Paper 6: Finding Employees On The Internet: A New Frontier For Small Business

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ABSTRACT

We reflect upon the challenge faced by micro business in sourcing employees in a recruitment environment that is being revolutionised by the World Wide Web.

KEYWORDS

INTRODUCTION

Australian businesses are finding it increasingly more difficult to recruit appropriately talented workers (Fisher 2008). In concert with this, small businesses face the additional challenge of competing with the recruitment resources and attractive job offers of larger organisations. The purpose of this article is to bring to the forefront, the issue of the 'online' revolution which threatens the recruitment practices of the small business, particularly the smallest of small business - the 'micro' business (employing up to 4 people). By engaging in creative partnerships, it may be possible for micro-business to achieve a web presence without the expertise and resource requirements usually involved.

RECRUITMENT APPROACHES IN SMALL BUSINESS

Small businesses are associated with informal recruitment strategies. Informal recruitment typically involves intuitive practices, often performed by the business owner without input from a second person. Thus, they tend not to have transparency in decision making and are often undertaken by people without HR skills. Small businesses have limited resources to implement formal HR practices, and it appears that as a firm's size increases, recruitment tends to become more

formalised by procedures and policies (Jameson 2000; Kotey & Slade 2005; Kuratko & Hodgetts 2004; Leung 2003; Mazzarol 2003; Wagner 1998). Nevertheless, it is thought that informal recruitment of small businesses still leads them to finding quality, long tenure staff resulting from owners taking a personal interest in the recruitment process (Henry & Temtime 2009; Jameson 2000).

RECRUITMENT SOURCES IN SMALL BUSINESS

Referrals (Hornsby & Kuratko 2003; Kotey & Slade 2005; Kuratko & Hodgetts 2004; Leung 2003; Tanova 2003), word of mouth (Jameson 2000; Kotey & Sheridan 2004), and newspaper advertising (Chell & Baines 2000; Kotey & Sheridan 2004; Reid, Morrow, Kelly & McCartan 2002) appear to be predominant recruitment sources used by small businesses. Of interest to this article is that only a single study by Henry and Temtime (2009) identified the internet as a recruitment source, suggesting the Web has had limited up-take as a typical recruitment source

INTERNET RECRUITMENT IN SMALL BUSINESS

With the dawning of the digital economy, a major change has engulfed employee recruitment practices (Bartram 2000; Parry & Tyson 2008). Small business owners are being forced to compete with larger firms that have the financial resources and expertise to engage in electronic recruitment processes (Hausdorf & Duncan 2004). How Australian businesses are situated in relation to using the

internet in the workplace is demonstrated in Table 1, which provides recent data on the 'web presence' of Australian businesses. Noticeably, micro-businesses, at 31.2 percent, have considerably lower web-presence compared to their larger business counterparts. According to the Australian Bureau of Statistics, 'web presence' occurs where the business has a website, home page or presence on another entity's website. Table 1 shows that a strong association exists between the employment size of a business and the likelihood that the business has a web presence (Australian Bureau of Statistics 2010). This suggests micro-business, and to a lesser extent, small business, due to the nature of having a low web profile, will be disadvantaged in a competitive recruitment arena that is becoming largely web-based.

TABLE 1
'Web-Presence' by Business Size in Australia

Employment size	Estimated number of businesses '000	Internet access %	web presence %
0–4 persons (micro-business)	433	87.7	31.2
5–19 persons (small business)	217	93.8	53.3
20–199 persons (medium medium)	60	98.0	70.0
200 or more persons (large business)	3	99.0	95.1

Source: (Australian Bureau of Statistics 2010, Summary of IT Use and Innovation in Australian Business, 2008-09)

POSSIBLE IMPLICATIONS OF 'THE WEB' FOR MICRO BUSINESS

An Australian government report into online participation highlighted the essential nature of Web access for social inclusion full engagement in commerce (Australian Communications and Media Authority 2009). The imperative is for micro businesses adapt internet friendly practices if they want to stay competitive in the digital age. As 'the Web' continues to revolutionise recruitment practices, it can be hypothesised that micro-businesses will face a shrinking recruitment pool. The current state of dual recruitment pools – those candidates seeking work using the internet and those seeking work through the traditional methods – are likely to meld into the dominant online world. Micro and small business will at some point need to invest in web development to maintain their ability to compete for available workers. However, perhaps through inventive partnering, micro-business may be able to access online pools of candidates without the need for costly investment. For instance, one suggestion could be the use of social/community applications - to advertise vacancies – which exist as a dimension within the staff intranets of larger organisations.

CONCLUSION

Micro businesses are a major provider of jobs in Australia and we need to ensure that they are assisted so that the advances of the information age are not detrimental to their competitiveness. Mindful of the digital knowledge and resource restraints of micro-sized business, combined with the pervasive nature of digital mediums, innovative ideas need to be generated or identified, which can facilitate access for micro business to on-line pools of job applicants. The logistics of how such creative ideas could unfold in practice, are worthy of further investigation.

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