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Recruitment and Selection in a Mass Hiring Event of a SME

By:
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A thesis submitted to the faculty of The University of Mississippi in partial fulfillment of the requirements of the Sally McDonnell Barksdale Honors College.

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ABSTRACT

Using a qualitative approach, I examined the relationship between formal recruitment and selection practices and the success of a mass hiring event in a small and medium sized enterprise (SME). For the purpose of my study, I will use prominent research in order to examine small and medium enterprises recruitment and selection processes and translate these findings to a mass hiring event with recruitment and selection. My literature review will help guide findings based on the qualitative data I collected. Data was drawn from observation, formal and informal interviews with key individuals within the company, and document analysis. A case study was used in order to collect as detailed information about the subject of the study as possible. I show that formal recruitment and selection human resource management (HRM) processes facilitate the success of a mass hiring event. I also show that success of a firm can be measured in different ways. I show that a mass hiring event increases retention, employee satisfaction, and customer satisfaction. Finally, I demonstrate that a successful mass hiring event mediates the relationship between formal human resources and retention, employee satisfaction, and customer satisfaction. I conclude by summarizing the findings in the discussion and conclusion section.

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Introduction

Human resource management has become increasingly important among organizations. The role has evolved over time. "In the past, HRM was defined as administrative functions (e.g. payroll and timekeeping), but in the last decade it has increasingly included the acquisition and application of skills and strategies to maximize the return on investment from human capital" (Su & Yang, 2015, p. 49). Maximizing the investment on human capital can be done through the process of recruitment and selection.

Recruitment and selection is the process of selecting the right people for the right job. Recruitment is defined as "activities designed to either increase the number or to change the characteristics of individuals who are willing to consider applying for or accepting a job" (Rynes & Barber, 1990, p. 287). Selection or staffing is the process of acquiring employees that have the knowledge, skills, and abilities (KSAs) needed for each job in order for a company to achieve its goals (Subramony, 2009 p. 1). Recruitment and selection greatly influence the success of organizations because without the right people in certain jobs, organizations will not be successful. "The human factor is known as being one of the key factors through which the organization may obtain success" (Florea & Mihai, 2014 p. 100). Organizations may gain this success through recruitment and selection.

Recruitment and selection is important for small and medium enterprises (SMEs) in particular due to the rapidly growing nature of these businesses (Hargis & Bradley, 2011, p. 100). SMEs are the most common size of businesses in the United States making research on SMEs relevant to the nations workforce. Small firms make up 99.7 percent of

all employers nationally and employ about half of the nations private workforce (US Small Business Administration (SBA), 2015). Not only do SMEs make up a large majority of employers, they also are rapidly creating jobs. Due to the rapid growth, these enterprises are in a constant need to recruit and select individuals. "We have determined that small business owners with eleven or more employees feel that human resource management is more important and that they need assistance in performing these functions than small business owners with 10 or fewer employees" (Dunn, Short, & Liang, 2011, pg. 1). This demonstrates the need for effective recruitment and selection in even the smallest companies.

In order for growing businesses to develop efficiently, formal practices are often established. "So while the formalization of HRM policies becomes desirable as firms grow, the ability for this to occur in small firms depends on the recognition of the owner/manager of the need for delegation and then the possibility of delegating that task" (Mayson & Barrett, 2006, pg. 311). By having a formal process in place, the complexity of hiring a large amount of people is limited. Smaller firms often use informal methods of recruitment initially. "However, as small firms grow, managers exhaust their informal staffing contacts (for example, family members, referrals and walk ins) and need to develop more formal methods to recruit employees" (Barrett, 2007, p. 310). Informal recruitment methods are often depleted over time leading to ineffective informal recruitment processes. As a result, these firms turn to formal recruitment processes.

While we know that these findings about recruitment and selection hold true for SMEs with typical growth rates, in the situation of a mass hiring event, researchers are uncertain about the effects. Therefore, my research question is as follows: what effect

does recruitment and selection HRM practices have on the success of a mass hiring event in small and medium sized enterprises?

There is relatively little research that has been conducted on a mass hiring event, therefore, a formal definition is lacking. A mass layoff is defined as a reduction involving at least one-third of employees and at least fifty employees are laid off in a thirty-day period (Robinson & Franklin, 2015, p. 258). Drawing on this established definition for layoffs, I define a mass hiring event as increasing the workforce by at least one-third with at least fifty employees hired in a ninety day period. A mass hiring event is different from the typical hiring process because a mass hiring event is hiring at least fifty people at one time. A mass hiring event requires more time and money at one time compared to a typical hiring process. My research investigating mass hiring events in SMEs answers the call by Cassia (2012, p. 179) who said, "by investigating high-growth firms, researchers may better understand the features involved with growth and performance in general." By looking at firms growing at a fast rate, there will be more information on not only hiring practices but also what is involved with a company that is growing rapidly. The research of this paper is relevant because it will help inform future companies in the event of a mass hiring.

The research I conducted includes a case study of a business that started a mass hiring event with fewer than one hundred employees and increased to two hundred employees. The reason that the mass hiring event occurred was because the company won a government contract. A condition of winning the contract was the need to have all one hundred additional employees hired by the start of the contract date. The actual process of recruitment and selection took about three months to be completed but all one

hundred employees were scheduled to start work on the same day. My study makes a unique contribution to research by looking at a mass hiring event instead of the typical recruitment process.

In the next section, I will present literature reviews that look at the existing research on recruitment and selection in SMEs. After the literature reviews, I discuss the qualitative methods used in order to obtain data. Following that section, I discuss the case participants and the data that was obtained. Afterwards, I present the findings and propositions from the case study based on the data collected. I present a discussion that highlights contributions to theory, contributions to practice, and limitations of the study. Finally, I present my conclusion that summarizes my findings.

Literature Review

After researching the existing prominent literature that looked at recruitment and selection in SMEs, I have attempted to summarize the current knowledge available. Throughout the process, I was able to learn what research was available as well as what research gaps exist. I could not find any research that looked at a mass hiring event. Throughout my research I was able to define recruitment as activities that increase the number of applicants applied or change the characteristics of people willing to apply (Rynes & Barber, 1990, p. 287). Selection is defined as acquiring employees that have the right knowledge, skills, and abilities (KSAs) for the company (Subramony, 2009 p. 1). By having employees that possess the right KSAs for that position, organizations can gain a competitive advantage. If two different companies both have two employees that perform the same job but one employee can do the job better, then the company with the better performing employee gains a competitive advantage. "Recent theoretical work in business strategy has given a boost to the prominence of HR in generating sustained competitive advantage," (Su & Yang, 2015, p. 49). Until recently, the affect that human resources can have on a company's ability to be profitable has been unknown. I then researched whether small firms are more successful when they use accepted or informal recruitment and selection practices. Below, the literature reviews show that small firms are more successful when they use accepted recruitment and selection practices rather than informal practices.

Williamson (2000) found that a gap may exist in our understanding of the recruitment issues small businesses face and what strategies are most effective in order to recruit the best candidates. Williamson discusses another gap in research may lie in if

recruitment success is influenced by recruitment practices coinciding with the institutionalized norms of behavior existing within a population. Williamson attempts to address these two gaps in research by developing a model of small business recruitment strategies from established theory. Recruitment strategies are "activities designed to either increase the number or to change the characteristics of individuals who are willing to consider applying for or accepting a job" (Rynes & Barber, 1990, p. 287). Two organization attributes that are expected to be relevant to job applicants' assessment of employer legitimacy are a firm's recruitment procedures and the HR policies adopted and promoted by an organization. Employer legitimacy of an organization will be positively related to an organizations ability to successfully recruit potential job applicants. One way for small firms to increase their employer legitimacy is to strategically adopt legitimate recruitment practices. By increasing employer legitimacy, recruitment success will increase due to imitation of legit industry practices of other firms.

Greer, Carr, and Hipp (2016) have investigated the relationship between the strategic approaches to staffing and small-firm performance. Greer et al. (2016) sent out survey information to numerous companies that had fewer than 100 employees in order to find out what strategic approach to staffing they used as well as their firm performance. They hypothesized that emphasizing the unique advantages of small firm employment has a positive correlation to firm performance. Imitating larger firms with recruitment practices is associated with higher firm performance. Greer et al. (2016) deduced that owners that perceive HR to be important tend to emphasis approaches that replicate larger firms, which in turn enhances their legitimacy.

Leung (2003) looked at the way smaller firms recruited compared with firms that

are of substantial size and were quickly growing. Smaller firms tend to adopt more informal recruitment practices. These firms recruit though networking and employee referrals. Small companies use these methods in order to get a better fit between the employee and the organization. As organizations grow, the organization needs to recruit different talent and therefore has to recruit differently. Leung (2003) used a case study of four different entrepreneurial companies in order to show this. Leung (2003) collected data through interviews with owners, observing, and documents. In the beginning, owners need to use social ties due to uncertainty and lack of organizational legitimacy. During the growth phase, these firms recruited from business networks in order to fulfill the unique positions.

Sheehan (2013) looked at the relationship between human resource management and performance of firms. Sheehan (2013) discussed an increase in the regulation of employment is likely to have influenced the formality of human resources. It was not established that greater number of formal practices lead to higher performance benefits that were found in studies of larger firms. 336 United Kingdom SMEs were surveyed on this topic in both 2007 and then followed up with an additional survey in 2011. Sheehan (2013) examined whether there is a relationship between the use of selection of formal human resource practices and the performance of SMEs. Sheehan (2013) concluded that there was a positive relationship between the number of selected formal HR practices and firm performance. Therefore, the greater the formality of HRM practices, the higher firm performance is. Sheehan discovered that by the number of formal HR practices lead to higher firm performance over time. Therefore, increased profitability, innovation, and lower turnover have a significantly positive relationship with formal HR practices not

only at one point in time but also across a period of time.

Throughout these four articles, small firms are shown to be more successful when they use formal recruitment and selection practices. Willimson (2000) found that by increasing employer legitimacy, recruitment success would increase due to imitation of legitimate industry practices of other firms. Greer et al. (2016) deduced that owners that perceive HR to be important tend to emphasis approaches that replicate larger firms, which in turn enhances their legitimacy. Leung (2003) researched the stages of growing organizations in correlation with recruitment. The organization needs to recruit different talent at different stages and therefore has to recruit differently. Finally, Sheenan (2013) established that the greater the formality of HRM practices, the better firms will perform. For the purpose of my study, I will use this research in order to examine small and medium enterprises recruitment and selection processes and translate these findings to a mass hiring event with recruitment and selection. Studying mass hiring events are important because mass hiring events happen quite often especially within government contracting. It is also important because managers that are going through a mass hiring event may be uncertain how to proceed. Studying a mass hiring event may help future managers benefit by learning the best ways to conduct a mass hiring event. While the study below will be qualitative in nature, my literature review will help guide findings based on the qualitative data I collected.

Methods

Using a qualitative approach, I examined the relationship between existing recruitment and selection practices and the success of a mass hiring event in a small and medium sized enterprise. The method I used in order to complete the qualitative study is a case study. "A case study is an exploration of a 'bounded system' or a case (or multiple cases) over time through detailed, in-depth data collection involving multiple sources of information rich in context" (Creswell, 1998, p. 61). A case can be a program, an event, an activity, or individual (Creswell, 1998, p. 61). I collected data from several sources including direct observation, formal and informal interviews with key individuals within the company, and document analysis. The formal and informal interview transcripts can be found in Appendix I, II, & III. The documents used for analysis can be found in Appendix IV, V, & VI. By collecting from multiple sources, I was able to gather in-depth information.

The case study has a clear timeline over eight nonconsecutive months. By conducting the case study over nonconsecutive months, I was better able to see changes taking place within the company. The exact dates of the eight nonconsecutive months include May 13th, 2015 through August 13th, 2015; December 10th, 2015 through January 20th, 2016; May 15th, 2016 through August 1st, 2016, and finally December 12th, 2016 through December 30th, 2016.



Case Participants & Data

I have analyzed data obtained from one SME that originally had 78 employees at the start of the study. After the mass hiring event, the company selected an additional 100 new employees within one business day on July 1st, 2016. The new addition from the mass hiring event along with the normal growth rate brought the company to a total of 217 employees. Six months later, the current size of the company is now reaching 250 employees. I used the standard North American Industry Classification System (NAICS) in order to classify the company based on industry. The company has multiple NAICS codes due to the multiple contracts that it is working on. The first one is listed as Engineering and Administrative Services. The second is Engineering for Military and Aerospace Equipment and Military Weapons. The last is Research and Development in Aircraft parts, Auxiliary Equipment, and Aircraft Engine Parts. The company provides support to both government and commercial customers in all of the previous industries.

The mass hiring event occurred because the company won a government contract. In order to receive the contract, it had to be fully staffed by the first date that the contract started. Another large company had previously been working on the contract. The contract was not renewed with the incumbent company but instead was broken up into pieces. Each piece of the contract was competed for through proposals. The company I worked for won one of the pieces of the contract leading to the mass hiring event. Of the pieces that were broken up, there were two contracts in the same location requiring the same work experience. Both of these contracts needed to be staffed around the same time as well. The same potential employees were being actively recruited which further created competition among the companies. This required the companies to participate in a

successful requirement and selection process.

In order to complete the mass hiring event, the process of recruitment and selection had to occur. The company hired an employee to become the Task Order Manager. The Task Order Manager took on the role of helping the HR manager to select qualified employees as well as taking on the role as project manager over the whole contract. The employer did not know any of the incumbent employees from the previous contract. The purpose of this was to choose people that actually fit the positions instead of choosing certain people because they held that same position on the previous contract.

During the months of April and May the company went through the recruitment and selection process of conducting informal meetings, posting jobs to job boards online which would facilitate diversity, having applicants fill out an online application, as well as conducting interviews, and sending out offer letters. During mid June, the company went through the process of new hire orientation where the HR team delivered company and benefits information as well as collected information essential to starting the job such as I-9 forms. The new hire orientation took place for two days in which all 100 new employees participated. The employees then started their jobs on July 1st.

I started working at the company during the summer of 2015, winter break of 2015/2016, then the summer of 2016, and finally the winter break of 2016. During each round of employment, data was observed. The nonconsecutive eight-month period of employment lead to data being collected over a two-year period. The first summer, the company had below 100 employees. I got to observe the company and their recruiting process when they were not in a significant growth period. Over winter break, I observed the company go through the process of preparing for the mass hiring event by hiring

additional HR staff as well as preparing with the Transition Manager. The following summer, I observed the company transition to a period of intense growth proceeding the mass hiring event. The winter break following, I was able to see the effects that the mass hiring event had on the company. Throughout this time period, I have sufficiently submerged myself in the company and have been able to witness the firm go through the process of the mass hiring event.

There were several key individuals who facilitated the mass hiring event. Each of these key individuals was interviewed. The first employee who had a large role in the transition was the Transition Manager. His role was to transition the work over to the new contract as well as defining job responsibilities for each individual job through the process of job analysis. The interview transcript for the Transition Manager can be found in Appendix I. The second employee who had a large role in the transition was the Task Order Manager. His role in the transition included helping with the interview process. He then became the project manager of the contract once the contract started. The interview transcript for the Task Order Manager can be found in Appendix II. The HR Manager as well as HR Assistant also took on a vital role in the transition as well. Since the HR Manager is no longer with the company I was unable to interview her. The HR Assistant was available to be interviewed and her transcript can be found in Appendix III. These individuals had the most prominent role and helped to make the mass hiring event possible.

There were several documents that were used to analysis the recruitment and selection process. The first document used is a sample recruitment ad. The ad gives a company overview, lists education and experience qualifications, as well as required

skills. The recruitment ad can be found in Appendix IV. The second document used is a sample application potential employees would fill out in order to be considered for employment. The application has several sections including general information about the candidate, employment history, education, resume, references, applicant information, skills and qualifications, security clearance information, government service, and an applicant statement. The sample application can be found in Appendix V. The next supporting document used is the structured interview template used to facilitate the interview process. The interview template used contains interview data to rate various soft skills, structured interview questions, and an overall evaluation of the candidate. The overall evaluation of the candidate includes a scale to rank the candidate along with a final recommendation. The interview template can be found in Appendix VI.

Findings & Propositions

Prior research indicates that SMEs are more successful when they follow formal recruitment and selection practices. I wanted to see if the same idea holds true for SMEs during a mass hiring event. In this section, I draw on the qualitative data described in the section above to determine if the existing understandings about human resource practices in SMEs hold true when SMEs undergo a mass hiring event.

My first finding based on the results of the case study is that formal recruitment and selection HRM processes facilitate the success of firms undergoing a mass hiring event. Since this was the case with recruitment and selection in normal circumstances, based on the literature review above, this would make sense in a mass hiring event as well. Via several interviews with key individuals along with document analysis, I found out that the company followed a set recruitment and selection program in order to complete the mass hiring event. The HR Assistant confirmed that the company followed a formal program throughout the entire process. The Transition Manager commented on process the company took:

"Yes, we had a very formal process. We initially set up an informal meeting where anybody who was interested was able to come. We advertised that among the incumbent workforce. At that point, a lot of the employees did not know where they were going. It was more of a meet and great. Then, the next point in our process, we talked to the government about the positions that we were going to have to fill in order to find out what they needed. We had to publish all of those positions out on the web as a requirement of our Equal Opportunity policies. We had to go ahead and publish those positions and make them available to whoever

wanted to apply for them. Even those incumbent employees who had given their resume to us as prior meetings, they had to go to the website and apply for the position. We had one-on-one interviews that took place over a two or three week period. Eventually, we put out offer letters to the people we were interested in giving offers to."

The initial informal meeting was held in order for the incumbent employees to better understand the company. Since this was a contract, the company needed to define the type of work the government needed to be complete as well as the knowledge, skills, and abilities needed to facilitate the work being done. As a result, job analysis was conducted at the beginning in order to facilitate the recruitment and selection process. By completing job analysis, the employer was able to know if the incumbent employee met the requirements needed for the position. Job analysis also led the company to hire the best candidate for the job.

The company posted recruitment ads to their website so that candidates could apply. A sample recruitment ad is found in Appendix IV. The company used two different tools to organize and review the applicants that applied for each position. The Transition Manager described the software that was used to store all of the applicants' information, "we used Applicant Pro and they [the applicants] would upload their resume, give us background information, and their point of contract." In Appendix V there is a copy of the application that was used. The Transition Manager described the additional tool used; "we used a tool called FOX which is a commercial product where we kept everybody's resume. It allowed us to coordinate between us and our subcontractor with positions and applicants." By using these two tools, the company was

able to effectively see who was qualified and who was not. On Applicant Pro there is a tool to label each candidate as qualified or does not meet requirements. The company used this tool in order to sort through the many applicants who had applied in order to determine who they would interview.

The company had a structured interview process, asking the same questions to all applicants. The document can be found in Appendix VI. The document also includes a scale in order to rank all interviewees using the same standards. By having a structured interviewed process and a standard ranking system, the company intended for the best candidate to be identified as objectively as possible. Finally, the company sent out offer letters through email in order to formally offer applicants a job. *Figure 1* shows the mass hiring event process that the company took.



Figure 1. Mass Hiring Event Process. This figure illustrates the process that the SME followed during the mass hiring event.

Recruitment is defined as activities that increase the number of applicants applied or to change the characteristics of people willing to apply (Rynes & Barber, 1990, p. 287). The company used formal recruitment practices used in order to increase the number of people willing to apply or change the characteristics of people willing to

apply. Many of the potential employees were previously working with a government organization. As a result, these employees had a pension plan. The company has a 401(k) plan. Transitioning from a pension plan to a 401(k) plan made many potential employees nervous. As a result, key employees had to do several things in order to make the company attractive for potential employees. The Transition Manager commented on the recruitment strategy that was used in order to attract employees.

"Due to the nature of the work, the things that we used to attract candidates include the quality of our company and our benefits. That was a big deal for this transition. The reason it was a big deal is because the organization that [potential employees] worked for was a government organization. They had a pension plan with their former employer but we had a 401(k) plan with matching. We had to work through that and see what was the equivalency with the pension plan and our 401(k) plan. That was probably one of the biggest challenges that we had to work through."

This active in-person recruitment, by taking away the negative that comes from changing retirement plans, made employees more willing to apply. As a result, this increased the amount of people willing to apply and accept an offer from the company. Since the potential employees knew about the benefits ahead of time, this attracted candidates willing to apply and make the transition to the new company. When asking the Task Order Manager if he thought matching the pension plan to the 401(k) plan attracted more or less candidates, he responded, "yeah I think that helped. If I had not gotten pretty close to the pension, then people would not have accepted it. I don't think I could have gotten the employees without it." By proactively trying to fix potential problems between the

two different types of retirement benefits, the company increased the amount of people willing to apply making it successful.

Another benefit that was increased to attract more candidates was the increased tuition assistance. The people that the company was trying to attract were focused on furthering their education. As a result, the company increased their tuition reimbursement for all the people working on the new contract in order to attract those people. The Task Order Manager commented on the effectiveness of using tuition reimbursement. "The tuition probably helped some. It was important to them but not the number one reason for leaving or joining." As a result, the tuition reimbursement was a factor in deciding on whether or not to apply for the company but did not make a huge difference overall.

Selection is defined as acquiring employees that have the right knowledge, skills, and abilities, for the company (Subramony, 2009 p. 1). The Task Order Manger commented on the initial process of determining who would be selected for the position.

"We almost got a bulk set of resumes and I looked through those that applied and identified those who would fit the roles. I also got references from other people. I would contact the leadership of that person, asking what do you think of this person and their qualifications, as well as do you think they are the right person to do this job."

The first step that the company went through in the selection process was the process of application and screening for KSAs. By having all candidates apply online, the company was able to see who was qualified for the position. The company choose to interview the top candidates that were the most qualified. The next step in the selection process was to interview the top candidates for the job. The process of structured interviews along with

ranking each candidate facilitated the formal selection process. The company was able to compare interview templates for each of the candidates that interviewed for a particular job. By being able to compare, the company was able to select the right candidate for the job. By checking references, the company was able to determine that the right person was selected as well as limit negligent hiring. The company was able to determine candidates' qualifications from the previous manager.

The HR Assistant commented on how helpful the HR processes were to the mass hiring event, "The HR team was extremely helpful throughout the mass hiring event. We are the ones that got all the offer letters ready and sent out to the applicants. We kept up with who had answered and if they had counter offered. We created spreadsheets to keep it organized." By having helpful HR processes in place, the mass hiring event was able to run very smoothly. Without these processes and people to help, then the mass hiring event would not have run as smoothly as it had.

Proposition 1a: Formal recruitment and selection HRM processes facilitate the success of a mass hiring event.

Success Can Be Measured in Different Ways

Throughout all my interviews, I asked key individuals if the mass hiring event was successful or not successful as well as what made the mass hiring event successful or not successful. The Transition Manager commented on why he thought the transition went successful, "yes, the transition went really smooth. We worked hard at it. We had a process. We knew exactly what we were going to do. We set out a plan on how we would transition and move people over to the company." By having a process and a plan, the

mass hiring event could be conducted in a smooth manner. By planning in advance, the steps that the company was going to take, the mass hiring event could be carried out in an organized manner.

The Task Order Manager had a different reason on why he thought the mass hiring event was successful. "It was extremely successful. We started out with a full staff, which was exceptional for this contract and this environment." Often it is problematic to fully staff a contract that has very specialized requirements with very experienced work requirements needed. By fully staffing the contract, the company was able to meet the requirements needed making the mass hiring event successful.

The HR Assistant commented on the reasoning that the mass hiring event went so successful. "Number one reason we were successful is having a great PM (Project Manager). He gave us all the information; we just filled in the blanks. He was very organized and structured." The HR Assistant reasoned that by being structured and organized the mass hiring event was able to become successful. All the people involved in the mass hiring event need to be able to efficient work together in order to achieve an outcome.

Proposition 1b: Success of the mass hiring event can be defined in several ways.

A Successful Mass Hiring Event Leads to Increases in Retention

Retention of employees is of the upmost importance. Hiring and training employees requires time and money. Every time an employee is hired, money is spent. A higher retention leads to firms not having to replace employees as frequently, leading to less money being spent over time.

A mass hiring event leads to success in retention. Retention of employees at the company before and after the mass hiring event was very different. Before the mass hiring event, retention of all employees was around 80 percent. In order to calculate the retention of all the employees I took a document listing all individuals who were employed by the company in July. I then compared it to a different document of all the employees in December and compared the two documents. By doing this, I was able to determine who had left the company in the last six months. I was then able to determine the retention. Retention of all employees was 96 percent six months after the mass hiring event had occurred. Retention of the 100 employees that started in July was 97 percent six months later. By having a high retention after the mass hiring event, it can be shown that the mass hiring event was successful. Employees would have left the company if they were not satisfied with some aspect of their job. Therefore, the mass hiring event led to the increase in retention of employees.

Proposition 2: A successful mass hiring event leads to increases in retention.

A Successful Mass Hiring Event Leads to Increases in Employee Satisfaction

Employee satisfaction is important to look at. "If a unit's employees share positive attitudes, they should have norms of cooperation and collaboration, which in turn enhance unit productivity" (Ryan et al., 1996). The employees from the mass hiring event are required to work together to complete projects on a daily basis. Since these employees are required to work together, their job satisfaction can directly influence others at the company, from having a negative attitude, to not completing their work to the best of their abilities.

A mass hiring event leads to success in employee satisfaction. The Task Order Manager was asked about the satisfaction level of the one hundred new employees. He responded, "I think the employees are really happy with the decision they made. You will have to ask them though." The Task Order Manger transitioned to the Project Manager after the contract started. As a result, he is in contact with the new employees daily. If any problems arise then he is the first to know about them. Therefore, he is a credible source to judge the employees' satisfaction. The mass hiring event directly relates to employee satisfaction. Since the employees were satisfied with the decision they made to work at the company, then they were satisfied with the hiring process and then the job as a whole. Since the mass hiring event directly influenced both of these, it can be noted that the mass hiring event led to satisfied employees.

Proposition 3: A successful mass hiring event leads to increases in employee satisfaction.

A Successful Mass Hiring Event Leads to Increases in Customer Satisfaction

Customer satisfaction was also measured in order to evaluate the success of the mass hiring event. "Word-of-mouth from satisfied customers lowers the cost of attracting new customers and enhances the firm's overall reputation, while that of dissatisfied customers naturally has the opposite effect" (Anderson 1994, Fornell 1992). Customer satisfaction is significant to look at because it can influence the firms profitability.

The Task Order Manager said, "We got good feedback from the customer (government) saying they appreciated the support, so in all it was good." The company met the personalized needs that the customer requested leading to a satisfied customer.

Having a satisfied customer is important for the firm's future. The company has to submit proposals in order to receive projects that need to be completed in order to receive a profit. By having a satisfied customer, then the company is able to keep working on the contract for an extended time. If the customer is not satisfied, then the company looses the contract therefore loosing profits. The mass hiring event hired 100 new employees in order to complete the contract. Without the mass hiring event, there would not have been a customer to satisfy. Therefore, the mass hiring event directly effected the customer satisfaction.

Proposition 4: A successful mass hiring event leads to increases in customer satisfaction.

Mediating the Relationship

The final proposition links all four of the previous propositions together. I argue that a successful mass hiring event mediates the relationship between formal human resources processes and retention, employee satisfaction, and customer satisfaction. Formal human resource processes do not directly affect retention, employee satisfaction, and customer satisfaction themselves. Instead, a successful mass hiring event does.

Successful mass hiring means successful growth and the firm thus having better capabilities to create customer satisfaction through more human capital. I display the company's growth in *Figure 2*. I collected documents that listed all of the active employees each time I was employed. I was able to collect this information over a two year time period. In July 2015 the employee count was at 78. During December 2015, the employee count was at 98, which was an increase by 20 employees. In July 2016, after

the mass hiring event had happened, the employee count reached 217. During December 2016, the employee count had reached 253. The growth of employees before the mass hiring was only 20 employees in six months. After the mass hiring, growth of employees almost doubled to 36 in six months. Without the mass hiring then the firm would have stayed at the same growth rate but after the mass hiring the growth rate doubled. While the mass hiring took place in a different location, the increased growth rate at the corporate office led the company to change to a bigger location.

Since the mass hiring, the firm has grown at an increased rate. By having an increased growth in employees, the firm not only has more capabilities but also better capabilities. This directly relates to customer satisfaction because there are more employees to be able to complete the job. Also, the mass hiring event led to hiring of specialized workers allowing the firm to have better capabilities.

Proposition 5: A successful mass hiring event mediates the relationship between formal human resources and retention, employee satisfaction, and customer satisfaction.

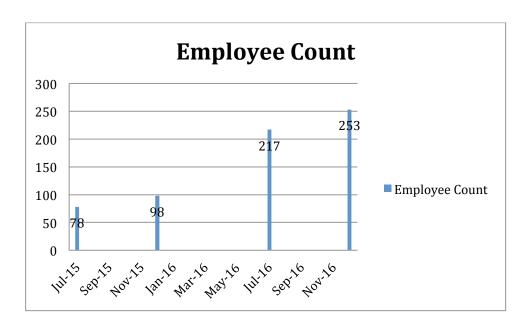


Figure 2. Employee Count. This figure illustrates the number of employees at the SME over the course of the mass hiring event.

Discussion

My contribution to theory is shown in several ways. The literature reviews above show that small firms are more successful when they use formal recruitment and selection practices rather than informal practices. My contribution to theory is showing that formal recruitment and selection HRM processes facilitate the success of a mass hiring event. Sheehan (2013) examined the relationship between the use of selection of formal human resource practices and the performance of SMEs. I also examined the relationship between a mass hiring event and retention, employee satisfaction, and customer satisfaction. Finally, I contributed to theory by showing that a successful mass hiring event mediates the relationship between formal human resources and retention, employee satisfaction, and customer satisfaction.

I also contributed to the limited knowledge about a mass hiring event. I define a mass hiring event as increasing the workforce by at least one-third with at least fifty employees hired in a ninety day period. There is limited amount of research on this topic. By investigating a case study from one company I have contributed to the overall knowledge of a mass hiring event. Studying mass hiring events are important because mass hiring events happen quite often especially within government contracting.

My findings have important implications for firms that need to undergo a mass hiring event in the future. It is important because managers that are going through a mass hiring event may be uncertain how to proceed in a way that aids their firms. Studying a mass hiring event may help future managers benefit by learning the best ways to conduct a mass hiring event. Managers are then able to replicate the findings from my study in order to influence their own firms in a positive manner.

Limitations

There are several limitations of the study that I have conducted. Specifically, this was a qualitative study of only a single firm. Therefore, the findings may not generalize to other firms since it has not been tested on multiple firms. Since there is limited research on a mass hiring event as a whole, it would be useful to future managers to investigate on a large scale the implications of a mass hiring event. I encourage more research here in the future.

Conclusion

My findings have important implications for managers undergoing a mass hiring event in the future. First, formal recruitment and selection HRM processes facilitate the success of a mass hiring event. It was found that success could be defined in several different ways from having a process to starting with a full staff at the beginning of the contract. It was then found that a successful mass hiring event leads to increases in retention, employee satisfaction, and customer satisfaction. All three of these factors are extremely important for firms to look at. Finally, it was discovered that a successful mass hiring event mediates the relationship between formal human resource processes and retention, employee satisfaction, and customer satisfaction. I encourage more research on this topic but emphasize that the findings here are valuable and thought provoking.

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Appendix I: Transition Manager Interview Transcript

What was your role in the transition? My role was the Transition Manager. So I managed the transition of the current contract employees and work over to our company.

What was your goal in the transition? Our goal was to pull as many of the incumbent employees over because that reduces the risk of the customer because of their experience. We had to see what incumbent employees would not come over and offer those positions to other people. In terms of work we had to see what tools were needed and if they would bring their tools over. We had to look at all the things that would bring not only all the people over but also the work too.

We wrote a proposal to write what kinds of position we would hire to support the contract as well as work that we would perform. We had information about the existing contract because of our subcontractor. We had a good idea of what employees should be transferred over due to them. XXX was working the contract. XXX knew what employees should be pulled over.

A little background, the contract was a much bigger contract. They broke the contract up into smaller pieces and then competed over those pieces. We had one piece of that contract for range support for the airforce test center. There were 200 positions that needed to be transitioned and the work associated with that. So that was our job to get that transition after we won. Going back to your original question, we had a sense of who all those people were. We had to go through the process of how the customer viewed those people and then the process of recruiting those people cause we didn't know. Those people had options. There were other contracts being competed or they could get another job. We had to go through the process of actually recruiting people. We won the first contract and were the first ones to go through the process of transitioning the workforce.

How often do you think mass hiring event happens? The process of mass hiring happens more than you think. There is turnover in contracts within the government. Usually it's the same type of scope of work. Usually there is an incumbent base of employees already doing that type of work. As the incumbent company, usually you will receive it again which only limits the mass hiring process but the government is getting more aggressive.

Generally, did you think the transition went successfully? Yes, the transition went really smooth. We worked hard at it. We had a process. We knew exactly what we were going to do. We set out a plan on how we would transition and move people over to the company. We hired 100 people in TN. As part of that process, we had to go interview every person. We sent up interviews. We had a place that we would interview them. We also hired people in Eggland. We invited people to come to those interviews. One big thing we had to do was work with the customers to find out what support they need. After you win the contract, you go and sit down with the customer and really get down to the details. Through that communication, that clarifies what responsibilities that person

would have and does the incumbent fill those responsibilities. That led us to determine if the incumbent met the requirement that the customer needed.

So all of these positions were highly specialized, were there many options to choose from for the company? For some jobs we had fewer options to choose from. Other jobs like administrative positions and entry level engineering, even though we had candidates from the incumbent position, we reached out to a broader audience to see if there would be candidates that would be interested in applying.

Was there anything you did differently to attract candidates? Due to the nature of the work, the things that we used to attract candidates include the quality of our company and our benefits. That was a big deal for this transition. The reason it was a big deal is because the employees that we were hiring from Tullahoma worked for a government organization. They had a pension plan with their former employer but we had a 401(k) plan with matching. We had to work through that and see what was the equalivency with the pension plan and our 401(K) plan. That was probably one of the biggest challenges that we had to work through. Some employees decided not to go with us because they had another option in TN. There was a contract that was awarded in TN at the same time in order for those employees to keep their pension. There was an incentive for employees to stay on the other contract depending on years of service or how close they were to retirement. There were a lot of factors that went into the final decision of those employees deciding on where they were going and what they were doing. The employees had to decide what work I would do and what it means to me financially. The pension played a big part in that decision as well as compensation.

Would you say you followed a formal process for hiring people? Yes we had a very formal process. What we did is: we set up informal meetings where anybody who was interested could come. We advertised that among the incumbent workforce. At that point, a lot of the employees did not know where they were going. It was more of a meet and great. The next point in our process was to talk to the government about the positions that we were going to have to fill. We had to publish all of those positions out on the web as a requirement of our Equal Opportunity policies we had to go ahead and publish those positions and make them available to whoever wanted to apply for them and basically left it up to people who wanted to apply. Even those incumbent employees who had given their resume to us as prior meetings, they had to go to the website and apply for the position. We used Applicant Pro and they would upload their resume, give us background info, I cant remember all the fields, just the typical ones we ask people to fill out.

We had one on one interviews that took place over a week or two. We interviewed each person to find out what their interests were and tell them a little about our company. We would tell them about our benefits. Eventually, we put out offer letters to the people we were interested in giving offers to.

We did have a pretty process in terms of a database. We used a tool called FOX, which is a commercial tool where we kept everybody's resume. It allowed us to coordinate with us and our subcontractor not only positions but also applicants. It allowed us to see everybody's resume as well as who has applied.

Appendix II: Task Order Manger Interview Transcript

Did you follow a formal process? We did follow a process of identifying the incumbents, interviewing candidates, making an offer letter, and proceeding to the final agreement. That's the basic steps of our process.

Did the HR processes help or hurt you during the mass hiring event? Yes, HR was very important. HR helped to set up interviews, helping to get all paperwork accomplished like it should be, generating offer letters. They did lots of admin tasks and making sure I followed the hiring process requirements. They made sure that I had all the data that I needed to have to get the people hired correctly.

How successful was the mass hiring event? It was extremely successful. We started out with a full staff, which was exceptional for this contract and this environment. We got good feedback from the customer saying they appreciated the support so in all it was good.

Was there anything in particular that made it successful? Being empowered to make the decisions to move forward without all the hierarchy. I was interviewing and making a decision on whom to hire very quickly. It was 105 people to hire. I could handle most of that myself. If it were 1,000 people, we would have a little more rigors in our process.

How did you choose who would be interviewed or selected for the job? We almost got a bulk set of resumes and I looked through those that applied and identified those who would fit the roles. I also got references from others. I would contact the leadership that I was picking out, asking what do you think of this person and their qualifications, do you think they are the right person to do that.

I know you had to work with the 401(k) and pension plans in order to make sure they matched. Do you think more people applied due to this matching of benefits? Yeah I think that helped. If I hadn't gotten pretty close to the pension, then people would not have accepted it. I don't think I could have gotten the employees without it.

Do you think by increasing the tuition reimbursement helped? The tuition probably helped some. It was important to them but not the number one reason for leaving or joining.

How satisfied were the employees from the transition? I think the employees are really happy with the decision they made. Of course you will have to ask them.

What key individuals had a role in the mass hiring event? HR, HR Assistant, Transition Manger, business manager. I had support from a lot of individuals.

What was your role in the mass hiring process? I am the Task Order Manager like the general manager of the contract. But in the transition I was recruiting and doing a lot of different things.

Appendix III: HR Assistant Interview Transcript

Did you follow a formal process with the mass hiring evnet? Yes we did interviews and then offer letters. The previous contractor provided us names and we set up interviews for the candidates with XXX, XXX, and XXX. After they interviewed them, they wrote notes, and then we got together and wrote offer letters.

Did you take any additional measures to recruit candidates? Not that I know of.

Did you think the HR processes helped or hurt the process? We helped for sure. We got the offer letters ready and sent them out and kept up with who had responded.

What made the mass hiring event successful or not successful? I would say number one because we had a great Project Manager. He was the one who gave us all the information and we just filled in the blanks. He would say we are hiring this person for this job at this amount and we would just fill that information in the offer letters. So you have to have a good project manager who was organized and structured.

Would you say the HR team was very involved with the mass hiring event? Yes, very involved.

Appendix IV: Recruitment Ad

XXX, Inc. is a Woman-Owned Small Business (WOSB) founded in XXX, in 1991 by its CEO, XXX. XXX has a twenty-six year track record of providing superior technical and management support to both Government and Commercial Customers in Systems Engineering and Integration; Program and Project Management; Test and Evaluation; Logistics Engineering; Safety; Business Management; and Information Technology.

XXX is currently looking to fill a **STAT Engineer** position onsite **in XXX**.

The Scientist and Engineer - Scientific Test and Analysis Techniques (STAT) Expert and must possess the knowledge and skills to understand and apply a variety of statistical and operations research techniques to assist the government and test customers in effective execution of test projects. Candidate must be able to communicate effectively with leadership and test teams to develop a thorough understanding of requirements and recommend a defensible test and evaluation program/test matrix that provides best value to the government.

Candidate will provide expertise and recommendations to work across all test projects providing advice on application of STAT during test planning and advanced statistical analysis techniques during analysis and reporting. Initial efforts will include development of toolsets, and establish application across the various CTF missions, with continued support to recurring and new test programs to advance methods and improve test pedigree. Mastery of existing software applications such as DesignExpert and JMP is expected. The candidate will also serve as a learning and training resource for mission area test team staff in use of defensible T&E tools. The candidate will be asked to participate in technical reviews and provide recommendations for courses of action as requested by the government.

Education and Experience Qualifications:

Qualified candidates will have directly related experience in statistics, test methods and tools, and operations research, and should have or be able to develop an understanding of the specific procedures and processes of AFI 99-103, AFTC policy on STAT, and/or other USAF regulations.

Candidate must:

- Be fluent in statistical techniques, tools and methods through training and experience.
- Be able to interface and communicate well with Government counterparts and AEDC customers on both technical and programmatic levels.
- Possess excellent verbal and written communication skills and MS Office proficiency.
- Dedicated to achieving XXX standards of quality and excellence.
- Must be able to obtain and maintain for the duration of employment a DoD security clearance at the level required to perform the duties of the position.
- Must be able to meet the education and experience requirements for the labor category. The STAT Engineer requires over 10 years of experience and a Master's degree in the applicable discipline. Directly applicable experience may be substituted for the Master's degree.

XXX is an Equal Employment Opportunity employer as defined by the EEOC. If you are a qualified individual with a disability or are a disabled veteran, and are unable or limited in your ability to use or access our Careers site as a result of your disability, you have the right to receive assistance in completing the application process. Please email your resume to XXX or to contact us about your interest in employment with XXX. XXX, Inc. is an Equal Opportunity Employer. All qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, or disability or veteran status.

Appendix V: Application

Employment Application Job Applied For: Date Submitted:		
Name:	P	hone:
Address:	E	mail:
Source:		
Employment History Please list your previous employemployer. Employer Name: Address: Supervisor Name: Job Title: Duties: Reason for Leaving: May We Contact?	vers for the last FIVE starti	ng with your current, or most recent
service schools. Please also inclu Name: Graduated?		shool, all colleges, trade and military ications.
Resume Please provide us with your resu version, or cut and paste (or type		apload a file containing a formatted se provided.
References Please list three professional refe Reference Name: Company:	erences. Relationship: Email:	Phone:
Applicant Information Date Available: Desired Salary: Are you a citizen of the United S If no, are you authorized to work Do you have dual citizenship? Have you ever been convicted of Have you ever worked for this convicted of the second se	c in the U.S.? f a felony?	

Skills & Qualifications

Please list any Honors, Awards, and Achievements:

Please list any other skills you believe would be applicable to your application:

Security Clearance Information

Do you currently possess a US security clearance?

If yes, Level of Clearance:

Have you ever been granted a US security clearance?

If yes, list date granted, date terminated, level of clearance, and granting agency:

Government Service (Civilian or Military)

Are you a current or former Federal Government employee?

(If you are a current or former government employee, you may be subject to one or more of the various Federal regulations and restrictions pertaining to employment in the private sector.) Military (Rank, Pay Grade, and Branch):

During your Government service, have you ever performed duties which involved direct or indirect contact with any representative of XXX?

Applicant Statement

I herby affirm that the information provided in this application and on my resume is true and complete to the best of my knowledge. Signature:

Appendix VI: Interview Template

Name:				Date:	Date:		
Position:			Type of Int	Type of Interview: ☐ 1 st ☐ 2 nd ☐ 3 rd			
Interviewer(s):			Time:	Location:			
INTERVIEW DATA	Excellent	Good	Fair	Poor	Unobserved		
Attitude/Compatibility							
Relevant Experience							
Education							
Communication Skills							
Relevant Job Skills							
Enthusiasm							
Professionalism							
Stress Tolerance							
OVERALL APPRAISAL: Exceptional Strong							
☐ Acceptable ☐ Weak ☐ Not Suited for Position							
Comments:							
Interviewer Signature:				Date:			
RECOMMENDATION:							
Offer Letter Instructions:							
Approval:							
CFO:			Date:				
C00:			Date:				
CEO / President:	CEO / President: D			Pate:			
HR Execution:			Date:				

Tell me about your work background.
What was your primary contribution/achievement?
What was your biggest challenge?
What did you like about your last employer? What did you dislike?
Tell me about a time when you were part of a great team. What part did you take in making that team successful?
Describe an ideal work environment or the "perfect job".
How do you like to be managed?
How would your past employers describe your response to hectic or stressful situations?
What are your professional short term and long term goals?
Tell me your strengths.
What areas would you like to improve? What are your plans to accomplish this?
What would you bring to this company that someone else wouldn't?
Other Questions:
Other Questions:
Other Questions: