

Recruitment in SMEs: the role of managerial practices, technology and innovation

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Abstract

Purpose

Various scholars suggest that there is a lack of research on the recruitment in small and medium-sized enterprises (SMEs) and also a scarcity of theoretical basis for the recruitment procedures used by these companies. As the vast majority of studies concentrate on larger organizations, they may not accurately reflect the challenges faced by smaller-sized entities to profoundly and accurately comprehend their recruitment procedures. In addition, the use of technology in recruitment has grown in importance in today's quickly evolving business environment, particularly in light of the COVID-19 pandemic footprint. This study aims to examine the recruitment procedures used by SMEs and how they have been compelled to adjust to different extents to these technological improvements by the effects of the aforementioned epidemic.

Design/methodology/approach

With the aim to investigate the current recruitment practices in SMEs and the extent to which digital technologies are embraced by these companies within human resources (HR) procedures, this research relied on interviews with SMEs representatives. The qualitative methods used provided access to relevant data and insights, as they allowed close interactions with top managers and CEOs of ten companies from various sectors. Thus, the research results draw a vivid and reliable image of the procedures and practices used by small and medium-sized companies to attract, select and retain their staff.

Findings

This study's findings are of increased interest to HR professionals, recruiters and managers in SMEs, who aim to attract and retain the best talent and optimize their recruitment strategies in a rapidly changing business environment, enabled by technological advancements. Effective HR recruitment procedures adapted to the specific needs of small and medium-sized companies can lead to several benefits for the organization, including improved employee selection, reduced turnover and increased organizational productivity.

Research limitations/implications

Although the interviews examined here encompass recruitment techniques from SMEs in a variety of industries, the results' generalizability is limited by the sample size and geography. Furthermore, the findings' dependability is dependent on the accuracy of the data provided by the respondents.

Practical implications

This investigation confirms some of the theoretical underpinnings which point to the lack of formalized structures and procedures in the recruitment process in SMEs, which enjoy more flexibility in managing HR processes. In addition, the results reinforce the arguments indicating an adjustment between HR strategies or policies and organizational goals in smaller enterprises which adapt faster to changes in the market. Moreover, it becomes apparent that there is a relationship between the quality of job descriptions and the successful fit in attracting the right candidates for the open positions. Furthermore, digital technologies offer opportunities for expanding the recruiters' reach to a wider audience and also support the selection stage, thus increasing the chances of finding suitable staff. As the need to shift from traditional recruitment to e-recruitment in SMEs has been highlighted in the literature, the qualitative research revealed that this need was driven on the one hand by the COVID-19 pandemic when these companies successfully adapted and implemented new online methods of recruiting, but also by the lack of skilled labor, leading to the expansion of recruitment to other parts of the country or even to other countries.

Social implications

With regard to the proportion of men and women used in small and medium-sized companies, there is a clear need to involve and train more women in the predominantly male-dominated industrial and IT sectors. From this point of view, companies tend to devote more interest to integrating communities of women in these industries, as well as in key management positions. Another point of interest that the study highlights is the fact that SMEs have started to get creative with the benefits package they propose to candidates and focus on remote work, hybrid office-home working, or seasonal work to offer future employees a better work-life balance.

Originality/value

The added value of this investigation is filling the gaps in the current literature concerning recruitment procedures currently used by SMEs, the challenges they face and the solutions

they advanced to solve them. Furthermore, SMEs often drive innovation and competition in the market and play a crucial role in the supply chain of larger companies, providing them with the goods and services they need to operate and supporting the availability and reliability of products from larger companies. They are often the driving force behind revitalizing local economies and creating new employment opportunities. Consequently, the underlying significance of this study is rooted in the need to modernize and simultaneously improve HR recruitment procedures through the integration of technology and a focus on innovation.

Keywords

- Recruitment procedures
- Human resources (HR) practices
- Small and medium-sized enterprises (SMEs)
- Recruitment technology
- Innovation

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