the Irish market, at this point ahem....either direct with people just approaching us ahem...and keeping an eye on the kind of approaches we have been receiving and see is there anybody who stands out. You know there are a couple of people who have come to use that way or agencies.

RES: What do you think are the key challenges facing small companies such as your organisation in recruiting in a tight labour market?

INT001: Ahem...it is finding you know finding the quality of people even to interview ahem...I think that there doesn't seem to be a huge degree of ahem...what you call fluctuation in the market of people moving around. People seem reluctant to move and they seem to be happy enough where they are. There doesn't seem to be a degree of dynamism or ahem...moving about...ahem... in the market.

RES: In terms of technology use in recruitment, and I am talking about things like your own website, online application, the use of online sites and email, what impact do you think technology has had on recruitment over the last few years

INT001: Ahem...maybe not as much as I would have thought...ahem...I think again in a tight market you almost have to use intermediaries

to...to pull people. People won't go around, I mean recruits won't go to different companies and register with them. They just go to one agency and let the agency do the work. So ahem...in a lot of instances, but then again the communications that we have with all the intermediaries is all linked to our website and emails so it has helped tremendously in that sense.

RES: Does it make an impact on the quantity of applications received by the company?

INT001: It does, but a lot of the quantity, you know, 80% of it could be completely unsuitable. Certainly it makes it easy for people to send silly applications in for things that they are just not suited for at all.

RES: Do you think that impacts the efficiency of the recruitment process for the line manager?

INT001: Ahem...Ah I think, people are very good these days, the same way we all have to deal with spam and stuff, that you can look very briefly at a CV and say irrelevant, no, no. very quickly...not of benefit here...very quickly.

RES: In your opinion which aspect of technology recruitment has been the most significant to date?

INT001: Which aspect of?

RES: That would be the use of online sites, your own website, the use of email.

INT001: Oh the use of email, the use of email...definitely.

RES: Is your organisation experiencing difficulty in attracting skills from the local Irish market?

INT001: Ahem...yes, it is that we are trying to compete on an, I suppose, on an international basis and some of the technologies that we are offering ahem...would not be ones that there are great deal of expertise of in Ireland because it is a small market here. So you know the UK is a much larger market, so you will always have...you find specialists and you find reasonably large number of specialists in any niche in the UK whereas in Ireland because it is such a small market...ahem...you won't find as many specialists in a particular niche. There might only be one or two and they might be embedded in a particular role in a company and just not moving, so you have to look abroad. You have to look outside the normal range or you have to look to train people.

RES: Right and is that something you would do quite frequently, to span the net wider than the Irish market?

INT001: Ahem... Yes, Yes, well again, people are willing to come to Ireland and so it just means that we do... ahem... receive applications from a lot of non-Irish people... ahem... we have not too many really, one, two, three, four, five – about five non-Irish

RES: Which would be roughly about?

INT001: Ahem... we would have 33 here, so roughly about one in six.

RES: OK so about one in six. OK. And would they be people that you have targeted to come here or would they have applied to you directly because they would have picked up your name on a website?

INT001: Yeah, they would have come, they would have come to us.

RES: OK, rather than you targeting them.

INT001: Yes... Yes

RES: My next question is to what extent do you use migrant workers to fill the skills gap?

INT001: Oh yes, we have to. They are excellent, excellent.

RES: Has your company adopted any other strategies to overcome skill shortages in the local labour market?

INT001: Ahem... well, like... we are not some... you know... I think we overcome, you know, it just is a little more difficult to find people. We don't have the level of choice that you'd have, sometimes in the past, you know... you might have seen, you know, six good applicants here for the one job, whereas generally you find that it comes down to that there is only one or two who are good... but it hasn't you know, but we don't have gaps at this point in time which can't be filled because of lack of people. It is not that bad for us at the moment.

RES: What level of interviewing are you doing to get candidates? For example, how many people would you need to interview to get one candidate?

INT001: Ahem... you see, sometimes, as I say, it might be very little. You might only interview three people because there is only three reasonable candidates come through. You might interview three and ahem... take one and I suppose we are all under pressure as well and we wouldn't be doing the interviewing twenty to get one either. What we would be trying to do – we use psychometric testing, sort of online psychometric testing to help in that regard as well. So we might see three good cvs, meet them and we can get three psychometric tests done and maybe only conduct one second interview and third interview with the same person.

RES: Right and would you use any sort of technical testing for the more technical roles in terms of the software side?

INT001: Ahem...I think, we would....ahem...assess, you know they'd have technical interviews and they would be asked about various tasks but they wouldn't actually be told write code or anything like that...ahem...but they would be, they'd possibly be shown some code and they would be and yeah we would test their knowledge in some way. We wouldn't set them tests as such.

RES: And have you found the psychometric to be a reasonable indicator of performance on the job?

INT001: Oh it is yeah, yeah yeah. We use the Quake, Quake System.

RES: I have not heard of that one, but have used SHL in the past.

INT001: Yeah, Quake is online system.

RES: Have you any adopted any particular strategies to adopt migrant workers to your organisation?

INT001: No, No.

RES: In your opinion, do you think that there is any particular things that should be done, probably more on a national level, to address shortages of skills in this particular sector?

INT001: Ahem...No, I don't....I don't have a huge degree of knowledge around it. I think there is levels of skill requirements at kind of all levels and you just have to hope that people are all being brought up through whatever FAS courses or whatever to fill all these roles. We can't all be rocket scientists or whatever. We do need people to work at a certain level. But that is well above the level that, you know, might have been open to people a few years ago. I don't know enough as to what has been made available. What I would say is that in this area you see a lot of people who...you know are obviously...you know...not fulfilling what they should be capable of fulfilling because they are being left behind. In this particular area, you are exposed to it everyday but that is a social issue and...ahem...you know you just like to see the level of opportunity being made available to everybody, but I think in this particular area you are exposed to it on a daily basis and you would feel that there would be a lot of people around here who are just wasting their lives, but is that an education issue or a social issue?

RES: You mentioned GradIreland at the beginning of the conversation. What percentage of graduates would you tend to take every year? Would you have a deliberate strategy?

INT001: Ahem...well we are a small company, you know, as I say, 30 maybe 40 people, we don't kind of...on a yearly basis say we are taking on three graduates. We take on people as the need arises...ahem...but we would have a quite a number, let me see now...ahem...probably about four or five graduates here we have taken on over the years and they have all expanded their responsibility and have been promoted and done very well. You know, we think that if you take on people that are good, we always try to mentor them so that they can take on more responsibility and grow. Our graduates have been very successful to date.

RES: OK. Would you find that there are particular universities that you would tend to typically recruit graduates from?

INT001: For various reasons, DCU...yeah.

RES: That would be there Computer Science Course typically?

INT001: Yeah, Yeah.

RES: Do you tend to take any work placements or internships?

INT001: Ahem...we have done that a bit as well. I was just contacted about it yesterday by DIT by email.

RES: Yes, there was an email circulated yesterday by DIT

INT001: Yes from DCU, we certainly have taken a number of people on six month internships.

RES: Would you see that as a source of recruiting people for the longer term?

INT001: Yeah, Yes absolutely.

RES: Has your organisation adopted any particular strategies to recruit from under represented categories, such as those with disability?

INT001: Ahem...no....we just focus on the skills set that a person has...so no not really.

RES: Do you believe that the recent changes in the work permit regulations will have an impact on your organisation?

INT001: Ahem.....don't know.....really...

RES: I am not sure how familiar you are with them?

INT001: No, not particularly.

RES: Ok so, we will move on. You mentioned you have offices in London and elsewhere? Do you have another location?

INT001: We have a kind of a franchise in Australia at the moment. But you know we can go into countries without having to be physically present there so...ahem.

RES: Have you ever considered Offshoring any of your core activities?

INT001: We did, we did...we moved some stuff to India a few ago and it didn't work out.

RES: What was the main driver for that move – cost reduction or skills?

INT001: It was a question of ...ahem...I suppose a short term need for some work to be done ahem....but not wanting to add extra long term cost here. But on to the key here, we discovered that the scale of what we wanted to do – the overhead associated with moving development onto India is only for large scale development requirements. What we were trying to do was a small project and the overhead associated with what we wanted to do was just too high...ahem.

RES: Is it something you would consider again, having had that experience?

INT001: Not really because of the nature of what do, we are kind of a managed services company. We have a platform. We have all these applications around it so...ahem...it is not something, you can't really outsource our core and...ahem...it would be difficult even to outsource. We'd be more inclined to partner with other companies and use other applications as opposed to getting somebody else to write software on our behalf from scratch.

RES: OK, Thanks. That's probably the main areas I wanted to cover and the focus. I hope that wasn't too bad.

INT001: No No that was fine. Glad to be of assistance.

RES: Once again, I really appreciate your time and help.

The interview then ended and recording ceased.

Appendix 5

INTERVIEW TRANSCRIPT - COMPANY 002

Date: Monday, 21st May 2007
Time: 11.00am
Location: Café Mote, Thomas Street near The Digital Hub

Following the initial introductions at the company's premises, the Interviewee requested to do the interview in a nearby coffee shop as he just travelled back from Galway and wanted to get some breakfast. Some initial conversation and background to the company was given on the way to the coffee shop.

The Researcher commenced the formal interview by thanking the Interviewee for giving their time to do the interview.

A brief background was given on the course and the reason for the Dissertation. The main themes of the Dissertation were outlined. A brief summary was given of the Researcher's previous work experience in the Software Industry.

Confidentiality was re-iterated as outlined in the introductory email. The Researcher confirmed once again that a summary of the key findings of the research would be made available to all participants.

The Researcher sought clarification of the Interviewee's available time. The Interviewee confirmed that they had about 1 hour free.

Permission to record the interview was the requested. Recording then commenced.

Note: The Researcher had some concerns initially about the background music and noise at the Café, but as the Interviewee seemed very keen to "refresh" after their journey, therefore, it did not seem appropriate to suggest an alternative location. Despite considerable background noise, the quality of the recording actually ended up being reasonably audible.

NOTE ABBREVIATIONS:

RES: Researcher
INT002: Interviewee

INT002: So just rewind (from conversation on way to coffee shop), the Dutch guys spent a year looking at the market, contacted a recruiter, X to hire a CEO, advertised in the Irish Times, five candidates, I came on a week later. The office was already set up. There were 2 Dutch guys on loan from Holland, one was a project

manager. We then had to spend 6 months building the product. We had an external development company do that. The Dutch company's philosophy was to outsource as much work as possible always, and it is actually mine as well.

RES: Is that still the philosophy?

INT002: It is, wherever we can get away with out. Also we ran into problems with the outsourced development – the quality of software development in Ireland isn't very good, so we have actually ended up starting to bring it in house again because you get better quality for less money.

RES: Right.

RES: So was it for a quality or cost reason that you outsourced?

INT002: Both. We expected that it can be done quicker and faster and cheaper than having to secure the team permanently. It is usually the way it works. I spend 10 years in the US. If you are trying to start a new product and you know exactly what it is you want...ahem...usually an external team can put it together a lot faster. Anyway so we had three of us through the summer, one of the Dutch guys I sent back....let's seem ahem...July. He wasn't really doing much of the work....so two of us for a while then... ahem ...brought on another Developer – an Irish Developer...ahem...it was difficult to find people, actually Irish. Let me rewind here...there were key positions,...Project Manager to replace a Dutch Project Manager, there was a Web Developer, there was an Account manager and then there was a separate type of Account Manager, being a media Sales Manager.... ahem....There was basically two clients in our business, one was a traditional online advertising...the other ones was estate agents...and ahem the Accounts Manager, the Estates agent was the first one....I think I met three different people who qualified, offered two of them the work, two of them turned it down and eventually the third guy..he accepted the role. We advertised on Monster, Staff.ie., Jobs.ie...ahem, Salesjobs.ie...quite expensive actually, sorry ...multiple sites, the response we got was very very poor...ahem..the majority of the CVs were from non-nationals. Their English was not up to scratch and their experience was not anywhere related. So there was a lot of trudging through dross to find candidates, ultimately I think we were lucky that ...ahem, a couple of companies shut down last year and ahem, we were able to find a lot of ahem people within the Irish market and they were able to jump on board.

RES: So the main message of what you are saying is that initially you used a lot of online sites, posted jobs there and waited to see what happened?

INT002: Initially, yes, that worked ok for some roles...ahem...it wasn't working for other roles, particularly media Sales Manager role, media sales is a tiny industry in Ireland. Very limited of people are qualified to do it...even with Google and eBay and AOL...they don't actually do much media sales in those companies ahem... but it took me a bit of time to realise this, maybe four months actually, ahem, it was at the end of four months, I was at my wit's end, so ahemjumped online and started to see, ahem, which recruiters were advertising for the same roles that I was advertising for, because they may already have people on their books and contacted a few of them. Most of them didn't have anybody on their books, they were also desperately trying to find these roles, ahem...one of them had just placed somebody and she went back to him and said listen do you have anybody....you are in the industry, do you know anybody who would be interested in moving? And he actually wasn't very comfortable where he landed, ahem, he had just been placed....and he said ah....he had met people through interviews...he was perfect for the role, if the price was right, but we had to pay the recruiter a pretty healthy finder's fee, ahem, though she put herself in a position of jeopardy by poaching somebody that she just placed....that's how we did that.

RES: What about the Developer position?

INT002: The Developer person, we advertised for a long time as well, met with some good people, nobody really jumped out as being a star and the few people that came close were very expensive...ahem...they were 30% over what we had budgeted.

RES: Did you find with all of the roles, being a small company was an advantage or disadvantage?

INT002: A disadvantage really, yeah, certainly in...it was never actually said, but women that who I interviewed, I felt were turned off by the fact that it was a new company, it was a small company. They seemed more interested in security and established businesses.

RES: Interesting.

INT002: In fact I offered two women a job, at exactly what they were asking for and more and they both turned the job down and it wasn't salary that was the issue...it was just some other more intangible security based thing. And when they ended up going where they have no risk of...ahem; business failing or whatever.

RES: Right. And in terms of the brand as an employer, have you done anything to create an image out there, even by word of mouth or by press releases?

INT002: We have done stuff for the business...press releases, TV ads, online ads, banners.

RES: Would you get any spin-off from that in terms of people getting to contact you directly.

INT002: Yeah, we did last October...ahem...not many...did get some...they were very general...I thought you guys were cool...can I work for you kind of thing.

RES: Right.

INT002: No specific skills brought to the table...ahem...

RES: Once you have recruited people, have you found that you have any network to recruit further people?

[RES NOTE: At this point an ambulance siren was going off outside the window for approx 1 minute...so conversation became difficult to hear and to follow]

INT002: Ahem...yeah...kind of well....actually...ironically...coincidentally two of the guys we hired were actually known by a girl who contracted...she was only available temporarily to help out in the office.

RES: Right.

INT002: When they came up on the radar...she said oh I know those guys...they are good guys...

RES: OK, so that would be sort of "referral".

INT002: Yes...that would be some use of network for a reference.

RES: Yes...

INT002: And the fact that she was already contracting in the company, they could ask her what it is like, what is this guy like and she probably talked it up as well, so that helped...there was a bit of networking....but since we have established this current base team...ahem...there hasn't been too much networking in that sense...ah...probably the best example would be the Developer who wanted to bring in another Developer...ahem...on a contract basis...he thought that he could tap into the...recently graduated...ah...Software Developers...ahem...and he actually wasn't able to...he wasn't able to find anybody in his network who was available and would meet the criteria that was interested...ahem...

RES: So what methods have been proved most successful to date for you?

INT002: Regrettably...it is the Recruiter...yeah regrettably...and ahem...personally I hate spending money on Recruiters... all they are ...are gatekeepers of information and they are very very expensive for what they do...ahem...but it just seems to be way the market is set up right now. People who you are looking for, they don't bother looking at your ads...they go to a Recruiter and say you know how skilled I am, go find me a job and ahem....I don't believe, I don't believe...that Recruiters are actively finding them the jobs that they want...but it is very difficult to get access to the people who you want, especially in the Software area. There doesn't seem to be the same flow of information you have in the States and the UK....a lot of information gate keeping going on.

RES: Right. From your experience of working in the States, would you see that the market operates quite differently here?

INT002: Ahem...yeah.

RES: What do you think is different about that the Irish market is operating at the moment?

INT002: Ahem...in the Software sector, you would expect people to be using the on-line medium to present themselves and to find companies... but they don't seem to be doing that so much as they do in the States. In the States you would find that everybody you know would have an on-line profile and that they would keep it up to date and they would also be member of these professional social networking sites like.....LinkedIN or ahem... I can't think of the name of the other big one. So you would be able to tap into the social network on-line to see OK how they know who, who's who, can I get a reference from somebody.....so you can actually do a lot of research about a person even before you approach them to try and pilfer them for your company. Ahem...I even tried to do that from the US to here, but I just found that...it was too difficult just to try and get people from the US into Ireland.

RES: Was that because of Visa issues or salary issues?

INT002: Yes, visa, salary, ah...difficulties in trusting information I was getting. They were too far away. I couldn't just tell them hop on a plane and come meet me.

RES: Do you operate any planned Graduate Recruitment Strategy?

INT002: No, No...but ahem...a couple of students did write in to say they wanted work experience. So I said, right fine I will pay you minimum wage and boring work, but you will get certain skills and that was going to happen but I changed my mind.

RES: From a management point of view?
INT002: Yes, from a management point of view, yeah, they were going to be doing a way more than actually helping out at the end of the day.

RES: And again, I suppose that leads me on to the next question, have you taken Interns in the past?
INT002: Yes, I have.

RES: Was that to fill a gap or with a view to recruiting long term?
INT002: It was a request from a family member. Will you please give this person a job! Will you please give this person experience? I wouldn't have done it if there was no family thing. In reality it was actually very useful, I think he got a lot out of it. He was able to a lot of drudge boring data work that nobody wanted to spend the time doing and at the end of the day, he actually proved useful to have.

RES: Ok. You spoke about outsourcing/subcontracting at the beginning, is that something you would continue with as a strategy?
INT002: Ahem...it depends on the role. To be honest, in the software development a lot of stuff is onahem...build, change or delete based and ahem... it only takes a certain amount of time and you don't want to hire somebody to build something when there is nothing to build ...changing requires a change person, so you are plotting it down or just writing from scratch or just keeping it... you don't need full-time employees for those roles. So ahem I always feel you have to a core team, sales and product and then you outsource everything else in terms of changes, all that kind of stuff.

RES: When you have outsourced – has it been to companies within Ireland or outside of Ireland?
INT002: Inside and outside of Ireland. Ahem... our usual web development is done by Irish team...ahem....we have a secondary developer to manage a portal that we acquired. They were across the street ahem... there was a previous relationship there.....so they said let us do this....it is not too complicated...if the price is right. Ahem...a lot of the support software that might be have been built has been outsourced for example, remote desktop assistance is coming from the US, customer relationship management is coming from the US, our web search engine desk technology is from Holland, ahem, our server hosting is in Holland...ahem ...what else...our ad agency is Irish...PR agency is Irish...ahem..

RES: Have you ever off shored to countries like India, Poland?
INT002: Not yet, ahem...if we go into another round of development this year, which we might do, we would either offshore to US or Romania or Ukraine or somewhere like that. The quality of development in Ireland is...ahem... just not up to scratch so we might go to the US because we know the quality is right and the dollar shift has made it much more affordable... ahem...but Romania has real value...and is only about a tenth of the price, you may not get the real quality you want but....

RES: I presume the US is relatively expensive to offshore?
INT002: Yes, but the dollar has dropped by 30% in the last year, so it makes it better value.

RES: When you talk about the quality of software development in Ireland, are you referring to the skills or about the quality of the organisations that provides this service?
INT002: Ahem...the skills, the emphasis on usability, design, code quality, just the overall technicality of what is built is just shabby compared to some other markets ahem.

RES: That is concerning for the future of the software industry in this country?
INT002: Yeah, it just a legacy...it is very small market, so very agencies have experience of dealing with very big projects, most of the projects are mamma and papa shop projects...which are...you know...they don't require very high level engineering...ahem... whereas most of the US agencies would be doing, let's say, projects of bigger sizes, so they would have had the opportunity to do high level enterprise application and development...it is just a matter of scale.

RES: What are the disadvantages of outsourcing or Offshoring to the US?
INT002: The problem with the US companies...is that they have no concept of anything outside of the US...so, to them, they would make an assumption, for example that...ahem... every country in the world has a postcode system that works exact same way as the US system

RES: Or indeed the case that everything is charged in US dollars?
INT002: Yes, it is the wrong assumption and yes you can get over it...but you have to build it into the management of the project with the outsource provider.

- RES: In terms of talking about technology in recruitment. There have been significant changes in this area over the last ten years. Of the main types of technologies in recruitment, which would be of most value?
- INT002: Yes...other people's websites. In terms of getting the word out there...I mean like that Monster.ie or any of those guys....but the response we have seen from these sites in the Irish market is very low ...ahem...it is poor value...we spend a lot of money advertising on these sites and we didn't really get a lot back for it and ahemto put it in Euro terms, I would have spent €6,000 on advertising on these job sites within a two month time-frame and ahem...the results I got were probably poorer than spending €6,000 on a decent Recruiter that had access to the right people.
- RES: Does the use of technology in recruitment make an impact on the quantity and quality of applicants?
- INT002: Yes, it does increase the overall...ahem...level of applicants....but not necessarily the quality...it is too easy to respond ...but the quality is definitely not there.
- RES: Has the use of technology made the recruitment more efficient for your organisation?
- INT002: Ahem....we there is definitely faster response time...you can get somebody's CV in minutes via email....although I think it is not as polite as the traditional methods....candidates don't expect responses...and companies don't reply to their emails.
- RES: How could it be improved?
- INT002: Ahem....well I think the candidates are not really putting the effort into it. The US candidates are much better at this. Most of the European universities don't even feature in the top 100 universities. Really, the candidates have to adopt this as a real way of looking for jobs.
- RES: Do you have any suggestions as to how the availability and quality of skills can be improved in this country?
- INT002: Let me see.....don't really know.....maybe take on board some of the things happening in the US – professional social networking and things like that.
- RES: Will the recent changes in Work Permit Regulations have any impact on your organisation?
- INT002: Don't know much about changes...what are they?
- RES: Under the new regulations, prospective employees can now apply for Work Permit or Green Card. IT skills/vacancies are treated as

a “scare” skills category and applicants can qualify for a Green Card...this means that it lasts for two years and can be extended indefinitely.

INT002: Ok...I wasn't up to speed with the changes.

RES: There are also some new guidelines ...such as the 50:50 rule – whereby companies cannot employ more than 50% migrant workers...this could obviously affect smaller companieswho could easily exceed this quota.

RES: So this area is not really an issue for you at the moment?

INT002: No...No.

RES: Has your organisation adopted any particular strategies to attract under represented groups of workers....ahem...such as those with disabilities?

INT002: Ahem...No....it is ahem....not something we have considered.

RES: What strategies are you planning to adopt to meet any skills gaps you might have in the future?

INT002: Ahem...well we definitely would consider Offshoring or Outsourcing....but in a slightly different way....ahem...you see with the web now there is a lot of freedom to post a project or a job. You can ahem... get quotes from freelance Software Developers...who live in any part of the world...These can cost as little as €1,000...you would get a lot from some Software Developers in certain countries for this...the cost is low and therefore the risk is low.

RES: I think we have just about covered everything.

INT002: Great...ok.

RES: Thank you once again for your time, and for the coffee. I really really appreciate it.

INT002: No problem...glad to be of assistance and good luck with the rest of the work. Look you have my contact details if you need me for anything else...so best of luck then.

The formal interview then concluded.

Appendix 6

INTERVIEW TRANSCRIPT - COMPANY 003

Date: Tuesday, 22nd May 2007
Time: 12.30pm
Location: Company 003 Offices, The Digital Hub

Following the initial introductions, the Researcher commenced the formal interview by thanking the Interviewee for giving their time to do the interview.

A brief background was given on the course and the reason for the Dissertation. The main themes of the Dissertation were outlined. A brief summary was given of the Researcher's previous work experience in the Software Industry.

Confidentiality was re-iterated as outlined in the introductory email. The Researcher confirmed once again that a summary of the key findings of the research would be made available to all participants.

The Researcher sought clarification of the Interviewee's available time. The Interviewee confirmed that they had about 45 minutes free.

Permission to record the interview was the requested. Recording then commenced.

NOTE ABBREVIATIONS:

RES: Researcher
INT003: Interviewee

RES: I have a number of interview themes that I want to go through, not all of them may be relevant to your organisation, but we can see as we go along.
Before we get into the interview, maybe you could tell me something about the company.

INT003: Company 003 started in 2001 and ahem...basically in order to do certain projects and set up a limited company to do that so before that it was kind of a group of engineers just working together. After about a year of that we decided to make a go for it. So that was the beginning of the company back in November 2001, but ahem... had been around in various forms since 1998...so maybe ten years or so at this stage...but we really kind survived on commissions for about two years and then really started looking for work, so then we actually went into sub-contracting for animation companies who had a lot of stuff on...ahem...and ahem...after that we starting getting to finding our own volumes

around year two and since then we have building up services and we have always been trying to level that out by developing our own product as well so ultimately what the aim is to have our own reputable sales...so that process has....ahem...really taken a few years to get up and running and it is starting to come to fruition now and we got our first real deal two years ago and at the moment we are churning out our second deal and we are up there in terms of you know...of the service provision aspect of it...and hopefully in about two years we will just be producing our own content...so selling and licensing content.

RES: Quite interesting, you maybe a little bit different from some of the other companies at this location?

INT003: Yes, we are probably slightly older and started out on a different path, we have been around a little longer...ahem...we started out as more a traditional company but have now become a digital media company...you now....we have changed over to digital media...and a lot of what we are looking at new is new opportunities...ahem...digital platforms, web casts or whatever else you know... so...ahem...we are moving along with that tide as well within the same vertical zone.

RES: What is the average no of employees?

INT003: We have eight core staff and ahem....we scale up and down depending on the project.....you know...so ahem... the average staffing level this year would be about twenty....

RES: When you scale up and down, is that done with Freelancers, Sub-contract companies or employees?

INT003: Typically it is with Freelancers....ahem...but that's because the jobs we were doing were very kind of...short-term contracts. But the projects we are moving into now...we are kind of....moving into longer term contracts and we are looking in some cases at up to three years...we need to change our staffing criterion... you know....we are moving more towards a larger permanent team to look after production and development for us....so ahem...having said that...we would you know...go back to Freelancers first that we have had in the past.

RES: So typically what are the main methods of recruitment you would use?

INT003: Do you know we don't use recruitment agencies, the vertical we are in is a small industry, so we know a lot of the people who are out there at the moment....and ahem...in the last 2 years anyway....all the colleges...you know we have done some assessing at graduate level...ahem and you know we have a database, keep details

people who we have interviewed and we have reviewed their portfolios....so ahem...we try to keep an eye on what is out there...but because it is a smallish industrybut occasionally we take people from outside of that spectrum...you know, just purely on potential basis.

RES: What disciplines would you use?

INT003: Well...you know....at the moment we are looking for a broad range of computer skillsahem....and you know....ten years on animation skills ...traditional techniques for drawing are gone by the way side...and its less about the...ahem...ability to animate now and more about using computer skills...so ahem...we are looking for multi-taskers really and based on how they fit into a team like you know and settle down...ahem...we need people who are stronger technically. We look at individual skills...how they work...and I suppose everything is assessed on that.

RES: Do you have a planned graduate recruitment strategy?

INT003: Ahem....this....well I mean...we do try to keep abreast of what is coming out of college...ahem...but having said that you could miss out on other graduates coming into this country and you know....you have people form Poland, South Africa, Germany, Spain, France...ahem...you know...you know like a lot of boils down to them ahem...contacting us because you know we were able to go out to you know the European colleges or the American colleges...so for resources so...ahem...the only other way we would kind of look...you know the way people put the CVs on online forums like creativeireland.com where you know ahem basically kind of you get a username or password and you can...ahem...post jobs there or we would have a look and see whose available, whose CV is online ahem and there is a number of international forums and there is a number of forums or there is ahem....a number of sites...ahem...where people post flash animation...you know we try to keep an eye on those as well to see who is out there and you know....occasionally....we will go further a field...we will go and try and get somebody from a different country...you know...but we haven't really done too much of that....you know are still difficulties in this area.

RES: Do you take on any interns?

INT003: Yeah... we have an intern out there at the minute...the guy who brought you in....Seamus is his name....he is here until the end of July....typically we....ahem...take them on for about three to six months Internship...ahem...hopefully...ahem...he will stay on in some capacity....whatever that may be....but last year we had...ahem...three in all. Interns last year and actually our Project

Manager...actually our General Manager started as an Intern...like...she started with us in 2004...and ahem went back to college...ahem... she came on a break from a college in Germany and she came back to us then...and kind of started out...basically started doing admin...and...ahem...worked her way up to General Manager.

RES: So there is a history of Interns becoming permanent employees?
INT003: There is yeah...absolutely...generally Interns like a contact us...sometimes we get like Swan Training contacting us with students who want to improve their English in Business as well as use their Technical skills. We have taken on a few of these...and I would keep an eye on that...but generally there isn't a recruitment agency that would supply what we are looking for....but generally....we look on-line at the more creative forums...you know approach people we know ourselves.

RES: Right. When you have used Freelancers or Subcontractors in the past, was it from a cost point of view or a skills point of view?
INT003: Ahem...it is...I mean to perfectly honest...some of the people who work for us have been freelancing for up to twenty years....so its definitely not...ahem...necessarily from a cost point of view...ahem...I mean you have got a lot of people who are ...ahem...actually freelance and are registered for VAT under a single operation, one man show and ahem...and you are actually...ahem...they don't want to come onto staff...but they are just sole traders and they prefer to do freelance for us....where you know there are times it is busy and there are times that it is not and we just can't guarantee the work long term...we have to kind of keep the contracts short and sweet as we can't guarantee too much.

RES: Within your own market have you done any work to make people aware or improve your brand as an employer?
INT003: Yeah...we did our own branding initially ahem...when we ahem...started out...we figured we could that as well...and ahem...we didn't really realise what was involved...and ahem...the extent you had think about your brand personality...and ahem... and also you know getting it out there as well....you know...so ahem.. we did a corporate analysis last year and branding fell into the remit of that....so we through kind of ...an exhaustive branding and re-branding phase...where we analysed the brand's personality and why, what was going to make us famous and tried to represent that in the brand and ahem...so

RES: Was that purely from a business perspective or did you consider from the perspective as an employer?

INT003: Ahem...a bit of both really...you know...one of the things that was brought to our attention was like the brand...that the brand...when a company is sold...you know...that actually 70% of the company's worth is how well known the brand is...that was kind of you know...a shock really. We knew we had to get the brand out there...and ahem...but we set ourselves a target that you know in 2 years time...we are...you know...planning to be the biggest digital animation company in Ireland... at least in terms of ahem...generating our own content and ahem...you know moving towards owning our own intellectual propertyto characterise our brand...so our brand is almost like a another show...so ahem...and you know ...make it...we are fairly informal organisation...we have fun here too.....and we want to get that into it as well...ahem...I think that in terms of prospective employees visiting our website and having a look at our brand...you know...we are re-launching it in a couple of months...but ahem... you know that will all come across from the brand very clearly then...yeah..

RES: Do you believe that this will increase the number of unsolicited applications you receive?

INT003: Yeah... Yeah...you know it should ...you know we do tend to get approached a lot...ahem...you know...every week we tend to get a fair few emails...from people...you know who are working in the area... you know...but what we have done for ourselves...there are various web databases that we can look at...anywhere in the world. We also try to get ourselves in various trade magazines and try to ahem...get as much column space as possible...so...you know...we are in a lot of people's radar now.....but having said that.....the company needs to be keep working at this.....we do need to keep looking at areas where...ahem... we are not represented...you know...get the brand out there....get better awareness.

RES: The next theme is about technology in recruitment and I suppose the main question is how you use technology in recruitment in terms of the online sites, email?

INT003: Yeah,...it has indeed changed things...I mean...you know ...the one thing...that is different from my day is the big portfolio at the beginning with all our drawings in it and ahem...the only way of really getting a job without entrusting yourself to An Post and maybe getting it lost after...ahem...5 years in college was if you ahem...photographed the drawings and ahem...and make slides out of them...35mm slides...and sent them off...and ahem...you know this was the way it was done....and it was very costly...ahem...costing about £100 at the time... you know

....poor student...ah...just to send off for 1 job...and maybe not even getting them back...but you know....so that was making it very hard...so a lot of people would have to go themselves...those days are gone obviously, people can make quick portfolios and email them us or we can download them online....we very rarely get even an email without some real player work attached to it...and ahem...you know the main thing now looking for jobs is that they can very easy do their own website now... at college they teach them web development skills...so ahem...I when I was teaching in college a few years ago...I was pushing for that...because if you show somebody how to make a website and they have got their stuff up there...you know... the employer can check all their stuff...without having...to you know...even meet the person! So it enables us to look at people's work from all over the world...so at the same time people still send us poor applications....you know...but the really smart ones are screening their content and ahem...putting it online...ahem and that's made our lives a whole lot easier you know in terms of processing...

RES: Has it made a difference in terms of the quantity of applications you receive?

INT003: Absolutely, absolutely...yeah, I mean, you know, the old way of doing things you went around to trade shows or to a college...so you know...there was a cost in terms of ahem...time...even in getting to view people's work and ahem...you know...also even sending things by mail even wasn't great...so ahem...it was very costly even for the employer and the candidates....whereas now...you know...people can just look at the website and see where we are...and ahem... what we are doing and I can ahem...see straight away what they have done.

RES: So what about the quality of applications?

INT003: Yeah...well that's...ahem actually funnily enough ...ahem...not great! In general theyou know...ahem...the poison chalice with technology...you need to have some basis in your skills to get a job ahem....you know...you have to be discerning...you have to kind of look for the potential in people...rather than somebody full formed...from college...and you have to look at them...and ahem... see if there is potential you can develop in-house and ahem...often that is done by using test first and ahem... see how they do...and usually we can tell by that whether they are going to pick up the rest of the...skills they need so...

RES: OK...in terms of the general labour market, do you find difficulty in attracting skills from the local labour market?

INT003: Ahem...depends...sometimes...as we use a lot of freelancers...sometimes can work with other companies other there...and ahem...if we know things are getting quiet...we can swap resources...I would say though.....having said that...you have colleges...you know in the US...where I think part of you know...what they are being taught is just how to market themselves...ahem...how to get their names into companies and how to establish themselves....and I don't think we are as canny here for that...you know....and people don't really know how to present their work as well as they could and ahem...it is something that could definitely be improved...and you know...sometimes...these people just pass the radar...because they don't know how to...ahem...simply properly make an impression on an employer...ahem...and you will get fantastic presentations from some of these students overseas...you the business skills of getting yourself employed are important....you know we would generally see a lot of cvs and work on these forums...but you know you do find people here locally...ahem...who don't even know about the forum...you know....who don't know to go on there....and that's where a lot of the jobs are now...they just don't know how to go about these things and maybe ahem...one of the things we were talking about doing with Enterprise Irelandahem...would be putting together a digital media website...and ahem...you know...a few us would be interested in supporting that...not only then would you have a one stop shop for somebody who is looking for a job...but also you have a market forum... As a whole.....alot of other countries have these forums...you will have the companies represented on there...you got links to everybody...so I think like you know...we probably all need to do something to address the challenges of the local marketplace...something like that might be the solution.

RES: Right, ok, you mentioned overseas workers earlier on...do you have particular strategy of targeting migrant workers?

INT003: I have to say we don't really have a strategy.....mostly people come to us...ahem...but having said that... you know....we use the same strategy we use here...which is you know....find out what graduates are out there...a lot of better colleges have alumni sections...so you can actually see...you know....full details of what people have done... you know...ahem...but we don't really have...we don't do...so far anyway...any kind of active recruitment overseas...ahem...but having said that in our industry...we would outsource the work rather than do it all here anyway....so it is not always necessary for us to have 50 people...well sometimes it is..but you know generally speaking...when a job is a certain scale...we would partner with

somebody...we would do it that way...that would generally be it...ahem....we are looking at the potential of having an overseas office...but ahem...that's early days yet...ahem...that would enable us to kind of split up our production and you know...production here and production in another territory would you know...give us some advantages....so that's potentially what we might do...

RES: Do you adopt any particular strategies to attract groups of under represented workers such as those with maybe disabilities?

INT003: Well....we don't really have any policy on this....we wouldn't or haven't deliberately done this...but we ahem...wouldn't be against it either.

RES: That brings me onto the final area...although you have more or less answered this already....you have mentioned that you have considered another location...would that be from a cost benefit or skills benefit?

INT003: It a...sounds to me like a you know....generally speaking....the American market produces for its...its big enough to produce for its own market, the same with the Japanese market, the same the South East Asian market...but Europe...ahem...and you know South America...generally don't have the revenues locally to either increase sales....for instance here you can tap into a number of areas....but it is a finite source...and if your production is bigger than ahem...your labour market available...it obviously means you have to look at your overseas options. We are getting into a phase where are developing products for large customers...and we need comparable products to what the Americans already have to compete....and in order to have...this...we need ahem...we are looking at potentially opening an office in another territory....to deliver projects and also it opens another talent base...so ahem....you know we would obviously open in an area where there is already similar skills available...established....so like we are not kind of ...even though technically it would be like another start up...there is already...ahem...a network in place to build on and to support it...

RES: OK, well thank you very much for your time.

INT003: No problem...you are welcome...you can email me if you any further questions.

The formal interview then concluded.

Appendix 7

INTERVIEW TRANSCRIPT - COMPANY 004

Date: Friday, 1st June 2007
Time: 11.30am
Location: Company 004 Offices, the Digital Hub

Following the initial introductions, the Researcher commenced the formal interview by thanking the Interviewee for giving their time to do the interview.

This Company's HR Department had requested a copy of the interview questions prior to making final agreement to interview and was particularly concerned about the confidentiality aspects of the discussion. Confidentiality was re-iterated as outlined in the introductory email and the Researcher explained about the coding process and assured that at no point would the company or individual be named. The Researcher also explained that the company name and individual's contact details would be forwarded only to the Supervisor of the Dissertation.

A brief background was given on the course and the reason for the Dissertation. The main themes of the Dissertation were outlined. A brief summary was given of the Researcher's previous work experience in the Software Industry.

The Researcher confirmed once again that a summary of the key findings of the research would be made available to all participants and this particular interviewee seemed keen to receive that summary.

The Researcher sought clarification of the Interviewee's available time. The Interviewee confirmed that they had about just less than 1 hour free.

Permission to record the interview was the requested. Recording then commenced.

NOTE ABBREVIATIONS:

RES: Researcher
INT004: Interviewee

RES: So maybe tell me a little bit about your role in the organisation

INT004: My role...I am responsible for a couple of different things within the organisation...ahem...my main role is vendor management, outsourcing strategy, purchasing, commercial business, around that, all of the dollars, the financials...ahem...so really a procurement role...and global development services. I am also responsible for international product development, so any product that needs to be localised comes through my international product

development team....so ahem....I kind of have a dual role.... 80% on the outsourcing vendor side, purchasing you know, strategy around that and 20% on international product development because I have a team of people that does all of that for me....so over the last 12 to...probably 12 to 14 months....we have kind of be rebuilding our team and re-growing and we have gone through a lot of attrition and....ahem...you know....not as big a....product roadmap as we would in the last 2 to 3 years....so ahem...based on that we have....ahem been re-building our product development organisation in Dublin and based on that I have....ahem...taken on other areas of responsibility...for example, caretaking the engineering team, caretaking the QA team, managing HR and recruitment...amongst other things...so ahem...a bit of a multi-tasker me...so ahem...been involved in many different things...so it actually good....I can...ahem....give you a good overview...ahem...

RES: How long have you been with the organisation?
INT004: About three and half years.

RES: Right...so a reasonable length of time then.
INT004: And previous to that, I worked in XXXXX, ahem...you know...their...ahem...international product development group in Dublin for four and half years...and previous to that I worked with a company called. XXXXX....I don't know if you know them...they are a globalisation technology company and translation memory technology work...I worked for them as a Business Consultant....so ahem... I have kind of worked on both sides...of Development and Sales and Marketing....so initially product development....then I ahem...went into Sales and Marketing Consulting and I am now back in Product Development but....ahem...very much in a business and commercial role and relationship role and like....ahem...my role is the relationship role with all the outsourced vendors and partners and internally as well....so ahem...big into it which is great...ahem....

RES: Good....it is an interesting industry
INT004: Yes...it is....certainly...so ahem...do you want to work through the questions?

RES: Yes...definitely...let's work through...the first question is what would be the main method of recruitment you would currently use in the organisation?

INT004: Yeah...we are currently re-visiting our recruitment strategy and you know now the fact we now have HR permanently in Dublin...in that...you know XYZ...relocated...from San

Francisco to Dublin in the last couple of months...we are now starting to look at it more...ahem...structurally...I would say...because you know I have been caretaker for recruitment and we have had some key positions that we wanted to recruit...so ahem...we have been primarily working with recruitment agencies...ahem...we did advertise in the papers....we ahem...did an ad...ahem...back in January...in Dublin....I don't know whether you saw that or not? We did a half page ad...ahem...we did a viral campaign around the ad...where we you know....we had around on google.ie....on hotmail.ie...see our little banner....our logo...ahem...flown across....you know 'Company 004' is recruiting ahem...and then word of mouth and referrals as well would be a big one, where we have actually managed to you know....recruit some very key people just through relationships that we have had with people in the past, from past employment etc...ahem...then....sort of the networking piece there, ex-colleagues...

RES:

In terms of a rough split, what has been most successful?

INT004:

Ahem....[pause]....the most successful one I would say is the ex-colleagues networking piece...definitely...because it is a tried and tested resource that you are bringing in and you now...ahem...it works...you know ahem....for example we have a Senior QA Manager with us at the moment who started with us back in February and who was a QA Lead with us a couple of years ago, he left and he went to another company, a couple of years with this company and he has come back to us and I just approached him. I just sent him an email and just said would you be interested? He said yes and the rest was history, like, and you don't even need to go through an interview process and then you know....ahem...another example our new Director of Technology and Architecture who just started with us two weeks ago, again an ex-colleague of mine, worked with me for four years and he was another company for eight years, very much in our space and ahem...you know...actually met him out by chance in town having a beer and the rest again...because I kind of had lost contact....the rest is history, so we have got about you know....I'd say it is a 50/50 split in terms of ex colleagues, net-working, you know...relationships versus recruitment agency and you know obviously we did the newspaper ads, we did the viral campaign around that, we do....we advertise on the website, our own corporate website and then we have just recently started to look at monster.ie, the ahem...irishjobs.ie....loadzajobs.ie....all of those type of online sites.

RES:

Have you used any of those online sites to any extent in the past?

INT004: We may have years ago...but I...I'd imagine we did years ago...because we have...ahem...an alias that all applications come into you know...careers@company004....and we would definitely have received applications in that regard...so I kind of have the last 6-8 month view for you...but I don't have previous history of a few years ago...

RES: In terms of recruitment agencies, do you use this route because it is successful or because other methods are not so successful?

INT004: Ahem...we have had some good successes this year...but last year, we did have a couple of bad...ahem...situations or bad experiences...you know...where we got a couple of people in from agencies...We were going through very much a period of attrition...you know...peaking and troughing...in terms of where we were as an organisation...ahem...you know...some potential challenges from...ahem...a structural perspective...ahem...you know...ahem...some people weren't willing to work with us on that and kind of didn't give it the chance and kind of decided...OK, I am going to move on...and then there was a couple of people that it just didn't say...it didn't just do what it said on the tin, in terms of their CV...their CV did not match what they were delivering to us...but; ahem...that's two or three situations, occasions...otherwise it has been pretty much successful.

RES: Right...You have a number of different locations, would you use different recruitment methods for different locations?

INT004: Yeah...like our main presence is in the US..., so we develop software for the US market...so Company 004, before our recent acquisition of a major US company, I am sure you have read about our organisation growing tenfold, we would have used different methods...I would have worked closely with the guys in the States...I'd imagine they are quite similar...but now with a bigger company...globally now we are changing...we have a much more significant HR Department, we have a much more significant recruitment team and strategy...so ahem...you know I'd imagine the methods are pretty much the same. I know in San Francisco...they'd use Craig's List...and you know...topjobs...and yahoojobs...you know those type of place...we try to avoid the recruitment agencies, to be honest, based on the significant fees that they look forahem...we are not really...ahem...enamoured with 10, 20, 25%, 30% recruitment fees to be very honest....so you know...if we can...ahem...come up with approaches...that will...ahem...get us the same quality of candidate and brilliant people, as I always say, you know...ahem...we will certainly explore those routes.

RES: So, I think we have covered the most successful methods, so just going back maybe to....would you use different approaches for different types of vacancies?

INT004: Ahem...just to go back....I didn't mention....you know...we would go the Headhunting route on a couple of people as well just in terms of going out to the industry and looking at who, who is best person for this job and you know....for example on a couple of occasions, we have had the same name has come back to us by a couple of people....so ahem....that's very good validation....ahem....we would use some different approaches....we would have quite senior positions....ahem...and then....ahem....most of our positions would be ahem...quite senior, managerial,...lead type positions because we work in an outsourcing market, OK...so ahem...and we move on the graduates...to talk about graduates...like you know....but there is a certain level of experience that we require ahem....for our product development roles

RES: Looking at the next question, do you have a planned graduate recruitment strategy?

INT004 We have just started to take a look at it...ahem...and you know the University of Limerick is ahem...one particular university that we have started to take a look at, based on the type of courses and new courses that they would have produced over the last couple of years, digital media design, multimedia design, you know game development type, you know, we are much more educational focused, but you know the same type of skills apply in terms of interactivity. You know, that's the first one really that we have started to look at and we are not going to spend too much time on it being very honest with you....because we need a certain level of experience that graduates would not have the experience that we require based on the fact that the doers of most of the work are outsiders in the team here and we apply an outsource model, where we outsource the majority of our work although some work is done internally depending on the project and type of work and how critical the work is ahem...but we would definitely require...you know...maybe minimum of 4-5 years experience from people, you know, coming into the organisation now....we are not....we are at a stage in our growth where we want people who have been there and done that rather than having to invest in training people up and giving them the chance....we are just not that type of organisation any more. We may become it again...you know...as we grow and we are going to grow, you know, in the next 12-18 months but ahem...you know...the most recent recruitment that I have been involved in....like there has been definitely a lot of boxes that we

wanted to tick...based on experiences in the past which happened to people that have moved from the OK ...I am a Graphic Artist and now I am a Project Manager...its like OK...but you are not really a Project Manager...you are more a creative graphic type person....ahem...so we have been quite specific and choosy, I would say....and fussy about our recruitment and that has actually paid dividends. It has been really successful for us.

RES: Right, ok, I know you do a lot of outsourcing, you mentioned that already, do you use any traditional sub-contractor type of resourcing?

INT004: Yeah, we would have temps that come in and work with the team, you know we would have a core permanent team, then we would have a couple of people, maybe on fixed term contracts and then we would have daily contractors, who would come like you know for particular periods on projects and that would be primarily around engineering, development and also testing.

RES: Right, do you use these sub-contractors from a skill or cost perspective and do you retain them on a short or long term basis?

INT004: Ahem....skill would be the main driver, cost is obviously a driver as well....ahem....but we wouldn't really....you asked do we retain them on a short or long term basis....it would be short-term thing....you know long term, you know for today, sub-contractors translate that into what would be salary for them...versus what you would be paying a person on permanent headcount....ahem....and....it is significant....it is like 30-40% less, you know so.....we would definitely convert very quickly contractors to a permanent position if we thought they were going to be part of the team in the future.

RES: So to some extent, the use of sub-contractors is part of your resourcing strategy?

INT004: Oh Yeah, definitely....like we have to be able to react based on the type of company that we are and the type of projects that we get into our product development organisation ahem....so we definitely have to be able to....yeah.....

RES: OK. Ahem...has your company adopted any particular strategies to make people aware of your brand as an employer?

INT004: Yeah....well Company 004 would be very well known in the Irish industry and we would certainly be....yeah...you know our CEO, would be very well known as an Entrepreneur, a dynamic person in terms of what he is doing with the organisation and you know where we are going in term of the recent acquisition of a [US company]...it was the second biggest acquisition or the biggest

acquisition in Irish corporate history, you know it was billions of dollars, so it was definitely...yeah interviews...I am sure you have seen a lot of Company 004 in the news over the last 6 months and in the papers and there was speculation before the acquisition and then the acquisition happened, so that's why we did our ad in January, because we wanted to kind of continue on the back of that so....

RES: So there was a link there to the corporate marketing strategy?
INT004: Oh Yeah...there is a kind of a PR.....like we definitely want to develop awareness and continue to develop awareness and you know word of mouth sponsorship, you know we sponsor [Company Olympics], we have our software in there....we are probably going to sponsor a school specifically now as part of our induction programme, because we want to be able to bring....given the fact that our main market is the US....and like you got a....as a student....a number of teachers in the US obviously actively use our software...significantly....we can't bring our employees into a classroom in the US, too expensive to fly them...but you know we want to show them the experience of what our....OK let's look at the student experience...let's look at the teacher experience of using our software and using interactive courseware...so we are actually starting to look at sponsoring a school locally that will let us come in and show the space....you know...how does this work etc...Part of this would be for our employee induction programme and part of this you know would be for our PR programme.

RES: OK...so there are links there. Tied in the next question, to develop the brand you are using the general marketing activities and the acquisition?

INT004: Yeah...definitely you know employment was discussed as part of ahem...some of the key interview...that our CEO did in the Sunday Business Post for example...you know ahem....I recall there was Company 004 would develop 150 jobs over the next, you know whatever years....and so definitely we try and link it where possible...yeah.

RES: Right, OK, do you think there is anything more you could do to develop your brand as an employer?

INT004: Yeah, there are definitely.....some things we would like to do, like you know...ahem....we definitely....like I said....we are going to look at that school sponsorship....ahem...you know we would like....and we are exploring the graduate side of things....we are exploring the interns and co-op programmes, recruitment fairs at universities, like you know, they may not come directly to us but

they may come to us after their first job....or their second job, you know so...

RES: So it's a long term strategy?

INT004: Yeah....and we would be well known in the industry, interactive media, you know there is not a huge amount of organisations in Ireland, you know that give the opportunity for flash development, creative graphic development that we do...so ahem...you know definitely...there are things that we can do further and we are working on it, yeah.

RES: Right, what type of technologies do you use in recruitment? The list is there [referring to the question list which INT004 already has], you mentioned some of them already.

INT004: Yeah...yeah...I'd say all of those, like any technology possible, to be honest, like you know, the fact that we mentioned the viral campaign which was interesting, and kind of for me, the first viral campaign that I was worked on and linked in with the newspaper ad and kind of bringing it all together, we would basically explore all options.

RES: Right...your own corporate website, do you find that people you know actually go and look at that?

INT004: Yeah....no find that people do...we get applications directly from our corporate website....yes.

RES: OK, has the use of technology in recruitment made an impact on the quantity of applications received?

INT004: Yes, definitely....it has significantly increased....

RES: And in terms of quality?

INT004: Not necessarily.....not necessarily...as I said we are choosy, we are fussy, we are quite specific about what...ahem...[cough] excuse me...about what applications we need to interview or review....ahem...like we would have the agencies very well briefed in terms of....ahem...you know this is what we want, this is what we don't want...you know....so....not necessarily no....

RES: Right, OK...does the use of technology make an impact on the efficiency of the recruitment process?

INT004: Yes....

RES: And which particular aspects do you find most beneficial?

INT004: Ahem....it just the whole you know electronic approach....I would say...in terms of...you know...OK it's online, its in my inbox, I can open it up and there it is straight away, you

know...ahem...setting up an interview for someone and I am putting it in their outlook calendar, I attach the email, I attach the application, you know the CV....and stuff....you know....it is very user friendly I'd say in that regard....but we would be very technology aware, you know obviously in terms of how we work. Yeah.

RES: Do you think that your organisation is experiencing difficulties in attracting skills from the local Irish labour market?

INT004: Ahem.....I wouldn't say difficulty....there is lots of people that are applying to us and we are getting lots of applications and lots of interest....I suppose we are quite neat in terms of what we do...the type of technology that we develop, the type of software that we develop and the concept that we develop, the fact that is for the particular market that we are involved in the US.....we do have some specific requirements....ahem...so....yeah....we are experiencing some difficulty in attracting all the skillset, you know....we sometimes have to reach a compromise, yeah..

RES: What are the key challenges, you believe, that you face when recruiting?

INT004: Ahem.....the availability of staff and the availability of teams, like you know.....there is obviously a ramp up time for people and you know the longer it takes to get someone, the longer it takes to induct them, you know...basically to have them on the team fully...so this can sometimes, you...I would say obviously impact a project...where we haven't got all the resources on the staff as and when we need them and sometimes, we need to do a lot of multi-tasking...so there can be challenges, definitely...

RES: To what extent do you use migrant workers to fill the skill gaps?

INT004: When you say migrant workers, do you mean?

RES: I mean non-Irish workers...

INT004: That are coming to Ireland?

RES: Yes, those workers that travel to Ireland for work.

INT004: Like you know...a lot of people who are here in Ireland and apply, we would definitely interview them as if they like they were any other candidate and bring them in...you know....we have had a lot of success to be honest with you....with some migrant workers...yeah...

RES: Do you adopt any particular strategies to attract migrant workers?

INT004: Migrant workers specifically? Ahem.....no.....

RES: Have you targeted any particular countries to attract workers?
INT004: Ahem....oh no no, no it would be just through agencies, where they turn up here yeah...we wouldn't go...ahem....specifically out to particular countries because we outsource offshore anywhere.....you know we go off out there....we do a huge amount of work out there, testing or development you know....ahem....yeah....we wouldn't specifically a target particular country I suppose.

RES: Have you adopted any particular strategies, maybe to target under represented groups of workers e.g. Disability groups?
INT004: Ahem.....it is kind of like it would never be a deterrent anyway, to be honest with you so you know....that wouldn't even occur to me to be honest with you.....you know and that's good you know in terms of even us as an organisation like you know.....if CV comes in with the skills we are looking for....you know....it's great....we would meet that person and you know....and it would never be.....it just wouldn't occur to us that we would not attract under represented groups....to be honest with you like...we have a diverse....ahem...team as it is...yeah.

RES: In your opinion, is there anything that could be done to improve the perceived skills shortages on a national basis?
INT004: Yeah...like I know the whole computer science thing and you know the technology course and all that kind of thing...kind of were the 'bees knees' to do maybe 8 to 10 years ago, and there's been kind of a reduction, certainly since the end of the 90s, early 2000s since the whole of the dotcom boom and burst and all that....ahem...like.....we are quite specific the type of person that we want on our team and it is not necessarily about their skills specifically....a lot of it is about their personality, their mentality, attitude....dynamic....entrepreneurial type....

RES: So you are really recruiting for attitude rather than skills?
INT004: Yeah....for particular roles, it would be very important.....very very important...like if you have....you know....we would...we would do interviews and we would identify someone that come in and completely rub the team up the wrong wayyet they might have all of the skills.....you wouldn't recruit them.....you know so....ahem...you know given the factare skill shortages nearly our decision to a certain extent? Because we are so fussy and specific...like you know....and specific.....like you know....we nearly create that ourselves if you know what I mean....lots of people who claim to be all singing, all dancing IT professionals but unfortunately they are not as far as we are concerned....so ahem...you know that would be my humble opinion...[laugh]

RES: Well I suppose there is another interesting aspect to this, you get a lot of general computer science graduates, then organisations like yourselves...you know a lot of software companies operate in niche markets...then your reference point for a skilled person in your company is somebody who is not going to be skilled for another company operating in a different niche market, say financial services... You are looking for somebody with say 3 to 4 years experience in your particular arena

INT004: Yeah....well I suppose that's true....very true.

RES: Do you think there is any impact of the recent work permit regulations on your company?

INT004: You are going to have to remind me what they are about....

RES: Well they are obviously not causing too much of a problem, if you are not familiar with the changes?

INT004: Well, I am not in recruitment or HR....so you are going to have to remind me...

RES: In general, the main change is that individuals can now apply for Work Permit or Green Card themselves...

INT004: Yeah....I know we have had few people we have had to sponsor and all that....and ahem....to be honest with you...it is a little bit of a deterrent:....when you are asked to sponsor...and ahem...give letters for VISA and all that kind of stuff...ahem...but the fact that they can get the Work Permit now themselves....is definitely more attractive to us....it definitely is....so I am aware really of the impact....just indirectly....really...if you now what I mean....ahem...yeah.

RES: Ahem...I don't know whether you call your activities outsourcing or Offshoring?

INT004: It's the same.....we do outsource a lot ...yeah

RES: Typically, from skills, cost, management perspective? What's the main driver?

INT004: Ahem....capacity would a big one in terms of the amount of development work that we do...so we would have like you know a core internal team and we would have the subject matter areas covered and ahem....you know...we would have a wider global team with vendors in many different locations...you know...not necessarily offshore....like....we'd call it outsourcing and it is because we don't just...we don't just offshore...we would outsource down the street...you know...I would outsource upstairs in the Digital Hub...you know... we have worked with a company

called XYZ.....for digital productions....you are probably familiar with...they did a huge project for us last year....ahem...we are just conscious who is our permanent headcount....and that is our fixed cost and then we have our variable costs here....you know...here obviously outsourcing can...ahem...reduce the overhead in terms of that permanent fixed costs....you know....office facilities etc, etc....so we definitely operate a model where we would outsource the majority of the doing....this would be the key leadership team internally assessing the standards, managing the projects, ownership, accountability etc, etc. For example, we would outsource a lot of testing, we would outsource graphic development, we would always outsource audio, you know....we would outsource audio to the US, especially the fact that our products are for the US market...so...ahem....it is a number of reasons...yeah...cost is a big one...yeah, definitely.

RES: Are there management issues arising from outsourcing?

INT004: There are challenges with outsourcing...definitely, are challenges with outsourcing....ahem....we have been outsourcing for a number of years...ahem...probably 5 or 6 years...so...we have been more successful in some areas than others...ahem....but we have overcome a lot of the issues now because of the strength of relationships with key strategic partners....ahem...we really see our outsourced vendors as an extension of our team....and we don't do the whole black box 'throw it over the fence and get it back 6 months later' like....it is a very collaborative affair...we have great relationships you know....with the vendors...we call them partners...we don't really call them vendors...like my role is partner relationship/vendor management...so it is a different concept if you know what I mean...like in the main they appreciate being called a partner rather than being called a vendor....and there is kind of a sour taste to vendor, to be honest with you, in terms of there is kind of a cold feeling to it...you don't get that kind of warm and fuzzy, but you know....obviously we would have issues and there is escalation points....there is hard conversations that are had but....you know...generally, we have had some very positive experiences.....so..

RES: Is there any particular countries that you would consider more than others for outsourcing?

INT004: We outsource globally....ahem....like you know....of course we outsource to India, China....we outsource to the US...send a lot of work to the US...Canada, Ireland....the UK....Eastern Europe...South America, Philippines, Australia, New Zealand is starting to become....a....more used option.

RES: So it is not necessarily the countries that are offering low cost labour?

INT004: No....it is about skill set....it is about skills...like you know....we kind of decide what makes sense to outsource and what makes sense to outsource where....so you know like that architectural design can't be done down in Delhi....like it has to be done in the US market....because that's our market...you know the product requirements are specific...the US market we have to have people designing the product that understands the market...knows the students, teachers etc....audio for example we wouldn't go to record audio in France....you know...with a huge French accent...you know...when its for the US market...you know...for instance in the US....so...its very much on a case by case basis....you know...so, we would have particular strategies around the different areas...yeah...

RES: OK, that's it, thank you very much; I really appreciate you taking the time out for this.

INT004: Great....well Liz it was nice to meet you....and the best of luck with the rest of it.

The formal interview then concluded.

Appendix 8

INTERVIEW TRANSCRIPT - COMPANY 005

Date: Thursday, 7th June 2007
Time: 12 Noon
Location: Company 005 Offices, the Digital Hub

Following the initial introductions, the Researcher commenced the formal interview by thanking the Interviewee for giving their time to do the interview.

Confidentiality was re-iterated as outlined in the introductory email and the Researcher explained about the coding process and assured that at no point would the company or individual be named. The Researcher also explained that the company name and individual's contact details would be forwarded only to the Supervisor of the Dissertation.

A brief background was given on the course and the reason for the Dissertation. The main themes of the Dissertation were outlined. A brief summary was given of the Researcher's previous work experience in the Software Industry.

The Researcher confirmed once again that a summary of the key findings of the research would be made available to all participants.

The Researcher sought clarification of the Interviewee's available time. The Interviewee confirmed that they had about 45 minutes free.

Permission to record the interview was the requested. Recording then commenced.

NOTE ABBREVIATIONS:

RES: Researcher
INT005: Interviewee

RES: I have a number of questions to work through, some of them may not apply to your organisation, but we can just work through them anyway. It might be useful if you could tell me a little bit about your organisation and role.

INT005: OK. Well Company 005 is a Dutch owned company which was set up at the end of 2003 by three Directors who were in the business of mobile, SMS etc. but they decided they actually wanted to get the front end where they were making the content and selling it and getting the larger chunk of the market,.....so...ahem...they set up in 2003...ahem...in the Netherlands...our products would really be predominantly front end products...anything content for

mobile....we will sell it to you...ahem...they decided on a policy of world domination, so we are now in thirty three different countries....ahem...up to the middle of last year...we ahem....were selling mainly only via TV ads.....you know TV ads that are now....now we have moved over to internet as well...which has been a phenomenal success. Ahem....that then started last June and ahem...also what we have gone into the realtones....so we would be pushing certain products...we would have worldwide deals with a few large well know blue chip companies...and there as well....so it's busy, busy, busy and you know it changes just so much because the industry is so new....ahem...we have three companies located in Amsterdam and two over here....so five in total.....

RES: All, OK....

INT005: Any questions on that?

RES: No, that's fine....I understand that you were more into the content side of things all right...

INT005: Yeah...

RES: I have noticed passing your offices that you have grown considerably over the last 12 months?

INT005: Yeah, well I mean I was the first person to join in December 2005...so I was on my own for eight months over in the Depot...and then we started taking people on....and ahem...there is 12 now here in this building...and I have two more to take on asap.....that will be fourteen and ahem....by the end of this year, we will be too big for this place....it's growing...so that's great.

RES: So what would be the main methods of recruitment that you would use?

INT005: The main method of...ahem...recruitment would be agencies. Initially I started off with websites such as jobs.ie, monster.ie...the usual ones out there...but ahem...I found that I just wasn't getting what I wanted.....so then I ended up going back to the agencies and now Iahem...use agencies.....we have a HR department in Amsterdam as well.....so they would go through the first lot of CVs and vet them for me and then....ahem...I would make a decision on them...

RES: Do you use a small number or large number of agencies?

INT005: We try to keep it to two or three agencies.

RES: You mentioned the online sites, did you find the problems were related to the quality or quantity of the response?

INT005: Ahem...it was just very ad hoc really....I mean there's a lot of people just applying for the sake of it, it was too much really....there was too many people not the relevant skills and you still needed to go through that function of reviewing them.....and I ahem...just didn't have the time really.....and HR also were under resourced as well....so...ahem...they didn't really have the time to do it either...we just decided to focus on the agencies....although I had sworn from previous life that I would never use agencies again....they are just so expensive....but what can you do?

RES: Would you use any referral or networking methods?

INT005: We certainly would....and it is certainly a company policy alright....and there is ahem...a bonus scheme in place for it. Ahem....it works quite well sometimes, particularly for the technical oriented vacancies.

RES: Right...would you use different types of approaches for different vacancies?

INT005: Sometimes yes.....depends on the role...for more senior roles...you ahem...look at headhunting...but ahem...that would be a really senior role as it is so expensive.

RES: So, I guess you have already answered my next question, is what has been the most successful method for your organisation to date and that has been the agencies?

INT005: Ahem...yeah

RES: Do you have any planned graduate recruitment strategy?

INT005: Well funny enough recently we had a problem with one role where the person had far too much work to do....and ahem... we identified that there was alot of stuff that the individual was over qualified to do and ahem....all that was required in the job....and we said that we were going to try this...it is something that has worked well in our other offices...so...ahem...I did ...use the jobs.ie....the website for that....I got a couple of students and we....ahem...interviewed them....and we got somebody and she is great...ahem...she is sitting out there right now at the moment....and she is fantastic....ahem...she just works her own hours around college and now that she is finished....ahem...for the summer....she is going to work full-time...and ahem...she is fantastic...you know...she is really helping out....ahem...she is very good...ahem...so yeah...ahem...it is something I definitely would consider again....but we wouldn't really have a formal graduate recruitment plan in place at the moment.

RES: Right, do you use these sub-contractors or temps?

INT005: Ahem...we have started off temporary contractors and made them permanent...yeah...

RES: Initially when you take them on, is from a skill or resourcing or cost perspective?

INT005: Ahem...it would be asap need...we needed something done yesterday [laugh]it's been crisis recruitment...that's the way it has been for the last year here. [laugh]

RES: OK. Ahem...has your company adopted any particular strategies to make people aware of the organisation as an employer in terms of branding and related PR activities?

INT005: Ahem...sorry could you repeat that again?

RES: Does the company adopt any particular strategies to develop the organisation's brand as an employer?

INT005: No....at the moment...we are kind of 'white label' so....no...we wouldn't be a well known brand...so no...it wouldn't be a case where people would know us unless they are in our niche market...it is not like going for a job with Guinness or Microsoft or Google...you know...its different.

RES: OK, I guess you are not capitalising on any of the general marketing or PR that goes on?

INT005: No....it just doesn't seem to happen....maybe because a lot of it is done from the Netherlands...so they probably get more benefit out of it over there than we do here....ahem...

RES: Do you find that you get any CVs at all from your product ads?

INT005: No because even from the ads....it is not clear who we are...you know there is ahem...not a huge big Company 005 logo, you know so...

RES: Right, in terms of technology in recruitment, you mentioned some of the online sites, is there any aspect of technology that you have used in recruitment?

INT005: Ahem...have we used anything else? Ahem...not really obviously the agencies do their own online thing....ahem...there are job vacancies on our website...ahem...but it hasn't transpired into anything useful really...you know...so not really.

RES: Right, we have already talked a little about quantity and quality of applications received. But do you believe technology has had an impact on this?

INT005: Yeah...well it definitely can increase the number of CVs coming through...ahem...but as I said earlier...there are so many people

applying with irrelevant skills....ahem...you know....again...it is just too easy for people to apply for any job...ahem.... so in terms of quality...no...it is not good at all and ahem...you know for a... ahem...small company like us...we just don't have the capacity to deal with them....we don't have a big HR department....so it is really difficult to handle this side of things...

RES: In general do you find it difficult to attract and recruit skills from the local labour market?

INT005: Yeah....I am astounded at how hard it is to get good quality people from the local labour market....I just cannot believe how hard it is...ahem...it is incredible...it seems to be....ahem...it is definitely an employee led market....I mean...but obviously....you know...I have been around long enough to know that that switches very quickly....but ahem...yeah.

RES: Do you think that being a smaller organisation that you have more challenges or more advantages when it comes to attracting potential employees?

INT005: It depends on....ahem...the type of individual. Certainly, you need certain...ahem....you know....it is like an attitude or personality that we need for this because... ahem....we don't want anybody that just....ahem...totally knows what they want to do...ahem...you know...that they have the same routine from Monday to Friday....this...ahem...particular company... ahem... I mean you know...it changes extremely quickly...ahem...you know and you just have to move with it....so anybody who is just looking for, you know, a multinational environment or ahem...banking environment...that kind of stuff is better off staying in that kind of environment...and we make that very clear....ahem...to everybody who comes for interview and ahem...to the agencies as well....and then anybody that is ahem...interested...you know....in a dynamic environment....we sell it like made [laugh]and we say you have everything under the sun that you can put in your CV after this....you will exposure to a broad range of technologies....and you can put this on your CV....from this job.

RES: What would be the types of things that you would be specifically selling to people to attract them to you as opposed to a larger organisation?

INT005: Ahem...well basically...because I have come from a very large...ahem...company background as well....ahem...I have worked in both types...large and small...ahem....I do think it depends on your personality and I do think when you are younger....ahem.....trying to get the experience...you can be in

big companies and....ahem just doing the same thing...you are just you know...you just have a very set...ahem...level of responsibility....and there is you know....you are not moving on because it is somebody else's job and ahem...you know...you are not getting....more experience...whereas this is still a very small company.....and it's you know a lot ofahem...teamwork...and you know...you can get as much out of it as you want....ahem...basically is what I would sell....and anybody that comes up to me who wants to learn and take over more responsibility....I would gladly encourage it.

RES: And do find that when people come in for interview that you are up against them going for interviews in large organisations?

INT005: Yes...it happens...not that it has hurt us....we have never lost somebody that's been sitting on the fence about it..but ahem...one lady in particular...who it out there now [in the office] she had been offered a fantastic job with Google....ahem...you know....35 different perks....you know so...we really had a hard sell on that one...but we got there....by selling the broad experience and flexibility in the company.

RES: And would you experience any particular difficulty between gender being a small company.

INT005: No never....that has never been an issue....I actually think we have about an equal split.....male and female...I don't have any issues with it....my policy is the best person for the job.

RES: Ahem...do what extent do you use migrant workers to fill skills gaps in your organisation?

INT005: Ahem....we have...ahem...again....best person for the job...but ahem...strangely enough we have about 5 out 12 non national, which ahem...it quite a high percentage...but again we have....I don't know about you Liz, but....ahem...I find the younger people's attitude about work is just totally different than our day....you know...it's just like you have no idea about what things used to be like and they have that attitude...you know...."I'll just get a job somewhere else"....I really feel that some people that moved over here to Ireland....ahem...seem to be more interested in trying to make an impression...it depends on the personality as well....ahem...but we have American, Australian, Italian, Nigerian.....ahem...I can't think of the other one....but I really do feel that...I don't whether you have come across that as well?

RES: That would appear to be a trend in some of the companies I have worked in myself.

INT005: Well, I mean, you know...as they say...it is still the best person for the job...but sometimes they don't really convince you that they want it...which I feel there is a lacking in the 30 and unders in the Irish market at the moment...

RES: So is it your view that when the non-nationals or the migrant workers come in for interview, they are more keen to work?

INT005: Yeah, Yeah, they certainly often seem more interested...is the impression...ahem...I get...so

RES: In terms of presenting themselves and selling themselves for the job, do you believe there is a difference between the Irish workers and the non-nationals?

INT005: Sometimes...as I say...I think some people could do more to convince you that they are interested in work and more enthusiastic...the more enthusiastic will definitely have the advantage.

RES: Ahem...the non-nationals that you employ, are they people that have come through your normal agency route or are they people you particularly targeted directly?

INT005: Just normal...yeah...we don't go after that group in any particular way...you know.

RES: Is there any particular things that can be done to address skills shortages in this country for this industry?

INT005: Ahem...well I have concerns, I have major concerns about the US multinationals...I mean obviously...we have seen recent changes in this...with Motorola and the like...and I don't think we as being Irish...ahem...do ourselves any favours these days because I do feel these is an attitude that they have to paid a very high salary...and ahem...I don't think...they have the same work ethic as they used to have in the 80s...ahem...because we were scared...you know...you just didn't get another job if you left a job...you know...you left college...you know...it was so hard to get a job and everybody was emigrating...so you now... I don't want be like the 'oul one' [laugh] out there...saying you don't know what it was like in my day...but you know what I mean...that comes from like...when we went out to England and America and worked hard, worked our arses off and ...you know...like the migrant workers that come here now...that's what I feel is happening to us now...so I would have concerns and definitely...you know...like the younger people nowadays...they expect so much...just not used to having to work hard for things...ahem...

RES: In terms of the salaries, benefits and packages, do you feel that in a smaller company, there is still an expectation that people get the same things as if they worked in a larger company?

INT005: Well certainly it always comes up....what's the package? I mean...ahem...I don't people expect to ahem...earn less...ahem...I know...ahem...obviously there would be things that we don't have....like we don't have a pension scheme....we do have access to a PRSA, obviously because that is required....but ahem...yeah we do the health insurance and we would have very good holidays and things like that...ahem...what I would always sell.....the big thing is the flexibility.....we have a lot of flexibility here....ahem...in terms of working hours...people can start late and leave later....and you know...ahem...be flexible....which is something a larger company can't do...so I would sell that....I mean all that that would be a benefitholidays...shares...and that would something...I worked in....I came from various different roles in different companies.....to ahem...a software company...and ahem...that was something I notices everybody wanted.....shares...ahem...in a software company [laugh]....but they were worth nothing in the end [laugh]. So I suppose that would be a common question here...but no....we don't have them right now.

RES: Have you seen any particular impact resulting from the recent changes in the work permit regulations?

INT005: Ahem....I thought it was a nightmare to have to get a work permit for one of our US employees....ahem...absolute nightmare.

RES: Was that before or after the recent changes?

INT005: Ahem...I started looking for a permit...ahem...in the middle of last summer and ahem....I got it by Christmas.

RES: Right...ahem...so before the changes then?

INT005: And it was just appalling...and ahem...she was by far the best person for the job...ahem...but I can understand...I mean I do understand...the preference would be for EU workers....ahem.....so I haven't tried since...that experience was enough for me [laugh]

RES: There has been changes....mainly people can apply for the Work Permit or Green Card themselves, but the timescales are still the same, I understand..

INT005: Ahem....I just found it so time consuming.

RES: There is one other change in there.....ahem...where companies can now only have a maximum of 50% non-national workers...and that possibly impact on smaller organisations.

INT005: I wasn't actually aware of that.

RES: Are there any particular things that you do to overcome skill shortages. Are there any particular things that you do...ahem...that you think the organisation is doing to overcome this?

INT005: I know we certainly have great plans...for training...people....keeping them up to date....but we are too busy at the moment to allow for anything else.

RES: We have talked a little bit about sub-contract/temporary workers....do you do any outsourcing or Offshoring?

INT005: No not at the moment, we are just really getting off the ground here and building our team...so not at the moment.....but it may be something we would consider in the future.

RES: So that's about it. I think I have covered everything I wanted to go through.....I think that is all the areas done.....thanks very much for your time...I really do appreciate it.

INT005: No problem at all....let me just get my business card for you so you have my contact details if you need anything else at all.

The formal interview then concluded.