

**The level of formalization on HRM practices in SME Family Firms**

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## Abstract

Given that the present research is conducted in Cyprus and concentrated on Cypriot family Small and Medium – Enterprises (SMEs), this study investigates the determinants of Human Resource Management practices in family SMEs and compares them with non-family SMEs. Using a sample of 85 Cypriot SMEs, the results show many differences between non-family businesses and family SMEs, based on the HR practices that they use in their business. Empirical knowledge concerning how family SMEs use their HR practices, is limited. The present study's purpose is to examine the formalization and utility of the HRM practices in family small and medium – sized enterprises (Family SMEs) in Cyprus. The number of employees of the family SMEs are between 10 to 100. The study emphasizes on the formality of HRM practices in family SMEs in comparison with the non-family SMEs, as well as the level of emphasis that family SMEs give to the training and development needs of their employees. Additionally, this study analyzes if family SMEs are systematic with their compensation and rewards and lastly it examines if the recruitment and selection practices in family SMEs are less formal than in non-family SMEs.

*Keywords:* family firms, SMEs, HR practices, Cyprus, training and development, compensation and rewards, formal, informal HR practices, recruitment and selection, methods.

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## Introduction

Family small and medium – enterprises (SMEs) are common in Cyprus, but they are not so familiar with human resource management (HRM) practices. There is no available research on SME family firms and HRM in Cyprus. HRM is about the organizational policies, practices and systems and have an impact on the behavior, attitude and performance of employees (De Cieri et al., 2008, as cited in Osman et al., 2011). It is difficult for a firm operated and managed by family members who are not familiar with proper HR practices, to use them in their operations.

Heneman and Berkley (1999) and Wagar (1998), have stated that most of the SME firms do not have an HR department. As previous research projects have showed, it is less likely for family firms to have formal HR practices, (Reid et al., 2002; Reid and Adams, 2001; De Kok et al., 2006; Kotey and Folker, 2007). According to Astrachan and Kolenko (1994, as cited in Steijvers, Lybaert & Dekker, 2017), the fact that family firms do not have formal HR practices, is because the organizational capacity in these firms is limited. In addition, SMEs, but especially smaller firms, due to their size have fewer resources available compared to larger firms, therefore they cannot implement effective HR practices because of the costs associated with them (Bacon et al, 1996; De Kok et al., 2006; Kotey & Folker, 2007). Michiels (2017) stated that by using formal HRM practices, SMEs can compete with larger firms too, and therefore the firm will be able to attract more talented employees, or employees who could fit the culture of the organization. Formal HRM practices support the organization by making it more professional, with a result of being more attractive to potential applicants (Michiels, 2017). According to Barney (1995, as cited in Williams, 2003), the correct use of HRM practices is the key source of achieving a competitive advantage in the organization. Faugoo (2009), stated that when HRM practices are being managed effectively, then the organization will be able to attract and retain more talented and qualified employees, who are motivated enough and are willing to work. Therefore, the performance of the organization will be maximized and will lead to a competitive advantage (Faugoo, 2009), since the competitive advantage implies a positive relationship with the organization's performance (Collins, 2007). In

addition, according to Legge (1995, as cited in Williams, 2003), “high trust” is being developed in many organizations, because of the adoption of HR practices. The purpose of this study is to examine the level of use and formalization of HRM in SME family firms.

In particular, the aim of this study is to see if family SMEs use more informal HR practices than non-family businesses. Specifically, the HR practices involved are training and development, compensation and reward methods and recruitment and selection methods. In addition, this study will show if family SMEs give much emphasis on the training and development of their employees, for example, if they train their employees, how they train them and how much attention they give to this HR practice. Then this study will show if family SMEs are systematic or not, with the compensation and rewards they give out to their employees. Lastly, this study will show if the recruitment and selection practices in family SMEs are less formal compared to non-family SMEs. This research is important since the study of the HR practices that family SMEs use is limited, especially in Cyprus. Therefore, it is a significant study for the Cypriot family SMEs, as it will help them identify the importance of certain HR practices in their firm and how useful these practices are, in order to potentially gain a competitive advantage.

## Literature review

HRM practices can be defined as the design of organization policies, like high-performance work systems (HPWS) and include among others, the recruitment and selection methods, the training and development, the compensation and rewards, and the support of the employees in order to achieve the firm's mission and strategies (Kidwell et al., 2018). Training and development, compensation and performance management and recruitment and selection methods, are three of the practices that are being used in order to identify and recruit strong individuals, to provide skills and knowledge so the individuals will work effectively and finally to reward individuals for their work performance (Pauwe, 2009). In addition, HRM can be defined as the "process of attracting, developing and maintaining a talented and energetic workforce to support organizational missions, objectives, and strategies" (Schermerhorn 2001, p.2400, as cited in De Kok et al., 2006). Finally, HRM can be defined as how employees should be managed and be treated in the workplace through the requisite adoption of human resource policies and practices (Dessler, 2008, as cited in Çalışkan, 2016).

According to Rose and K.G (2016), today's organizations are beginning to realize the importance of human resource management practices. In order for employees to stay in an organization, they must feel satisfied with their job and with the work environment. Employees are the number one asset in the organization, so when the organization has the ability to retain its employees, it means that it also has the capability to achieve high-level performance and also gain excellent business results (Rose & K.G, 2016). Parente et al., (2018) showed that HRM practices and organizational performance are linked. By implementing the right HRM practices and policies, the organization will be much more effective. According to Pankaj and Cardon (2010), small firms must focus on how to maximize employee productivity, therefore they need to use the HRM practices, such as training and development, recruiting and selection and compensation and rewards effectively, since they will affect the organization's performance positively (Becker & Huselid, 1998).

## Nature of Family Firms and SMEs

Family businesses employ family members and that is what makes them unique (Chua et al., 1999). A family firm is “a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families” (Chua et al., 1999, p.25). According to Barbera and Moores (2013), “family firms have been defined as those which are either owned, controlled, and/or managed by a family unit” (Barbera & Moores, 2013, p. 954). In simpler terms, a family business, is a business where the ownership passes from generation to generation. The biggest difference between a family firm and a non-family firm is about how people are managed within the company. The decisions taken about the training and development, recruitment and selection and compensation and rewards, are complicated since family issues intervene (Cromie et al., 1998). As Brush mentions, the field of Human Resource Management is a sensitive issue for family businesses. Family firms have been criticized because they favor relatives or friends by giving them a job in their company, or because they fail to provide management training for family members (Brush, 1991, as cited in Reid & Adams, 2001). A parent or grandparent will find it difficult to treat objectively his or her employees who are family members (Reid et al., 2000). It is important to mention that in family businesses usually there is a strong relationship between the family and the firm. However, this relationship creates an unstable impact on the HR practices, as regards tasks such as employee selection, compensation and appraisals, since it contributes to the complexity of both organizational and management problems (Astrachan & Kolenko, 1994, as cited in Reid et al., 2002).

Previous research has shown that there isn't any standard definition of small and medium-sized enterprises (SME). According to Bauchet and Morduch (2013), the most common criteria in defining an SME, is the number of its employees and the annual sales turnover. These factors though, are different from country to country. For example, in one country the number of employees of an SME is fewer than 500 employees, and in another country the number of

employees is fewer than 250. So, the maximum number of employees in an SME differs from country to country (Ayyagari et al., 2007; Guerrero et al., 2021). According to the European Union's definition, medium-sized enterprises are between 51 to 250 employees, but in Cyprus, small-sized firms consist of 10 to 50 employees and medium-sized firms of 51 to 100 employees (Hadjimanolis, 1999).

According to studies, a big percentage of businesses in the US are family-owned enterprises (Heneman et al., 2000; Mccann et al., 2001) and according to Astrachan and Shanker (2003), the majority of SMEs are family firms. Family SMEs are equally important as non-family SMEs, since they are a subgroup of SMEs. However, they use their resources differently compared to non-family SMEs (Sirmon & Hitt, 2003).

Specifically, in a family firm, HRM is a complicated task since it's difficult to define and separate the responsibilities and the authority of the owners, managers, employees and family members (Leon-Guerrero et al., 1998). Only a small number of studies focus on family firms and their HR practices in relation to recruitment and selection, training and development and performance appraisal. Research by Andres (2008), support that family firms compared to other companies, have lower recruitment costs and lower payroll. According to Desman and Brush (1991, as cited in Reid & Adams, 2001), only 4 per cent of the 202 citations showed that family firms are dealing with the development of human resources through education and training. Moreover, they have found that family firms fail to provide management training to family members. Therefore, for family businesses to identify any strengths and weaknesses they may have, first they have to identify their existing HRM practices, as a starting point (Reid & Adams, 2001). Moreover, Reid and Adams (2001), also mentioned that because of the organizational structure that family businesses have, the HRM policies will need to be clarified when it comes to separating ownership and management. Tsao et al. (2019), explained that the CEO of a family firm, tries to implement the strategic HRM



practices, because by adopting them, the family firm will gain a competitive advantage (Tsao et al., 2019).

According to Guerrero et al.'s (2021) study, it is important for SMEs to have HR professionals because they can give the firm a competitive advantage. According to Way and Thacker's (2004) research, 86 percent of Canadian firms with fewer than 500 employees, do have an HR professional. The reason that SME's owners want to create an HR Department in their company, is because the firm can gain a competitive advantage since HR professionals can resolve any HR-related issues that may arise (Heneman & Tansky, 2002, as cited in Guerrero et al., 2021, p.2). According to the Resource – Based View (RBV), the job of the HR function, is to identify which resources, tangible or intangible, are strategic and can bring a sustainable competitive advantage to the company. The source of the competitive advantage is the HR knowledge, skills and expertise in the company (Barney, 2001). According to Chrisman et al. (2003), the RBV can help family firms to identify their special resources and capabilities, and thus to develop a competitive advantage.

The challenges that small and medium-sized enterprises usually face, are about HRM practices (Heneman, et al., 2000; Mccann et al., 2001). Some of the HR practices that are being used in family firms are training and development, recruitment, selection, compensation and rewards. Often, HRM practices are not formally used in small and medium-sized enterprises (Kotey & Sheridan, 2004). As Hill and Stewart (2000) and Morgan and Gomez-Mejia (2014, as cited in Steijvers et al., 2017) reported, the training of employees, as well as the evaluation systems and the annual appraisal systems in SMEs and family firms are usually unplanned and informal.

Once the family members are involved in these HRM decisions, automatically it makes the job difficult (Kets de Vries, 1993). According to Atkinson and Meager's (1991, as cited in Reid et al., 2000) study, the management of these companies, prefers to have the upper hand when it comes to training and development of their employees. In this respect, Storey (1989) reports that for HR managers in these firms it is extremely difficult to manage the human resource practices effectively,

due to the fact that HR managers are not generally involved when it comes to matters with strategic importance and also, they are not involved in the implementation of the HR practices. It is important to mention, that according to Chrisman et al. (2004) and Reid et al. (2002), the mechanisms of training, selection and compensation of employees in family firms are not formal and according to Marin et al. (2019), HR practices in family firms are not contributing sufficiently to the firm's performance. Lastly, Gersick et al. (1997), state that the formalization of HR practices, such as appraisal reviews and payment plans, differ depending on the firm's size. Large size firms are more likely to implement formal HR practices than small size firms. As a result of the above, I propose the following hypothesis:

*H1: SME family firms apply less formal HRM practices than non-family SMEs.*

In order for a company to manage its employees effectively, it must give emphasis on HR practices, such as training and development of their employees, performance appraisals and compensation and rewards. By investing in these practices, the employee turnover decreases and both the productivity and profitability increase (Chandler & McEvoy, 2000).

### ***Training and development***

According to Reid's et al. (2000) study, family firms do not spend a lot of their annual salaries and wages to support the training for their employees. The study of Loan-Clarke and Whittaker (1999), states that the owners of family SMEs, who are also family members do not invest in management training because they are not willing to delegate tasks to their employees. Additionally, Westhead and Storey (1996, as cited in Kotey & Folker, 2007), mentioned that the reason behind the informal employee training, is that owner-managers of SMEs, find the formal training unnecessary since it costs money to the company, so they are not willing to invest in employee training. This statement is in agreement with Kotey and Folker (2007), that informal training is preferred because it costs less compared to formal training and because it can be used in accordance with the daily requirements of the SME or even focus on each employee's needs (Kotey & Folker, 2007).

Additionally, Loan – Clarke et al. (1999) stated that family firms are not used to implementing formal training to their employees. Lastly, according to Westhead and Storey (1996, as cited in Kotey & Folker, 2007) small firms do not have available capacity in order to receive information, therefore they do not know about any available training programs being offered or the associated costs and benefits.

In Kotey and Folker's (2007) study, it is reported that the training in SMEs is allocated depending on both the size and type of the firm. By type it means 'family' or a 'non-family' firm. Therefore, the bigger the firm becomes, the more formal training programs will be implemented by the firm. In another study, Kotey and Slade (2005), report that in firms that have growth, the training develops and becomes more formal.

SMEs may not be using the training and development practices as they should, meaning that the training of their employees is described as informal, but, family SMEs, are also less likely to use formal training to their employees, according to Loan-Clarke and Whittaker (1999). Magrath (1988, as cited in Cromie et al., 1998), states that it is a complex procedure when it comes to the training in family firms, because when the CEO or the manager is a relative of the employee, then the training will not be as professional as it should be, since family issues could get in the way (Magrath, 1988, as cited in Cromie et al., 1998). Therefore, problems arise when the founders of the family businesses are responsible or have to manage the training and development needs of the family members (Ivan, 1983). Often, it is difficult for them to identify and separate the family needs from the business' needs. According to Kotey and Folker (2007), family firms pay more attention to the informal training activities instead of the formal training activities, of their employees. Furthermore, they prefer to provide learning opportunities to cover each employee's developmental needs, instead of satisfying organizational needs (Ivan, 1983). In Reid's et al. (2000) study, it was reported that very few employees are trained. Family members in a family firm, receive their training within the firm instead of gaining experience from other companies (Reid's et al., 2000). According to Loan-

Clarke and Whittaker (1999), the training in SMEs, is most of the times on-the-job training and with little supervision. Ivan states that “from a family point of view, the relative’s training should focus on ‘whatever is best for him or her.’ From a business point of view, training should emphasize learning experiences that will increase the individual’s ability to attain organizational goals. Very often however, individual relatives’ needs do not coincide with the firm’s needs.” (Ivan, 1983, p.43). The above instances from the existing literature have directed the present study to develop the following hypothesis:

*H2: SME family firms do not give much emphasis on the training and development of their employees.*

Not only the training and development of the employees is considered as informal in SME family firms, but also compensation and rewards. As Mondy and Noe (2005, as cited in Johari et al., 2012) stated, compensation can include both financial and non-financial rewards, which are given to employees as a reward for the services they provide in the firm. Compensation is offered to employees, also as a motivation tool (Chiu, Luk, & Tang, 2002), since it can help in maximizing the productivity of employees. According to Johari et al. (2012), compensation plays an important role to the hiring and retention decisions and also it helps employees to increase their interest with the organizational goals. Compensation is the most significant cost in operating a business.

### ***Compensation and rewards***

Chrisman et al. (2013) mentioned that the size of a firm has an impact on the nature of the hiring and compensation decisions. According to Singh et al. (2017) the formalization of the compensation systems is not common in SMEs. Usually, family members consider as an advantage the fact that they work in a family firm, often having higher expectations regarding the rewards they want to achieve, even though they may not be as productive as they should be (Kets de Vries, 1993). According to Ivan (1983), in family firms the compensation is not as fair as it should be. Instead of giving out salaries and other benefits depending on employees’ work performance, they offer to

their employees, allowances depending on their developmental needs. According to Allio (2004), compensation and rewards systems in family firms are unfair for non-family members. Family firms have a habit of giving out the bonuses and high salary levels to the family members. Islami (2015), mentioned that family firms should give out rewards depending on each employee's individual performance. In addition, when it comes to praising employees, family members will not know if the employer praised them because of their effort or good appraisals, because there is the possibility of praising them for family reasons only, so the praising may not be fair (Magrath 1988, as cited in Cromie et al., 1998). However, according to Reid et al. (2000), there is a significantly small percentage of family firms that use formal evaluation systems to evaluate the performance of family members. In turn, remuneration for family members is based on those appraisals (Reid et al., 2000).

Cardon and Stevens (2004), reported that there are two important reasons for family SMEs to use formal compensation practices in their firms. Firstly, formal compensation is a sign of professionalism, and in a world where competition is high, it is important for family SMEs to be able to compete with the larger firms. Therefore, a potential applicant is attracted to a firm that has to offer more than the other firms, such as, formal compensation packages. The second important reason is that the implementation of formal HR practices in a family SME, can bring benefits to the firm, such as "meeting legal requirements, maintaining records in support of decisions in the event of litigation, treating employees fairly, and increasing efficiency" (Kotey & Slade, 2005, p.37).

Wilkinson (1999) stated that by having compensation practices in a family SME, makes employees feel more appreciated because they are being treated fairly, so they are also more committed to the firm. However, research by Michiels (2017) has found that formal compensation practices are less likely to be used in family SMEs where the CEO is a family member. In such cases, family owners may not offer compensation in order to attract talented non-family employees, because due to their limited monetary capacity, then fewer rewards will be left for the family members who work in the company (Chrisman, Memili, & Misra, 2013; Chua, Chrisman, & Bergiel,

2010). Nonetheless, family firms are not so familiarized with giving incentives to employees, as non-family firms are (Memili et al., 2013) and according to Cardon and Stevens (2004) the compensation in SMEs differs from the compensation in non-SMEs, since non-SMEs offer non-financial rewards. Compensation and rewards include both financial and non-financial rewards (Armstrong, 2006), but compensation is still an additional cost to the firms, so SMEs are not so willing to apply them (Wright et al., 2005). Compensation includes anything to do with payment to the employees, for example the salaries, the proportion of salaries and benefits and the increases of salaries (Balkin & Logan, 1988, as cited in Cardon & Stevens, 2004). Such evidence existing in the current literature directs the present study to the following hypothesis:

*H3: SME family firms are not systematic in their compensation and benefits.*

Compensation and benefits are being referred to as an important issue within family SMEs (Cardon & Stevens, 2004; Rutherford et al., 2003) but so is the recruitment and selection practices in the family SMEs. According to previous research, the recruitment and selection method in family firms, differs from non-family firms. There are two perspectives on this statement. The first perspective is that potential applicants sometimes have a negative view on the employment conditions in family firms, with a result to affect the available applicant pool (Botero, 2014; Hauswald et al., 2016), and the second perspective is that according to De Kok et al., (2006), family firms do not rely on formal recruitment practices.

### ***Recruitment and selection***

Formal recruiting methods, according to Marsden and Campbell (1990, as cited in Mencken & Winfield, 1999), are when there is an intermediary between the firm and the employee, for example when newspapers are used to announce vacancies, signs on windows or doors and employment agencies. Informal recruiting methods, are when the organization uses social contacts, specifically word of mouth from people within the organization, from customers or even from associates, to find applications (Marsden & Campbell, 1990, as cited in Mencken & Winfield, 1999).

Dyer and Mortensen (2005) stated that family firms rely more on recruiting through close social networks, and that they apply selection processes only to a small number of candidates. Usually those candidates are family members, who are sharing the culture and values of the family firm. Moreover, Cruz et al. (2011) noted that family firms tend to use some informal recruiting methods, such as word of mouth or employee referrals as Shinnar et al. (2004) noted, or they focus on a pool of candidates that they know. Differently, Morgan and Gomez-Mejia (2014, as cited in Steijvers et al., 2017), mention that when family SMEs want to recruit employees, they rely more on social media, or they use the firm's website to find and attract candidates. In addition, Reid et al. (2000) and Walker and Hinojosa (2014) stated that, instead of the above practices, family firms advertise in newspapers. Advertising in newspapers is a more traditional recruitment practice. Additionally, they use internal references when they want to fill the vacancies for managerial positions. According to Astrachan et al. (2013, as cited in Hoon et al., 2019), family firms lack resources, like funds, depending on their size. The smaller the firm, the fewer the resources available, so the recruitment practices chosen are also based on their limited resources (Cruz et al., 2011).

When it comes to the selection practices in family firms, Dyer and Mortensen (2005) state that the criteria that a family firm uses in regards to selection practices, reflect the need for the employee to fit with the firm's culture and values. According to Astrachan et al., (2013, as cited in Hoon et al., 2019), small family firms have a preference in recruiting family members. The reason that family firms prefer to hire family members is because they tend to believe that they are more trustworthy and dependable, so they avoid any other complicated selection processes that involve having to match the candidate with the specifications of the job (Ram & Holliday, 1993, as cited in Sanchez-Marin et al., 2019). Family firms give priority to relatives when it comes to the selection process (Ivan, 1983) and sometimes, they are even pressured to hire relatives (Reid et al., 2002; Reid & Adams, 2001). This can be tricky though, because when the founder wants to hire family members, the family members can demand specific positions or jobs within the firm and ignore whether they are actually fit for the position or the job. Hiring family members who are not capable

for a specific job position could be a problem for the firm as these employees will not work effectively or efficiently (Ivan, 1983).

In turn, hiring family members is not always beneficial for the family firms. According to Caliskan (2013, as cited in Abraham et al., 2015), the owner-managers in the family SMEs, are having difficulties when they have to hire or fire a relative because it can cause misunderstandings amongst family members. Further, Cruz et al. (2011) and Dyer (2006) reported that when family firms prefer to hire family members, they lose the benefit of hiring non-family members by hiring a less qualified workforce, since non-family members could be more specialized on knowledge and expertise or have more competence. Also, because of their limited range and the informal recruitment and selection practices, family firms are more likely to end up having a restricted pool of applicants who cannot fit into the company's culture or fit to the job's description and requirements (Cruz et al., 2011). In addition, Magrath (1988, as cited in Cromie et al., 1998), states that in a family firm, the employees who are not family members are often suspicious when managers assign tasks to family members.

Overall, there is lack of research on what recruitment and selection practices family firms use. However, the recruitment practices in SME family firms are important since they contribute to the motivation of the employees (Hauswald et al., 2016). Having the necessary knowledge will help the firm to adopt useful and efficient recruitment practices that are essential for reaching the recruitment goals (Gomez-Mejia et al., 2011, as cited in Kollitz, Ruhle, & Süß, 2019). The above literature leads to the following hypothesis:

*H4: The recruitment and selection in family SMEs is less formal than in non-family SMEs*



## Methodology

### Purpose of the study

The aim of this study was to examine the importance and utility of the HRM practices in family small and medium – sized enterprises (Family SMEs), in Cyprus. The research was concentrated on Cypriot Family SMEs with 10 to 100 employees. To begin with, the main goal of this study was to look at the formality of HRM practices in the family SMEs. The second goal of this study was to examine the level of emphasis that family SMEs give to the training and development needs of their employees. The third goal was to analyze how systematic family SMEs are with the compensation and rewards. Finally, the last goal was to examine if the recruitment and selection practices in family SMEs are less formal in comparison to non-family SMEs.

### Participants and material

The information gathered for this study, was obtained through family SMEs in Cyprus. A questionnaire that has been drafted under the research project HRMinSMEs (<https://www.dept.aueb.gr/en/HRMlab/HRMinSMEs>), was used in this specific research and was sent to the companies via email, in the Fall of 2021. It was also shared in social media, specifically on LinkedIn and on Facebook. The questions were addressed to the HR manager or the person responsible for human resources in the organization.

The first question in the questionnaire was about the number of people who are employed in the participant's organization. If the answer was fewer than 100 employees, then the participant was answering part A of the questionnaire (see Appendix A) and if the answer was more than 100 employees, then the participant was answering part B of the questionnaire, which was the CRANET survey. The second page was the introduction of the questionnaire where I explained the purpose of my research, the completion time of the questionnaire, the confidentiality and my contact details. Moreover, the rest of the questionnaire was divided into six sections. The first section, section A, was about the HRM Activity, specifically a general review about the practices and policies of the

participant's organization. Section B was about the resourcing practices, for example what resource practices they use, how they use them and how frequently they use each recruitment method. Then, section C was about the employee development where it give emphasis to the appraisal systems. For example, the questions explored if the participants have an appraisal system, if the appraisal system is formal, if they train their employees, and what methods they use. Section D was about the organizational climate, so I didn't use this part for my study as it was irrelevant. Moving on, section E was about the organizational characteristics, where I focused on the questions of the family SMEs. In this section, questions such as if it is a family business or not, which generation has the ownership and more, are included. Lastly, section F included some demographic questions about the participant, such as the gender, age, educational background and role within the company. In this section I was more interested in seeing whether the participant is an HR manager or not, and if they did not have an HR manager, then which person was responsible for the HR practices and decisions within the organization.

The information about family SMEs in Cyprus was retrieved through a magazine. The "InBusiness" magazine, with the title "1000+ The biggest companies in Cyprus" (Charalambous, et al., 2019), is where I found all the companies that have up to 100 employees, since my research is focused on small and medium – enterprises. In this magazine I found the contact information, including names of the owners, telephone numbers and emails. I had a total of 700 companies to which I submitted the questionnaires. Out of the 700 questionnaires that were sent, only the 85 responses were usable. A number of 101 questionnaires were not fully completed, so those could not be used for my research. I had therefore resent the questionnaire to 100 out of the 700 companies, but unfortunately I did not receive any replies. It took almost a month and a half for the participants to reply, so 45 days later, I had a number of responses and began to analyze my data. After sending the questionnaires via email and after realizing that I had not received a sufficient number of responses, I thought of sharing the survey on LinkedIn and Facebook. The number of

replies however remained the same. I therefore began to make phone calls to a small number of companies, in hope of receiving more replies but again, none were willing to assist.

The questionnaire took about 15-20 minutes to complete and the nature of the questions were mostly multiple choice and rating scale. There were also some 'fill the gap' type of questions that were used mostly in questions where the number of employees for specific occasions was needed.

### Limitations

The biggest challenge I had to face during this process was the fact that the questionnaire was not designed by me. The questionnaire used for this research had been drafted under the research project HRMinSMEs (<https://www.dept.aueb.gr/en/HRMlab/HRMinSMEs>). I did not have the authority to make any amendments or to remove any of the questions from the questionnaire, although quite a few questions were not relevant to my research. Considering it takes about 20 mins to complete this questionnaire that is 80 pages long, not many people were willing to complete it, creating an impact to my project. The questionnaire was made in Qualtrics.com, so I had access to the data and analysis where I could see how many people had begun to complete the questionnaire as well as at which stage, they gave up. Most people had completed only 50% to 60% of the questionnaire before giving up. A second email was sent to the participants who began to answer the questionnaires, in request to complete it, but unfortunately nothing had changed.

Another limitation I faced was the fact that the questionnaire was divided into two parts. The first part of the questionnaire appeared when the participant had answered that the organization had fewer than 100 employees, and the second part of the questionnaire appeared when the participant answered that the organization had more than 100 employees. The second part was the CRANET survey which was used for another research. The fact that there were two parts was very confusing for my research. Some questions in the first part were the same with the second part, but some questions were not. For this study I had to compare the family SMEs with the

non-family businesses. In order to do this, I had to compare the two parts of the questionnaire which was complicated since not all the corresponding questions from each part, was the same, as I have mentioned above. Moreover, the questionnaires that I sent out, were in two versions. Greek version and English version. This process was time consuming as well as very complicated, since I had to pass the results from the Greek questionnaire, under the results of the English questionnaire, in SPSS, one by one.

Additionally, the fact that I did not have plenty of time ahead, was a limitation for me. It took a long time for the participants to answer the questionnaire (around two months), due to the reasons that I have mentioned above. When I finally got a number of answers, the answers were very few and I could not use them in order to have valid results. Then, at the last minute, I started calling people I know that they have family business and through phone calls, I managed to receive a few more questionnaires. Still, the number of questionnaires I collected, was not satisfying.

Lastly, because of the limited time I had and because of the covid-19 pandemic, it was difficult for me to visit each business in order to conduct the questionnaire in person. Many businesses do not allow visitors in their offices because of the pandemic. I should also mention that many businesses were not willing to answer the questionnaire, neither via email, nor via phone call, not even in person.

## Results

### Demographics

Table 1 shows the demographics of the family businesses where 85 answers in total were collected. There are no missing answers in this question. The rest of the demographic questions are “What is the percentage of the family ownership? To what extent is the family involved in its management? Which generation is managing the organization today? Do you intend to maintain the current number of working family members in the business? The hiring of family members is based on the following criteria: educational background, professional experience, education and experience, family relationship? To what extent does the organization provide training in management issues for family members? To what extent do you use a method for evaluating the work of family members? To what extent does the reward of family members correspond to their performance rating?”

For the above questions (see Appendix B), we had in total 39 answers from the Part A of the questionnaire, which are from family businesses and the rest of the 46 answers are from Part B, where we had answers from both non-family businesses and family businesses. To explain further, a small number of family businesses are included in the section “other” because they are the businesses that answered the Part B of the questionnaire, specifically the CRANET survey, where the demographic questions were not visible to them, since the format of the Part B is different than the format of Part A.

In Table 1a, 54,1% (46) out of the 85 organizations, answered No to the question “Is your organization a family business”, and 45,9% answered Yes. In Table 1b, 79,5% of the family businesses have more than 50% of family ownership in the business. A 17,9% answered ‘other’, and a 2,6% answered that they don’t know. Table 1c shows that 76,9% of the family businesses have family members involved ‘to a very great extent’, in the management of the business. Table 1d shows that 38,5% of the family businesses, have the ‘first generation (founders)’ managing the organization

today, and a 61,5% have the '2nd generation' managing the organization today. Table 1e shows that 69,2% of the family businesses intend to maintain the current number of working family members in the business. However, a 28,2% will not maintain the current number of working family members in the business and 2,6% do not know if they will maintain the current number. In the question about the criteria of hiring family members, a 51,3% of the family businesses answered that the hiring is about the educational background (Table 1f), a 2,6% answered that it is about the professional experience (Table 1g), a 92,3% answered that it is about education and experience (Table 1h), and a 97,4% answered that it is about the family relationship (Table 1i). Table 1j, with the question "To what extent does the organization provide training in management issues for family members", a 38,5% of the family businesses answered, 'to a very great extent', 12,8% of the family businesses answered, 'to a great extent' and a percentage of 28,2 answered 'not at all'. Table 1k, with the question "To what extent do you use a method for evaluating the work of family members", the 20,5% of the family businesses answered, 'to a very great extent', a 17,9% of the family businesses answered, 'to a great extent', a 25,6% answered, 'not at all' and also a 25,6% answered, 'to a very small extent'. Lastly, Table l, with the question "To what extent does the reward of family members correspond to their performance rating" a 28,2% answered, 'to a very great extent', a 28,2% 'to a very small extent and a 17,9% answered 'not at all'.

### Hypothesis 1

In this section, the data that concerns the formality of the HRM practices that non-family SMEs and family SMEs use, are analyzed. The questions that are being analyzed are: Do you have a personnel / HR department? Who has the main responsibility for workforce issues? Which of the following do you consider as the biggest challenge in the management or management of your employees in the next 3 years? To what extent is the performance of the HRM department evaluated? Do you have a formal appraisal system? Is the appraisal data used to inform decisions in the following areas?

As Table 2 shows (see Appendix C), 46 of the responses are from non-family businesses and 39 of the responses are from family SMEs. The mean number for non-family businesses is 0,83 and for family businesses is 0,51, respectively. Therefore, there is an observation that the mean number of non-family businesses is bigger than the mean number of family-businesses. From the Table 2.1.1, the hypothesis testing shows that there is a statistically significant difference between family and non-family businesses ( $0,002 < 0,05$ ), so if they have a personnel/human resource (HR) department it depends on if they are a family business or a non-family business. As a result, non-family businesses are more likely to have an HR department in their organization than family SMEs.

As reflected in Table 2.2a, we have in total of 46 negative responses and 39 positive responses. Table 2.2 shows the frequencies and the percentages for the question 'who has the main responsibility for workforce issues' of the non-family businesses and family SMEs. We observe that in non-family businesses, the percentage is higher at 'Human Resources Manager' (78,3%) and the rest of the answers result in very small percentages. As it concerns the family businesses, a higher percentage results in the answer 'Owner/founder' (89,7%). Therefore, we conclude that there is a difference between which member has the main responsibility for the workforce issues, between family and non-family businesses. As a result, the owner is the member who has the main responsibility for the workforce issues in family SMEs, and for non-family businesses, it is the HR manager.

Moreover, Table 2.3 shows the frequencies and percentages of 'the biggest challenges in the management of the business or management of the employees, for the next 3-years'. The question concerns only the family SMEs. The biggest challenge is 'pay and benefits' with a percentage of 39,2, and 'recruitment and selection' follows, with a slight difference, since the percentage is 31,4. The third challenge for the family SMEs is the 'need of training and development' with a score of 13,7 percent. The rest of the challenges show up with a very small percentage. The result shows that family SMEs' biggest challenge is the 'pay and benefits' and the 'recruitment and selection'.

As Table 2.4 shows, 46 of the responses are from non-family businesses and the other 39 are from family-businesses. The mean number of non-family businesses is 3,09 and the mean number of family businesses is 2,97. We also notice that the mean number of non-family businesses differs from the mean number of family businesses. From the p value we notice that the hypothesis of equality of the mean, is not declined ( $0,692 > 0,05$ ). Therefore, we conclude that there is no statistically significant difference between non-family and family businesses. As a result, 'the evaluation of the performance of the HRM department', do not have a difference between family or a non-family business.

As reflected in Table 2.5 we have a number of 46 non-family businesses and a number of 39 family businesses. The mean number for non-family businesses is 1,00 and for family businesses, 0,08. We observe that the mean number of non-family businesses is bigger than the mean number of family-businesses. From the above hypothesis testing, we observe that there is a statistically significant difference between a family and a non-family business ( $0,000 < 0,05$ ). As a result, the businesses that have formal appraisal systems are more likely to be non-family businesses than family SMEs.

As reflected in Table 2.6, we notice that 46 of the responses are from non-family businesses and the other 3 responses are from family-businesses. The rest of the businesses that are not shown in the Table, are the businesses that do not use formal appraisal system (see Table 1.5), and as it is shown, there are mostly family businesses. The mean number of non-family businesses is 2,70 and the mean number of family SMEs is 1,33. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family SMEs. However, we cannot end up with a valid conclusion since the sample of the family SMEs is very small in comparison with the non-family businesses.

As reflected in Table 2.7, we notice that 46 of the responses are from non-family businesses and the other 3 of the responses are from family-businesses. The mean number of non-family



businesses is 2,78 and the mean number of family businesses is 1,33. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. However, we cannot determine a valid conclusion since the sample of the family SMEs is very small in comparison with the non-family businesses.

As reflected in Table 2.8, we notice that 46 of the responses are from non-family businesses and the other 3 responses are from family-businesses. The mean number of non-family businesses is 2,41 and the mean number of family businesses is 1,33. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. However, we cannot determine a valid conclusion since the sample of the family SMEs is very small in comparison with the non-family businesses.

As reflected in Table 2.9, we notice that 46 of the responses are from non-family businesses and the other 3 of the responses are from family-businesses. The mean number of non-family businesses is 2,17 and the mean number of family businesses is 1,33. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. However, we cannot determine a valid conclusion since the sample of the family SMEs is very small in comparison with the non-family businesses.

Table 2.10 shows that 46 of the responses are from non-family businesses with a mean number of 0,96 and 39 of the responses are from family businesses with a mean number of 0,18. As reflected in Table 1.10.1, from the p value we conclude that the hypothesis of the equality of mean number is declined ( $0,000 < 0,05$ ) so, there is statistically a difference between nonfamily and family businesses. Therefore, there is a difference between family and non-family businesses when it comes to training the employees. Non-family businesses train their employees more than family SMEs do.

## Hypothesis 2

This section analyzes the Tables that concern the 2<sup>nd</sup> hypothesis of the research, which is about how much emphasis family SMEs give on the Training and Development needs of their employees. More specifically for these questions both ANOVA analysis and independent t-test analysis were used (see Appendix D).

For this hypothesis, the questions that have been used are the following: Do you have a formal appraisal system? Who is expected to make an input/provide data for the appraisal process for employees? In which of the following areas is the appraisal data used to inform decisions? Do you train your employees? How often do you estimate the need for training of employees in your organization? Some of the above questions are used for analyzing the hypothesis 1. Therefore, in this section, only the questions that haven't been analyzed before will be analyzed.

To begin with, Table 3.1 depends on Table 2.5. The businesses that answered 'yes' in the question 'do you have a formal appraisal system' are shown on Table 3.1. The businesses that answered 'no' on Table 2.5, are not appearing in Table 3.1. Therefore, we have in total, 49 answers, with the 46 being non-family businesses and the 3 to being family SMEs. Table 3.1 concerns the responses with a scale from 1 to 5, with 1 denoting 'never' and 5 denoting 'always.' We observe that we have 46 responses from non-family businesses with a mean number 1,33 meaning that they answer 'never' in the question where the owner provides data for the appraisal process for employees. Concerning the family SMEs, we have 3 responses, with a mean number of 3,67. That means that they answered 'most of the time' in the question where the owner provides data for the appraisal process for employees. However, we cannot have a valid result, with just 3 responses from family SMEs.

Table 3.2 concerns the responses with a scale from 1 to 5, with 1 denoting 'never' and 5 denoting 'always.' We observe that we have 46 responses from non-family businesses with a mean number of 4.28 meaning that they answer 'most of the times' in the question where the HR manager

provides data for the appraisal process for employees. Concerning the family SMEs, we have 3 responses, with a mean number of 2. That means that they answered 'sometimes' in the question where the HR manager provides data for the appraisal process for employees. However, we cannot have a valid conclusion since the number of the responses from family SMEs is very small.

Table 3.3 depends on Table 2.10. The businesses that answered, 'yes' in the question 'do you train your employees?' are shown in Table 3.3. The businesses that answered 'no' in Table 2.10, do not appear in Table 3.3, therefore, we have in total, 48 answers, with the 41 being non-family businesses and the 7 being family SMEs. Table 3.3 concerns the responses with a scale from 0 to 3, with 0 denoting 'not at all' and 3 denoting 'To a very great extent'. We observe that we have 41 responses from non-family businesses with a mean number of 2,98 meaning that they answered, 'to a very great extent' in the question 'on-the-job training'. Family SMEs, with 7 responses have a mean number of 2,86. That means that they answered also 'to a very great extent' in the question 'on-the-job training'. However, this is a limitation since we cannot compare a big sample of non-family businesses with a very small sample of family SMEs. The results will not be valid.

As reflected in Table 3.4, we have in total 48 answers, 41 of the answers are from non-family businesses with a mean number of 2,59 and the 7 of the answers are from family SMEs, with a mean number 1,57. Table 3.4 concerns the responses with a scale from 0 to 3, with 0 denoting 'not at all' and 3 denoting 'To a very great extent.' As a result, non-family businesses answered, 'to a very great extent' in the question 'seminars' and family businesses answered 'moderately'. Same as the above limitation, we cannot compare a big sample of non-family businesses with a very small sample of family SMEs. The results will not be valid.

### Hypothesis 3

In this section the 3<sup>rd</sup> hypothesis, which is about the family SMEs and if they are systematic with their compensation and rewards, will be analyzed.

As reflected in Table 4.1 (see Appendix C), we have in total 85 answers, 46 of the answers are from non-family businesses with a mean number of 1,00 and 39 of the answers are from family SMEs, with a mean number 0,15. As we notice, there is a difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 4.1.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). Therefore, we can conclude that there is statistically a significant difference between non-family and family businesses. So, it does have an effect on the offer of bonuses based on individual goals, depending on whether it is a family SME or a non-family business. As a result, non-family businesses offer more bonuses based on individual goals, than family SMEs.

As reflected in Table 4.2, we have in total 85 answers, 46 of the answers are from non-family businesses with a mean number of 0,70 and 39 of the answers are from family SMEs, with a mean number of 0,03. As we notice, there is a big difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 4.2.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). Therefore, we can conclude that there is a statistically significant difference between non-family and family businesses. So, it does have an effect on the offer of bonuses based on team goals, depending on if it is a family SME or a non-family business. As a result, non-family businesses offer more bonuses based on team goals, than family SMEs.

As reflected in Table 4.3, we have in total 85 answers, 46 of the answers are from non-family businesses with a mean number of 0,54 and 39 of the answers are from family SMEs, with a mean number 0,31. As we notice, there is a small difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 4.3.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,012 < 0.05$ ). Therefore, we can conclude that there is a statistically significant difference between non-family and family businesses. So, it does have an effect on the offer of non-monetary incentives, depending on if it is a family SME

or a non-family business. As a result, non-family businesses offer more non-monetary incentives, than family SMEs.

As reflected in Table 4.4, we have in total 85 answers, 46 of the answers are from non-family businesses with a mean number of 0,35 and 39 of the answers are from family SMEs, with a mean number 0,90. As we notice, there is difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 4.4.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). Therefore, we can conclude that there is a statistically significant difference between non-family and family businesses. So, it does have an effect on the offer of non-monetary benefits, depending on if it is a family SME or a non-family business. As a result, family SMEs offer more non-monetary benefits, than non-family businesses.

#### **Hypothesis 4**

This final section analyzes the Tables that concern the 4<sup>th</sup> hypothesis of the research, which concerns the recruitment and selection in family SMEs is less formal than in non-family SMEs. More specifically for these questions, ANOVA analysis has been used (see Appendix F).

The first question which is being analyzed is about the frequency of use of the following recruitment methods: internally, word of mouth/referrals method, vacancies in newspapers, vacancy on page on company website, vacancy on commercial job websites, social media (e.g., LinkedIn, Facebook, Instagram), walk-ins, recruitment agencies/ consultancies/ executive search and directly from educational institutions. The frequency is measured from a scale of 1 to 5. Number 1 denoting 'never', 2 denoting to 'sometimes', 3 denoting to 'about half of the time', 4 denoting to 'most of the times' and 5 denoting to 'always'.

Firstly, as reflected in Table 5.1 we notice that 46 of the responses are from non-family businesses and the other 39 of the responses are from family-businesses. The mean number of non-family businesses is 2,02 which means that they answered, 'sometimes' and the mean number of

family businesses is 3,33, which means that they answered, 'about half of the time'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. From the p value as reflected in Table 5.1.1, we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is a statistically significant difference between the non-family businesses and family businesses. According to this, it was concluded that it does have an effect on the frequency of the use of 'internally' method depending on if it's a family or a non-family business. Family businesses use the 'internally' recruiting method 'about half of the time', and non-family businesses use this method 'sometimes'.

As reflected in Table 5.2, we notice that 46 of the responses are from non-family businesses and the other 39 of the responses are from family-businesses. Non-family businesses use this method 'sometimes' (mean number = 1,83) and family SMEs use this method 'about half of the time' (mean number 3,44). We also notice that there is a difference between the mean number of non-family businesses and the mean number of family SMEs. As reflected in Table 5.2.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). Therefore, we can conclude that there is a statistically significant difference between non-family and family businesses. As a result, family SMEs are more likely to use word of mouth / employee referrals method than non-family businesses.

In the Table 5.3, we notice that 46 of the responses are from non-family businesses and the other 39 of the responses are from family-businesses. Non-family businesses 'never' use the method of 'vacancy in newspapers' (mean number=1,15) and family businesses use is 'sometimes' (mean number 1,62). We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. From the Table 5.3.1, we notice that from the p value, the hypothesis of equality of the mean, is declined ( $0,008 < 0.05$ ). We conclude that there is a statistically significant difference between the non-family and the family business. As a

result, family SMEs are more likely to use the 'vacancies in newspapers' method than non-family SMEs who never use it.

In Table 5.4, we notice that 46 of the responses are non-family businesses and the other 39 of the responses are family-businesses. Non-family businesses use the 'vacancy page on company website' about 'half of the time' with a mean number of 3,28 and family businesses use this method 'sometimes' with a mean number of 1,79. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. In Table 5.4.1 it is reflected that from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is a statistically significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'vacancy page on company website' method than family SMEs.

Moreover, as reflected in Table 5.5, we notice that 46 of the responses are from non-family businesses and the other 39 of the responses are from family-businesses. The mean number of non-family businesses is 2,87 'about half of the time' and the mean number of family businesses is 2,03 'sometimes'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. From the p value, as reflected in Table 5.5.1, we notice that the hypothesis of equality of the mean is declined ( $0,011 < 0.05$ ). We conclude that there is statistically significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'vacancies on commercial job websites' method than family SMEs.

In Table 5.6, we notice that 46 of the responses are non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 4,24 'most of the times', and the mean number of family businesses is 2,26, 'sometimes'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 5.6.1, from the p value we notice that the hypothesis of equality of

the mean is declined ( $0,000 < 0.05$ ). We conclude that there is statistically significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'social media (e.g., LinkedIn, Facebook, Instagram)' than family SMEs.

In Table 5.7, we notice that 46 of the responses are from non-family businesses and the other 39 of the responses are from family-businesses. The mean number of non-family businesses is 1,11 'never' and the mean number of family businesses is 1,56 'sometimes'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. From the p value in Table 5.7.1, we notice that the hypothesis of equality of the mean is declined ( $0,001 < 0.05$ ). We conclude that there is statistically significant difference between non-family and family businesses. As a result, family SMEs are more likely to use 'walk-ins' than non-family businesses.

In Table 5.8, we notice that 46 of the responses are non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 1,61 'sometimes' and the mean number of family businesses is 1,00 'never'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. From the p value as reflected in Table 5.8.1, we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is a statistically significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'recruitment agencies / consultancies/executive search' than family SMEs.

As reflected in Table 5.9, we notice that 46 of the responses are from non-family businesses and the other 39 responses are from family-businesses. The mean number of non-family businesses is 1,78 'sometimes' and the mean number of family businesses is 1,00 'never'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in the Table 5.9.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is a statistically significant



difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'directly educational institutions' than family SMEs.

Moving on to the next question in the questionnaire, it is analyzing the frequency of use of specific selection methods in the organization, such as, interview by committee, interview 1 to 1, application forms, psychometric tests, social media profiles, references, and tests like, ability, technical and numeracy. The frequency is measured from a scale of 1 to 5. The measure is the same as the above.

To begin with, as reflected in Table 5.10, we notice that 46 of the responses are non-family businesses and the other 39 are family-businesses. The mean number of non-family businesses is 3,33 'about half of the time' and the mean number of family businesses is 1,08 'never'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. In Table 5.10.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is statistically a significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'interviews by committee' than family SMEs.

In Table 5.11, we notice that 46 of the responses are from non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 3,09 'about half of the time' and the mean number of family businesses is 4,33 'most of the times'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 5.11.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is a statistically significant difference between non-family and family businesses. As a result, non-family businesses are less likely to use 'individual interviews (1-1)' than family SMEs.

In Table 5.12, we notice that 46 of the responses are from non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 1,57

'sometimes' and the mean number of family businesses is 2,59 'about half of the time'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. In Table 5.12.1, we notice that from the p value, the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is a statistically significant difference between non-family and family businesses. As a result, non-family businesses are less likely to use 'applications forms' than family SMEs.

As reflected in Table 5.13, we notice that 46 of the responses are non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 2,91 'about half of the times' and the mean number of family businesses is 1,26 'never'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. As we can see from Table 5.13.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is statistically significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'psychometric tests' than family SMEs.

In the Table 5.14, we notice that 46 of the responses are non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 2,70 'about half of the time' and the mean number of family businesses is 1,95 'sometimes'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 5.14.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,002 < 0.05$ ). We conclude that there is statistically a significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'social media profiles' than family SMEs.

As reflected in Table 5.15, we notice that 46 of the responses are non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 2,72 'about half of the time' and the mean number of family businesses is 2,82 'about half of the time'.

We also notice that there is a very small difference between the two mean numbers. From the p value, in Table 5.15.1 we notice that the hypothesis of equality of the mean is not declined ( $0,656 > 0.05$ ). We conclude that there is not any statistically a significant difference between non-family and family businesses. As a result, non-family businesses are less likely to use 'references' than family SMEs.

Lastly, in Table 5.16, we notice that 46 of the responses are non-family businesses and the other 39 of the responses are family-businesses. The mean number of non-family businesses is 2,41 'sometimes' and the mean number of family businesses is 1,00 'never'. We also notice that there is a difference between the mean number of non-family businesses and the mean number of family businesses. As reflected in Table 5.16.1, from the p value we notice that the hypothesis of equality of the mean is declined ( $0,000 < 0.05$ ). We conclude that there is statistically a significant difference between non-family and family businesses. As a result, non-family businesses are more likely to use 'tests (ability, technical, numeracy)' than family SMEs.

## Discussion

The primary purpose of the present study was to investigate the level of formalization of the HRM practices of the family SMEs in Cyprus.

### Hypothesis 1

To begin with, according to the results of my research, it has been found that most of the family SMEs in Cyprus do not have an HR department. Way and Thacker (2004) though, stated that 86% of SMEs in Canada, where a business having up to 500 employees can be defined as an SME, have an HR professional. Following my research for Cyprus, a business can be defined as an SME with up to 100 employees. Also, in the research of Way and Thacker (2004), it has been found that the owner of the family business is the person who has the main responsibilities for the workforce issues. Moreover, the findings of this present research led to the result that family SMEs' biggest challenge is 'pay and benefits' and 'recruitment and selection'. However, Andres (2008) stated that family businesses have lower recruitment costs and lower payroll, which does not necessarily mean that it's a challenge for family SMEs.

The results showed that non-family businesses train their employees more than family SMEs do. Also, family SMEs are less likely than non-family SMEs to provide a formal appraisal system to their employees. Hence, the training and development, the career moves and the workforce planning, are used more by non-family businesses instead of family SMEs. This statement agrees with Desman and Brush (1991, as cited in Reid & Adams, 2001) who said that family businesses fail to provide management training to family members. Lastly, when it comes to the evaluation of performance, the results might suggest that both non-family businesses and family SMEs evaluate the performance of the HRM department. This statement does not agree with Hill and Steward's (2000) statement as well as with Morgan and Gomez-Mejia's (2014, as cited in Steijvers et al., 2017) statement who reported that family SMEs use evaluation systems and annual appraisal systems for

their employees, which are usually informal and unplanned. The above findings led to the result that indeed family SMEs generally apply less formal HR practices compared to non-family SMEs.

## Hypothesis 2

The findings of this present research highlight that for Cypriot family SMEs, the person who provides data for the employees' appraisal process is the owner, since the business is less likely to have an HR department. For non-family businesses instead, the person who is responsible for the provision of data for the employees' appraisal process could not be defined since the answers for that question was only three. As a result, the comparison couldn't be done.

Moreover, the results imply that the training and development method is mostly used by non-family businesses instead of family SMEs. This finding agrees with past research suggestions that family businesses are not used to implementing formal training to their employees (Loan – Clarke et al., 1999) and with the statement of Kotey and Folker (2007) who support that informal training in family SMEs is preferred because it costs less. In addition, current study findings showed that non-family businesses train their employees more than family SMEs do. This agrees with Reid et al.'s (2000) study, who reported that family SMEs do not spend a lot of their annual salaries and wages to support the training of their employees and that very few employees are trained. Findings also revealed that the formal appraisal system is used more in non-family businesses than family SMEs in Cyprus.

This pattern of results is consistent with the previous literature of Kotey and Folker (2007) who stated that the training of employees in family SMEs is allocated depending on the firm's size and type. The smaller the firm is, the more informal training programs will be implemented, possibly because the available resources are very few. Despite some limitations, this research contributes to the finding that family SMEs do not give much emphasis as they should on the training and development of their employees.

### Hypothesis 3

One of the purposes of this present research, was to gain a better understanding of whether the family SMEs are systematic with their compensation and benefits they offer to their employees. For the 3<sup>rd</sup> hypothesis, an analysis on what businesses offer to the employees, was made.

To begin with, this study shows that family SMEs only offer more non-monetary benefits, such as health or pension private insurance, family supportive provisions, goods and services, than non-family businesses. Additionally, it was found that non-family businesses offer their employees more bonuses based on individual and on team goals, than family SMEs, and they also offer non-monetary incentives such as awards and career opportunities. In a similar research Ivan (1983) and Allio (2004) stated that family SMEs do not offer many compensations and rewards. In addition to that, Islami (2015) mentioned that family SMEs should offer rewards based on each employee's individual performance, which according to this study, is something that only non-family businesses do. According to previous research of Memili et al. (2013), family SMEs are not so familiarized with giving out incentives to their employees, and this statement agrees with the findings of this study, since bonuses - based on both individual and team goals, and non-monetary incentives are mostly given from non-family businesses. Lastly, these findings also agree with Cardon and Steven's (2004) statement who state that the compensation in SMEs differs from the compensation in non-SMEs, since they offer non-financial rewards. Compensation is an additional cost to the businesses, therefore, SMEs are less willing to apply compensation (Wright et al., 2005).

Regarding the above, family SMEs do not offer formal compensation practices especially when the CEO is a family member, as demographics also have shown. Finally, we obtain evidence that indeed SME family businesses are not systematic with their compensation and rewards, which means that they are not used to offer compensation and benefits to their employees.

#### Hypothesis 4

De Kok et al. (2006), stated that family firms do not rely on formal recruitment practices. This statement agrees with the results of my research as the 'word of mouth' recruiting method appears to be used more frequently by family SMEs instead of the formal recruiting practices. According to Marsden and Campbell (1990 cited in Mencken & Winfield, 1999) using 'word of mouth' is not a formal method of recruitment. Based on my research, as far as 'word of mouth' is concerned, indeed family SMEs use this method of recruitment more frequently compared to non-family businesses. This agrees also with Dyer and Mortensen (2005), as well as with Cruz et al. (2011), who stated that recruiting through close social networks and 'word of mouth' is a common practice. According to Reid et al. (2000), and Walker and Hinojosa (2004), family SMEs advertise in newspapers, and they use internal references when they want to fill their vacancies. This also agrees with the statement of Marsden and Campbell (1990, cited in Mencken & Winfield, 1999) who mentioned that the informal recruiting methods, are the social contacts, specifically word of mouth from people within the organization, from customers or even from associates.

The result of my research however shows that family SMEs do not usually search for applicants through the newspaper, a procedure also not preferred by non-family SMEs. This research has shown that both family and non-family businesses use mainly internal references for recruitment methods. Morgan and Gomez-Mejia (2014, as cited in Steijvers et al., 2017) stated that family SMEs rely more frequently on social media and the company website for recruitment whereas my research shows that it is non-family SMEs that use social media and the company website more often. My research confirms that family SMEs use 'internal recruiting' methods such as 'employee referrals' as stated also by Shinnar et al. (2004), more than non-family businesses.

Moreover, when it comes to the selection methods and according to the results of my research, I have found that psychometric tests are not used in family SMEs, but for non-family businesses, this is a very common selection method. In addition, application forms are a common selection method

for family SMEs but, not for non-family businesses. Social media is a recruitment method that is used more by non-family businesses compared to family SMEs. References though, is a selection method that is used by both family SMEs and non-family businesses.

Findings from the present study did provide support for the fourth hypothesis. Results indicate that family SMEs prefer informal recruitment and selection methods. On the contrary, non-family businesses use more formal recruitment and selection methods.

### Suggestions for future research

There are a few limitations concerning the results of this study. A first limitation concerns the appraisal data that is used to inform decisions in payments, in training and development, in career moves and in workforce planning. For this result, it was required to answer the question 'do you have a formal appraisal system?' When the participants answered 'no', then the question about 'the use of appraisal data that is used to inform specific decisions', did not appear to them. Due to the fact that the sample of the participants of this study's questionnaire was small, there was a limitation to some questions. For example, a question with a limitation is 'Is the appraisal data used to inform decisions in the following areas?' What I would suggest for future research is to have in mind these limitations and then make more in-depth research about the training and development and the appraisals of the employees.

Although the generalizability of the current results must be established by future research, the present study has provided clear support for the following hypothesis, SME family firms apply less formal HRM practices than non-family firms, SME family firms do not give much emphasis on the training and development of their employees, SME family firms are not systematic with their compensation and benefits, and lastly the recruitment and selection method is less formal compared to non-family SMEs. However, a further future research could be conducted by using a much bigger sample of both non-family and family SMEs, so the comparison of the two types of businesses will be



more valid. Much work remains to be done in order to have a more detailed view about the family SMEs and the formalization of their HRM practices.

In addition, what I would suggest for future research, is to have a larger group of both family and non-family businesses, so the results can be valid. Moreover, for future research I suggest giving more emphasis to the compensation and benefits of the employees as well as to the training and development, since in this present study, the results were not as clear as I was expected them to be.

Summarizing the above findings, we conclude that family SMEs are not using the HRM practices as much as non-family businesses do. The level of formalization of the HRM practices is low since they may not have the available resources to use more formal practices. For example, most of the family SMEs do not have an HR manager who knows how to manage all the HRM practices within the business. Family SMEs are not so familiarized with the HRM practices, but if they want to be competitive and to have a competitive advantage like the non-family businesses, family SMEs should slowly-slowly include the requisite HR practices in their management.

## Conclusion

The present study investigates the level of formalization of HRM practices in family SMEs. HRM practices are not common in family SMEs, especially in Cyprus where this research is based on. HRM refers to the policies, practices and systems and concerns the behaviors, attitudes and performance of employees (De Cieri et al., 2008, as cited in Osman et al., 2011). A person who has to deal with HRM practices whilst is not aware of the implications, will find it difficult to handle the HRM practices. Hence, in a family SME where the person who is responsible for the HRM practices is the owner of the business instead of the HR manager, will not use the necessary and formal HR practices in the management of the business.

Summarizing the important points from the research is that, in general there are a lot of differences between family and non-family SMEs, depending on their HR practices. Firstly, an important point is that family SMEs tend to not have an HR department, therefore the member of the business that is responsible for the HR issues or anything related to that, is the owner of the family business. The owner however seems to not be aware of the HRM practices, so any implementation of practice is informal. These findings show that family SMEs are behind non-family businesses in how they utilize HRM.

This study further points out another important factor, that the family SMEs do not give much emphasis to the training and development needs of their employees. This present research showed the difference between family and non-family businesses where it was found that family SMEs do not tend to provide training and development to their employees, as well as any formal appraisal system. Another point is that family SMEs are not systematic with their compensation and rewards. They do not offer any bonuses, whether these bonuses are based on individual goals or team goals. Lastly, an important point is that family SMEs do not use formal recruitment and selection methods. They mostly use, the 'word of mouth' method and internal recruiting. Concluding, present findings underline the importance of examining this study further. The reason for examining this study

further, is because in Cyprus, there are a lot of family SMEs. So, if family SMEs want to be competitive in the market and able to compete non-family SMEs, then they should be aware of the HRM practices, the use of the HRM practices and the level of formalization of the HRM practices that family SMEs should use.

In conclusion, this present study has reached to the result that family SMEs are less likely to use HRM practices in their management, than non-family businesses. This study provides further support to previous evidence, but it also needs some improvement since it has faced some limitations, such as there are mentioned in previous section.

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## Appendices

### Appendix A: Online Questionnaire

Before we start, please indicate the number of people who are employed by your organization

Less than 100

More than 100

This questionnaire has been drafted under the research project HRMinSMEs (<https://www.dept.aueb.gr/en/HRMlab/HRMinSMEs>) and aims to evaluate the importance and utility of Human Resources Management Practices, for both the employees and the organizations in which they are employed. It is addressed to the executives who deal with Human Resources Management in Small and Medium-sized enterprises and organizations, independent of all economic activity sectors.

The completion time is around 20'. All responses are strictly confidential and will not be used for purposes other than the current research. Please answer with honest to all questions, in order to draw valid conclusions.

Thank you in advance for your participation in this research.

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Do you have a personnel/human resource (HR) department?

Yes

No

Who has the main responsibility for workforce issues? (please tick only one)

Owner/founder

Professional CEO / General director or another top manager

Human Resources Manager

CFO

Secretary of the board

Other managerial position

Do you have specific policies for the following issues of human resources management? (click all that apply)

|                                 | Yes                      |
|---------------------------------|--------------------------|
| Recruitment and selection       | <input type="checkbox"/> |
| Training and Development        | <input type="checkbox"/> |
| Pay and benefits (compensation) | <input type="checkbox"/> |
| Appraisal                       | <input type="checkbox"/> |
| Workforce reduction/increase    | <input type="checkbox"/> |
| Labour regulations              | <input type="checkbox"/> |

To what extent is the performance of the HRM department evaluated? (note only one)

|  |                            |                            |                            |                                       |
|--|----------------------------|----------------------------|----------------------------|---------------------------------------|
| 0: Not at all<br><input type="radio"/> | 1<br><input type="radio"/> | 2<br><input type="radio"/> | 3<br><input type="radio"/> | 4: Very much<br><input type="radio"/> |
|--|----------------------------|----------------------------|----------------------------|---------------------------------------|

Please indicate the frequency of use of the following recruitment methods in your organization

|  | 1: Never              | 2: Sometimes          | 3: About half of the time | 4: Most of the time   | 5: Always             | I don't know/no answer |
|--|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|------------------------|
| Internally   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Word of Mouth/employee referrals   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Vacancies in news papers   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Vacancy page on company website  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Vacancies on commercial job websites   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Social Media (e.g. LinkedIn, Facebook, Instagram)  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Walk-ins   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Career Fairs   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Recruitment agencies/consultancies/executive search  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Job centres (public)   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Trainee program  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Directly from educational institutions (e.g. internships, announcement of vacancies through Liaison Offices) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |

Please indicate the frequency of use of the following selection methods in your organization.

|                                      | 1: Never              | 2: Sometimes          | 3: About half of the time | 4: Most of the time   | 5: Always             | I don't know/no answer |
|--------------------------------------|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|------------------------|
| Interviews by committee              | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Individual interviews (1 to 1)       | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Application forms                    | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Psychometric tests                   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Social media profiles                | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| References                           | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Tests (ability, technical, numeracy) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |

Do you have a formal appraisal system?

Yes

No

Are the following formally expected to make an input/provide data for the appraisal process for employees?

|  | 1: Never              | 2: Sometimes          | 3: About half of the time | 4: Most of the time   | 5: Always             | I don't know/no answer |
|--|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|------------------------|
| Owner/founder  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Professional CEO/General director or another top manager | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Direct supervisor  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| HR manager   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Peers  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Subordinates   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Employee herself/himself                                 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Customers  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |
| Other (please specify)                                   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |

Is the appraisal data used to inform decisions in the following areas?

|                          | 0: Never              | 1                     | 2                     | 3: To a very great extent | I don't know/no answer |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------|------------------------|
| Pay                      | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |
| Training and Development | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |
| Career moves             | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |
| Workforce planning       | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |

Do you train your employees?

Yes

No

If yes, how and to what extent?

|                          | 0: Not at all         | 1: Slightly           | 2: Moderately         | 3: To a very great extent | I don't know/no answer |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------|------------------------|
| On-the-job training      | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |
| Funded training programs | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |
| Seminars                 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |
| Other (please specify)   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |
| No provision of training | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |

How often do you estimate the need for training of employees in your organisation?

|                       |                       |                           |                       |                       |                        |
|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|------------------------|
| 1: Never              | 2: Sometimes          | 3: About half of the time | 4: Most of the time   | 5: Always             | I don't know/no answer |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |

Do you offer any of the following? (click all that apply)

|  | Yes                      |
|--|--------------------------|
| Profit sharing or stocks   | <input type="checkbox"/> |
| Bonus based on individual goals/performance  | <input type="checkbox"/> |
| Bonus based on team goals/performance  | <input type="checkbox"/> |
| Non-monetary incentives (e.g. awards, promotion opportunities)   | <input type="checkbox"/> |
| Non-monetary benefits (such as health or pension private insurance, family supportive provisions, goods and services). | <input type="checkbox"/> |

Is your organization a family business? (owned or managed by members of the family)

Yes

No

What is the percentage of the family ownership?

| Percentage 1-35%      | Percentage 36-50%     | Percentage >50%       | Other (please specify) | I don't know/no answer |
|-----------------------|-----------------------|-----------------------|------------------------|------------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  | <input type="radio"/>  |

To what extent is the family involved in its management?

| 1: Not at all         | 2                     | 3: To some extent     | 4                     | 5: To a very great extent |
|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     |

Which generation is managing the organization today?

| The first (founders)  | 2nd (e.g. children)   | 3rd (e.g. grandchildren) | 4th                   | >4th                  |
|-----------------------|-----------------------|--------------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/> |

Which generation owns the majority of stocks today?

|                       |                       |                          |                       |                       |                        |
|-----------------------|-----------------------|--------------------------|-----------------------|-----------------------|------------------------|
| The first (founders)  | 2nd (e.g. children)   | 3rd (e.g. grandchildren) | 4th                   | >4th                  | I don't know/no answer |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |

What is the relation between the family member who has taken over management, with the founder?

|                       |                       |                       |                       |                       |                       |                        |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Son                   | Daughter              | Cousin                | Nephew/Niece          | Grandchildren         | Not a family member   | Other (please specify) |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>  |

Do you intend to maintain the current number of working family members in the business?

No

Yes

I don't know/no answer

The hiring of family members is based on the following criteria: (click all that apply)

|                          | Yes                      |
|--------------------------|--------------------------|
| Educational background   | <input type="checkbox"/> |
| Professional experience  | <input type="checkbox"/> |
| Education and Experience | <input type="checkbox"/> |
| Family relationship      | <input type="checkbox"/> |
| Other (please specify)   | <input type="checkbox"/> |
| <input type="text"/>     |                          |
| I don't know/no answer   | <input type="checkbox"/> |

To what extent does the organization provide training in management issues for family members?

|                       |                       |                       |                       |                           |                        |
|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------|------------------------|
| 1: Not at all         | 2                     | 3: To some extent     | 4                     | 5: To a very great extent | I don't know/no answer |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |

To what extent do you use a method for evaluating the work of family members?

|                       |                       |                       |                       |                           |                        |
|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------|------------------------|
| 1: Not at all         | 2                     | 3: To some extent     | 4                     | 5: To a very great extent | I don't know/no answer |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |

To what extent does the reward of family members correspond to their performance rating?

|                       |                       |                       |                       |                           |                        |
|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------|------------------------|
| 1: Not at all         | 2                     | 3: To some extent     | 4                     | 5: To a very great extent | I don't know/no answer |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>     | <input type="radio"/>  |

**Appendix B:**

Table 1

|   | Is your organization a family business? (owned or managed by members of the family) | What is the percentage of the family ownership?  | To what extent is the family involved in its management?                                  | Which generation is managing the organization today?   | Do you intend to maintain the current number of working family members in the business? | The hiring of family members is based on the following criteria: Educational background  |
|---|---|--|---|--|---|--|
| N | Family Businesses   | 85   | 39  | 39   | 39  | 39   |
|   | System missing  | 0  | 46  | 46   | 46  | 46   |
|   |   | The hiring of family members is based on the following criteria: Professional experience | The hiring of family members is based on the following criteria: Education and Experience | To what extent does the organization provide training in management issues for family members? | To what extent do you use a method for evaluating the work of family members?           | To what extent does the reward of family members correspond to their performance rating? |
| N | Family Businesses   | 39   | 39  | 39   | 39  | 39   |
|   | System missing  | 46   | 46  | 46   | 46  | 46   |

**Table 1a: Is your organization a family business?  
(owned or managed by members of the family)**

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 46        | 54.1    | 54.1          | 54.1               |
|       | Yes   | 39        | 45.9    | 45.9          | 100.0              |
|       | Total | 85        | 100.0   | 100.0         |                    |

**Table 1b: What is the percentage of the family ownership?**

|                |                        | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|------------------------|-----------|---------|---------------|--------------------|
| Valid          | I don't know/no answer | 1         | 1.2     | 2.6           | 2.6                |
|                | Percentage >50%        | 31        | 36.5    | 79.5          | 82.1               |
|                | Other (please specify) | 7         | 8.2     | 17.9          | 100.0              |
|                | Total                  | 39        | 45.9    | 100.0         |                    |
| System missing | System                 | 46        | 54.1    |               |                    |
| Total          |                        | 85        | 100.0   |               |                    |

**Table 1c: To what extent is the family involved in its management?**

|                |                           | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|---------------------------|-----------|---------|---------------|--------------------|
| Valid          | 1: Not at all             | 1         | 1.2     | 2.6           | 2.6                |
|                | 2: To a very small extent | 3         | 3.5     | 7.7           | 10.3               |
|                | 3: To some extent         | 2         | 2.4     | 5.1           | 15.4               |
|                | 4: To a great extent      | 3         | 3.5     | 7.7           | 23.1               |
|                | 5: To a very great extent | 30        | 35.3    | 76.9          | 100.0              |
|                | Total                     | 39        | 45.9    | 100.0         |                    |
| System missing | System                    | 46        | 54.1    |               |                    |
| Total          |                           | 85        | 100.0   |               |                    |

**Table 1d: Which generation is managing the organization today?**

|                |                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|----------------------|-----------|---------|---------------|--------------------|
| Valid          | The first (founders) | 15        | 17.6    | 38.5          | 38.5               |
|                | 2nd (e.g., children) | 24        | 28.2    | 61.5          | 100.0              |
|                | Total                | 39        | 45.9    | 100.0         |                    |
| System missing | System               | 46        | 54.1    |               |                    |
| Total          |                      | 85        | 100.0   |               |                    |



**Table 1e: Do you intend to maintain the current number of working family members in the business?**

|                |                        | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|------------------------|-----------|---------|---------------|--------------------|
| Valid          | I don't know/no answer | 1         | 1.2     | 2.6           | 2.6                |
|                | No                     | 11        | 12.9    | 28.2          | 30.8               |
|                | Yes                    | 27        | 31.8    | 69.2          | 100.0              |
|                | Total                  | 39        | 45.9    | 100.0         |                    |
| System missing | System                 | 46        | 54.1    |               |                    |
| Total          |                        | 85        | 100.0   |               |                    |

**Table 1f: The hiring of family members is based on the following criteria: Educational background**

|                |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|--------|-----------|---------|---------------|--------------------|
| Valid          | No     | 19        | 22.4    | 48.7          | 48.7               |
|                | Yes    | 20        | 23.5    | 51.3          | 100.0              |
|                | Total  | 39        | 45.9    | 100.0         |                    |
| System missing | System | 46        | 54.1    |               |                    |
| Total          |        | 85        | 100.0   |               |                    |

**Table1g: The hiring of family members is based on the following criteria: Professional experience**

|                |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|--------|-----------|---------|---------------|--------------------|
| Valid          | No     | 38        | 44.7    | 97.4          | 97.4               |
|                | Yes    | 1         | 1.2     | 2.6           | 100.0              |
|                | Total  | 39        | 45.9    | 100.0         |                    |
| System missing | System | 46        | 54.1    |               |                    |
| Total          |        | 85        | 100.0   |               |                    |

**Table 1h: The hiring of family members is based on the following criteria: Education and Experience**

|                |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|--------|-----------|---------|---------------|--------------------|
| Valid          | No     | 3         | 3.5     | 7.7           | 7.7                |
|                | Yes    | 36        | 42.4    | 92.3          | 100.0              |
|                | Total  | 39        | 45.9    | 100.0         |                    |
| System missing | System | 46        | 54.1    |               |                    |
| Total          |        | 85        | 100.0   |               |                    |

**Table 1i: The hiring of family members is based on the following criteria: Family relationship**

|                |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|--------|-----------|---------|---------------|--------------------|
| Valid          | No     | 1         | 1.2     | 2.6           | 2.6                |
|                | Yes    | 38        | 44.7    | 97.4          | 100.0              |
|                | Total  | 39        | 45.9    | 100.0         |                    |
| System missing | System | 46        | 54.1    |               |                    |
| Total          |        | 85        | 100.0   |               |                    |

**Table 1j: To what extent does the organization provide training in management issues for family members?**

|                |                           | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|---------------------------|-----------|---------|---------------|--------------------|
| Valid          | I don't know/no answer    | 2         | 2.4     | 5.1           | 5.1                |
|                | 1: Not at all             | 11        | 12.9    | 28.2          | 33.3               |
|                | 2: To a very small extent | 6         | 7.1     | 15.4          | 48.7               |
|                | 4: To a great extent      | 5         | 5.9     | 12.8          | 61.5               |
|                | 5: To a very great extent | 15        | 17.6    | 38.5          | 100.0              |
|                | Total                     | 39        | 45.9    | 100.0         |                    |
| System missing | System                    | 46        | 54.1    |               |                    |
| Total          |                           | 85        | 100.0   |               |                    |

**Table 1k: To what extent do you use a method for evaluating  
the work of family members?**

|                   |                           | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------------------|---------------------------|-----------|---------|---------------|-----------------------|
| Valid             | I don't know/no answer    | 2         | 2.4     | 5.1           | 5.1                   |
|                   | 1: Not at all             | 10        | 11.8    | 25.6          | 30.8                  |
|                   | 2: To a very small extent | 10        | 11.8    | 25.6          | 56.4                  |
|                   | 3: To some extent         | 2         | 2.4     | 5.1           | 61.5                  |
|                   | 4: To a great extent      | 7         | 8.2     | 17.9          | 79.5                  |
|                   | 5: To a very great extent | 8         | 9.4     | 20.5          | 100.0                 |
|                   | Total                     | 39        | 45.9    | 100.0         |                       |
| System<br>missing | System                    | 46        | 54.1    |               |                       |
| Total             |                           | 85        | 100.0   |               |                       |

**Table l: To what extent does the reward of family members  
correspond to their performance rating?**

|                   |                           | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------------------|---------------------------|-----------|---------|---------------|-----------------------|
| Valid             | I don't know/no answer    | 1         | 1.2     | 2.6           | 2.6                   |
|                   | 1: Not at all             | 7         | 8.2     | 17.9          | 20.5                  |
|                   | 2: To a very small extent | 11        | 12.9    | 28.2          | 48.7                  |
|                   | 3: To some extent         | 9         | 10.6    | 23.1          | 71.8                  |
|                   | 5: To a very great extent | 11        | 12.9    | 28.2          | 100.0                 |
|                   | Total                     | 39        | 45.9    | 100.0         |                       |
| System<br>missing | System                    | 46        | 54.1    |               |                       |
| Total             |                           | 85        | 100.0   |               |                       |

Appendix C:

**Table 2.1 Group Statistics**

|  |     | Is your organization a family business? (owned or managed by members of the family) | N  | Mean | Std. Deviation | Std. Error Mean |
|--|-----|---|----|------|----------------|-----------------|
| Do you have a personnel/ human resource (HR) department? | No  |   | 46 | .83  | .383           | .057            |
|  | Yes |   | 39 | .51  | .506           | .081            |

**Table 2.1.1 Independent Samples Test**

|  |                             | Levene's Test for Equality of Variances |      | t-test for Equality of Means |        |                 |                 |                       |   |       |
|--|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|-------|
|  |                             | F                                       | Sig. | t                            | df     | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference |       |
|  |                             |   |      |                              |        |                 |                 |                       | Lower                                     | Upper |
| Do you have a personnel/ human resource (HR) department? | Equal variances assumed     | 28.035                                  | .000 | 3.242                        | 83     | .002            | .313            | .097                  | .121                                      | .505  |
|  | Equal variances not assumed |   |      | 3.170                        | 69.939 | .002            | .313            | .099                  | .116                                      | .510  |

**Table 2.2 Who has the main responsibility for workforce issues?**

| Is your organization a family business? (owned or managed by members of the family) |       |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-------|--|-----------|---------|---------------|--------------------|
| No  | Valid | Owner/founder  | 2         | 4.3     | 4.3           | 4.3                |
|   |       | Professional CEO / General director or another top manager | 5         | 10.9    | 10.9          | 15.2               |
|   |       | Human Resources Manager                                    | 36        | 78.3    | 78.3          | 93.5               |
|   |       | CFO  | 2         | 4.3     | 4.3           | 97.8               |
|   |       | Other managerial position                                  | 1         | 2.2     | 2.2           | 100.0              |
|   |       | Total  | 46        | 100.0   | 100.0         |                    |
| Yes   | Valid | Owner/founder  | 35        | 89.7    | 89.7          | 89.7               |
|   |       | Professional CEO / General director or another top manager | 2         | 5.1     | 5.1           | 94.9               |
|   |       | CFO  | 1         | 2.6     | 2.6           | 97.4               |
|   |       | Other (please specify)                                     | 1         | 2.6     | 2.6           | 100.0              |
|   |       | Total  | 39        | 100.0   | 100.0         |                    |

**Table 2.2a Statistics**

Who has the main responsibility for workforce issues?

|     |   |         |    |
|-----|---|---------|----|
| No  | N | Valid   | 46 |
|     |   | Missing | 0  |
| Yes | N | Valid   | 39 |
|     |   | Missing | 0  |

**Table 2.3 Which of the following do you consider as the biggest challenge in the management or management of your employees in the next 3 years?**

|                       |                                  | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------|----------------------------------|-----------|---------|---------------|--------------------|
| Valid                 | Pay and benefits                 | 20        | 23.5    | 39.2          | 39.2               |
|                       | Need of training and development | 7         | 8.2     | 13.7          | 52.9               |
|                       | Recruitment and selection        | 16        | 18.8    | 31.4          | 84.3               |
|                       | Appraisal                        | 1         | 1.2     | 2.0           | 86.3               |
|                       | Employee relations               | 2         | 2.4     | 3.9           | 90.2               |
|                       | Other (please specify)           | 1         | 1.2     | 2.0           | 92.2               |
|                       | Workforce reduction/increase     | 4         | 4.7     | 7.8           | 100.0              |
|                       | Total                            | 51        | 60.0    | 100.0         |                    |
| Non-family businesses | -98                              | 34        | 40.0    |               |                    |
| Total                 |                                  | 85        | 100.0   |               |                    |

**Table 2.4 Descriptives**

To what extent is the performance of the HRM department evaluated?

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
| No    | 46 | 3.09 | 1.279          | .189       | 2.71                             | 3.47        | 0       | 5       |
| Yes   | 39 | 2.97 | 1.328          | .213       | 2.54                             | 3.40        | 0       | 5       |
| Total | 85 | 3.04 | 1.295          | .140       | 2.76                             | 3.31        | 0       | 5       |

**Table 2.4.1 ANOVA**

To what extent is the performance of the HRM department evaluated?

|                | Sum of Squares | df | Mean Square | F    | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | .268           | 1  | .268        | .158 | .692 |
| Within Groups  | 140.627        | 83 | 1.694       |      |      |
| Total          | 140.894        | 84 |             |      |      |

**Table 2.5 Group Statistics**

| Is your organization a family business? (owned or managed by members of the family) |     | N  | Mean | Std. Deviation | Std. Error Mean |
|---|-----|----|------|----------------|-----------------|
| Do you have a formal appraisal system?  | No  | 46 | 1.00 | .000           | .000            |
|   | Yes | 39 | .08  | .270           | .043            |

**Table 2.6 Descriptives**

Is the appraisal data used to inform decisions in the following areas? - Pay

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 3  | 1.33 | .577           | .333       | -.10                             | 2.77        | 1       | 2       |
| Total | 49 | 2.61 | .759           | .108       | 2.39                             | 2.83        | 0       | 3       |

**Table 2.6.1 ANOVA**

Is the appraisal data used to inform decisions in the following areas? - Pay

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 5.227          | 1  | 5.227       | 10.964 | .002 |
| Within Groups  | 22.406         | 47 | .477        |        |      |
| Total          | 27.633         | 48 |             |        |      |

**Table 2.7 Descriptives**

Is the appraisal data used to inform decisions in the following areas? - Training and Development

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 3  | 1.33 | .577           | .333       | -.10                             | 2.77        | 1       | 2       |
| Total | 49 | 2.69 | .548           | .078       | 2.54                             | 2.85        | 1       | 3       |

**Table 2.7.1 ANOVA**

Is the appraisal data used to inform decisions in the following areas? - Training and Development

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 5.915          | 1  | 5.915       | 32.737 | .000 |
| Within Groups  | 8.493          | 47 | .181        |        |      |
| Total          | 14.408         | 48 |             |        |      |

**Table 2.8 Descriptives**

Is the appraisal data used to inform decisions in the following areas? - Career moves

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 3  | 1.33 | .577           | .333       | -.10                             | 2.77        | 1       | 2       |
| Total | 49 | 2.35 | .597           | .085       | 2.18                             | 2.52        | 1       | 3       |

**Table 2.8.1 ANOVA**

Is the appraisal data used to inform decisions in the following areas? - Career moves

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 3.283          | 1  | 3.283       | 11.167 | .002 |
| Within Groups  | 13.819         | 47 | .294        |        |      |
| Total          | 17.102         | 48 |             |        |      |

**Table 2.9 Descriptives**

Is the appraisal data used to inform decisions in the following areas? - Workforce planning

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 3  | 1.33 | .577           | .333       | -.10                             | 2.77        | 1       | 2       |
| Total | 49 | 2.12 | .526           | .075       | 1.97                             | 2.27        | 1       | 3       |

**Table 2.9.1 ANOVA**

Is the appraisal data used to inform decisions in the following areas? - Workforce planning

|                | Sum of Squares | df | Mean Square | F     | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | 1.990          | 1  | 1.990       | 8.295 | .006 |
| Within Groups  | 11.275         | 47 | .240        |       |      |
| Total          | 13.265         | 48 |             |       |      |

**Table 2.10 Group Statistics**

| Is your organization a family business? (owned or managed by members of the family) |     | N  | Mean | Std. Deviation | Std. Error Mean |
|---|-----|----|------|----------------|-----------------|
| Do you train your employees?  | No  | 46 | .96  | .206           | .030            |
|   | Yes | 39 | .18  | .389           | .062            |



**Table 2.10.1 Independent Samples Test**

|                                    |                                   | Levene's Test<br>for Equality of<br>Variances |      | t-test for Equality of Means |        |                        |                    |                          |  |       |
|------------------------------------|-----------------------------------|---|------|------------------------------|--------|------------------------|--------------------|--------------------------|--|-------|
|                                    |                                   | F   | Sig. | t                            | df     | Sig.<br>(2-<br>tailed) | Mean<br>Difference | Std. Error<br>Difference | 95%<br>Confidence<br>Interval of the<br>Difference |       |
|                                    |                                   |   |      |                              |        |                        |                    |                          | Lower  | Upper |
| Do you train<br>your<br>employees? | Equal<br>variances<br>assumed     | 19.789  | .000 | 11.753                       | 83     | .000                   | .777               | .066                     | .646   | .909  |
|                                    | Equal<br>variances<br>not assumed |   |      | 11.216                       | 55.613 | .000                   | .777               | .069                     | .638   | .916  |

Appendix D:

**Table 3.1 Descriptives**

Are the following formally expected to make an  
input/provide data for the appraisal process for employees? - Owner/founder

|       | N  | Mean | Std.<br>Deviation | Std. Error | 95% Confidence Interval for<br>Mean |             | Minimum | Maximum |
|-------|----|------|-------------------|------------|-------------------------------------|-------------|---------|---------|
|       |    |      |                   |            | Lower Bound                         | Upper Bound |         |         |
| No    | 46 | 1.33 | .967              | .143       | 1.04                                | 1.61        | 1       | 5       |
| Yes   | 3  | 3.67 | 2.309             | 1.333      | -2.07                               | 9.40        | 1       | 5       |
| Total | 49 | 1.47 | 1.192             | .170       | 1.13                                | 1.81        | 1       | 5       |

**Table 3.1.1 ANOVA**

Are the following formally expected to make an  
input/provide data for the appraisal process for employees? - Owner/founder

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 15.429         | 1  | 15.429      | 13.740 | .001 |
| Within Groups  | 52.775         | 47 | 1.123       |        |      |
| Total          | 68.204         | 48 |             |        |      |

**Table 3.2 Descriptives**

Are the following formally expected to make an input/provide data for the appraisal process for employees?

- HR manager

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 3  | 2.00 | 1.732          | 1.000      | -2.30                            | 6.30        | 1       | 4       |
| Total | 49 | 4.14 | .935           | .134       | 3.87                             | 4.41        | 1       | 5       |

**Table 3.2.1 ANOVA**

Are the following formally expected to make an input/provide data for the appraisal process for employees?

- HR manager

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 14.674         | 1  | 14.674      | 25.239 | .000 |
| Within Groups  | 27.326         | 47 | .581        |        |      |
| Total          | 42.000         | 48 |             |        |      |

**Table 3.3 Descriptives**

If yes, how and to what extent? - On-the-job training

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 41          |         |         |
| Yes   | 7  | 2.86 | .378           | .143       | 2.51                             | 3.21        | 0       | 3       |
| Total | 48 | 2.96 | .202           | .029       | 2.90                             | 3.02        | 0       | 3       |

**Table 3.3.1 ANOVA**

If yes, how and to what extent? - On-the-job training

|                | Sum of Squares | df | Mean Square | F     | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | .084           | 1  | .084        | 2.106 | .153 |
| Within Groups  | 1.833          | 46 | .040        |       |      |
| Total          | 1.917          | 47 |             |       |      |

**Table 3.4 Descriptives**

If yes, how and to what extent? - Seminars

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 41          |         |         |
| Yes   | 7  | 1.57 | 1.272          | .481       | .39                              | 2.75        | 0       | 3       |
| Total | 48 | 2.44 | .873           | .126       | 2.18                             | 2.69        | 0       | 3       |

**Table 3.4.1 ANOVA**

If yes, how and to what extent? - Seminars

|                | Sum of Squares | df | Mean Square | F     | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | 6.147          | 1  | 6.147       | 9.532 | .003 |
| Within Groups  | 29.666         | 46 | .645        |       |      |
| Total          | 35.813         | 47 |             |       |      |

Appendix E:

**Table 4.1 Group Statistics**

|   | Is your organization a family business? (owned or managed by members of the family) | N  | Mean | Std. Deviation | Std. Error Mean |
|---|---|----|------|----------------|-----------------|
| Do you offer any of the following? Bonus based on individual goals/ performance | No  | 46 | 1.00 | .000           | .000            |
|   | Yes   | 39 | .15  | .366           | .059            |

**Table 4.1.1 Independent Samples Test**

| Levene's Test for Equality of Variances |      | t-test for Equality of Means |    |                 |                 |                       |   |       |  |
|---|------|------------------------------|----|-----------------|-----------------|-----------------------|---|-------|--|
| F                                       | Sig. | t                            | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference |       |  |
|   |      |                              |    |                 |                 |                       | Lower                                     | Upper |  |
|   |      |                              |    |                 |                 |                       |   |       |  |

|  |                             |        |      |        |        |      |      |      |      |      |
|--|-----------------------------|--------|------|--------|--------|------|------|------|------|------|
| Do you offer any of the following? - Bonus based on individual goals/performance | Equal variances assumed     | 48.799 | .000 | 15.718 | 83     | .000 | .846 | .054 | .739 | .953 |
|  | Equal variances not assumed |        |      | 14.457 | 38.000 | .000 | .846 | .059 | .728 | .965 |

**Table 4.2 Group Statistics**

|  |     | Is your organization a family business? (owned or managed by members of the family) | N  | Mean | Std. Deviation | Std. Error Mean |
|--|-----|---|----|------|----------------|-----------------|
| Do you offer any of the following? - Bonus based on team goals/performance | No  |   | 46 | .70  | .465           | .069            |
|  | Yes |   | 39 | .03  | .160           | .026            |

**Table 4.2.1 Independent Samples Test**

|  |                             | Levene's Test for Equality of Variances |      | t-test for Equality of Means |        |                 |                 |                       |   |       |
|--|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|-------|
|  |                             | F                                       | Sig. | t                            | df     | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference |       |
|  |                             |   |      |                              |        |                 |                 |                       | Lower                                     | Upper |
| Do you offer any of the following? - Bonus based on team goals/performance | Equal variances assumed     | 103.175                                 | .000 | 8.568                        | 83     | .000            | .670            | .078                  | .514                                      | .826  |
|  | Equal variances not assumed |   |      | 9.150                        | 57.134 | .000            | .670            | .073                  | .523                                      | .817  |

**Table 4.3 Group Statistics**

|   | Is your organization a family business? (owned or managed by members of the family) | N  | Mean | Std. Deviation | Std. Error Mean |
|---|---|----|------|----------------|-----------------|
| Do you offer any of the following? - Non-monetary incentives (e.g. awards, promotion opportunities) | No  | 46 | .54  | .504           | .074            |
|   | Yes   | 39 | .31  | .468           | .075            |

**Table 4.3.1 Independent Samples Test**

|   | Levene's Test for Equality of Variances | t-test for Equality of Means |      |       |        |                 |                 |                       |   |       |
|---|---|------------------------------|------|-------|--------|-----------------|-----------------|-----------------------|---|-------|
|   |   | F                            | Sig. | t     | df     | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference |       |
|   |   |                              |      |       |        |                 |                 |                       | Lower                                     | Upper |
| Do you offer any of the following? Non-monetary incentives (e.g. awards, promotion opportunities) | Equal variances assumed                 | 6.561                        | .012 | 2.222 | 83     | .029            | .236            | .106                  | .025                                      | .447  |
|   | Equal variances not assumed             |                              |      | 2.236 | 82.289 | .028            | .236            | .105                  | .026                                      | .446  |

**Table 4.4 Group Statistics**

|  | Is your organization a family business? (owned or managed by members of the family) | N  | Mean | Std. Deviation | Std. Error Mean |
|--|---|----|------|----------------|-----------------|
|  | No  | 46 | .35  | .482           | .071            |

|   |     |    |     |      |      |
|---|-----|----|-----|------|------|
| Do you offer any of the following? - Non-monetary benefits (such as health or pension private insurance, family supportive provisions, goods and services). | Yes | 39 | .90 | .307 | .049 |
|---|-----|----|-----|------|------|

**Table 4.4.1 Independent Samples Test**

|   | Levene's Test for Equality of Variances |      | t-test for Equality of Means |        |                 |                 |                       |   |       |
|---|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|-------|
|   | F                                       | Sig. | t                            | df     | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference |       |
|   |   |      |                              |        |                 |                 |                       | Lower                                     | Upper |
| Do you offer any of the following? Non-monetary benefits (such as health or pension private insurance, family supportive provisions, goods and services). | 39.363                                  | .000 | 6.143                        | 83     | .000            | -.550           | .089                  | -.728                                     | -.372 |
|   |   |      | 6.362                        | 77.457 | .000            | -.550           | .086                  | -.722                                     | -.378 |

Appendix F:

**Table 5.1: Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization - Internally

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 3.33 | .898           | .144       | 3.04                             | 3.62        | 1       | 5       |
| Total | 85 | 2.62 | 1.272          | .138       | 2.35                             | 2.90        | 1       | 5       |

**Table 5.1.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization - Internally

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 36.308         | 1  | 36.308      | 30.243 | .000 |
| Within Groups  | 99.645         | 83 | 1.201       |        |      |
| Total          | 135.953        | 84 |             |        |      |

**Table 5.2 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization – Word of Mouth/employee referrals

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 3.44 | 1.071          | .172       | 3.09                             | 3.78        | 1       | 5       |
| Total | 85 | 2.56 | 1.295          | .140       | 2.29                             | 2.84        | 1       | 5       |

**Table 5.2.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization - Word of Mouth/employee referrals

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 54.696         | 1  | 54.696      | 52.666 | .000 |
| Within Groups  | 86.198         | 83 | 1.039       |        |      |
| Total          | 140.894        | 84 |             |        |      |

**Table 5.3 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization - Vacancies in news papers

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.62 | .847           | .136       | 1.34                             | 1.89        | 1       | 4       |
| Total | 85 | 1.36 | .814           | .088       | 1.19                             | 1.54        | 1       | 5       |

**Table 5.3.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization - Vacancies in news papers

|                | Sum of Squares | df | Mean Square | F     | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | 4.529          | 1  | 4.529       | 7.346 | .008 |
| Within Groups  | 51.166         | 83 | .616        |       |      |
| Total          | 55.694         | 84 |             |       |      |

**Table 5.4 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization - Vacancy page on company website

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.79 | 1.399          | .224       | 1.34                             | 2.25        | 1       | 5       |
| Total | 85 | 2.60 | 1.416          | .154       | 2.29                             | 2.91        | 1       | 5       |

**Table 5.4.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization - Vacancy page on company website

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 46.715         | 1  | 46.715      | 31.864 | .000 |
| Within Groups  | 121.685        | 83 | 1.466       |        |      |
| Total          | 168.400        | 84 |             |        |      |



**Table 5.5 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization - Vacancies on commercial job websites

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 2.03 | 1.328          | .213       | 1.60                             | 2.46        | 1       | 5       |
| Total | 85 | 2.48 | 1.532          | .166       | 2.15                             | 2.81        | 1       | 5       |

**Table 5.5.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization - Vacancies on commercial job websites

|                | Sum of Squares | df | Mean Square | F     | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | 15.032         | 1  | 15.032      | 6.848 | .011 |
| Within Groups  | 182.192        | 83 | 2.195       |       |      |
| Total          | 197.224        | 84 |             |       |      |

**Table 5.6 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization - Social Media (e.g. LinkedIn, Facebook, Instagram)

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 2.26 | 1.312          | .210       | 1.83                             | 2.68        | 1       | 5       |
| Total | 85 | 3.33 | 1.392          | .151       | 3.03                             | 3.63        | 1       | 5       |

**Table 5.6.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization - Social Media (e.g. LinkedIn, Facebook, Instagram)

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 82.971         | 1  | 82.971      | 86.292 | .000 |
| Within Groups  | 79.805         | 83 | .962        |        |      |
| Total          | 162.776        | 84 |             |        |      |

**Table 5.7 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization

- Walk-ins

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.56 | .852           | .136       | 1.29                             | 1.84        | 1       | 4       |
| Total | 85 | 1.32 | .658           | .071       | 1.18                             | 1.46        | 1       | 4       |

**Table 5.7.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization

- Walk-ins

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 4.377          | 1  | 4.377       | 11.337 | .001 |
| Within Groups  | 32.046         | 83 | .386        |        |      |
| Total          | 36.424         | 84 |             |        |      |

**Table 5.8 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization

- Recruitment agencies/consultancies/executive search

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.00 | .000           | .000       | 1.00                             | 1.00        | 1       | 1       |
| Total | 85 | 1.33 | .543           | .059       | 1.21                             | 1.45        | 1       | 4       |

**Table 5.8.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization

- Recruitment agencies/consultancies/executive search

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 7.820          | 1  | 7.820       | 38.278 | .000 |
| Within Groups  | 16.957         | 83 | .204        |        |      |
| Total          | 24.776         | 84 |             |        |      |

**Table 5.9 Descriptives**

Please indicate the frequency of use of the following recruitment methods in your organization

- Directly from educational institutions (e.g. internships, announcement of vacancies through Liaison Offices)

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.00 | .000           | .000       | 1.00                             | 1.00        | 1       | 1       |
| Total | 85 | 1.42 | .746           | .081       | 1.26                             | 1.58        | 1       | 4       |

**Table 5.9.1 ANOVA**

Please indicate the frequency of use of the following recruitment methods in your organization

- Directly from educational institutions (e.g. internships, announcement of vacancies through Liaison Offices)

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 12.927         | 1  | 12.927      | 31.719 | .000 |
| Within Groups  | 33.826         | 83 | .408        |        |      |
| Total          | 46.753         | 84 |             |        |      |

**5.10 Descriptives**

Please indicate the frequency of use of the following selection methods in your organization.

- Interviews by committee

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.08 | .480           | .077       | .92                              | 1.23        | 1       | 4       |
| Total | 85 | 2.29 | 1.565          | .170       | 1.96                             | 2.63        | 1       | 5       |

**Table 5.10.1 ANOVA**

Please indicate the frequency of use of the following selection methods in your organization.

- Interviews by committee

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 106.769        | 1  | 106.769     | 89.624 | .000 |
| Within Groups  | 98.878         | 83 | 1.191       |        |      |
| Total          | 205.647        | 84 |             |        |      |

**Table 5.11 Descriptives**

Please indicate the frequency of use of the following selection methods in your organization.

- Individual interviews (1 to 1)

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 4.33 | .737           | .118       | 4.09                             | 4.57        | 2       | 5       |
| Total | 85 | 3.66 | 1.097          | .119       | 3.42                             | 3.90        | 1       | 5       |

**Table 5.11.1 ANOVA**

Please indicate the frequency of use of the following selection methods in your organization.

- Individual interviews (1 to 1)

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 32.787         | 1  | 32.787      | 39.833 | .000 |
| Within Groups  | 68.319         | 83 | .823        |        |      |
| Total          | 101.106        | 84 |             |        |      |

**Table 5.12 Descriptives**

Please indicate the frequency of use of the following selection methods in your organization.

- Application forms

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 2.59 | 1.292          | .207       | 2.17                             | 3.01        | 1       | 5       |
| Total | 85 | 2.04 | 1.200          | .130       | 1.78                             | 2.29        | 1       | 5       |

**Table 5.12.1 ANOVA**

Please indicate the frequency of use of the following selection methods in your organization.

- Application forms

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 22.154         | 1  | 22.154      | 18.622 | .000 |
| Within Groups  | 98.740         | 83 | 1.190       |        |      |
| Total          | 120.894        | 84 |             |        |      |

**Table 5.13 Descriptives**

Please indicate the frequency of use of the following selection methods in your organization.

- Psychometric tests

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.26 | .818           | .131       | .99                              | 1.52        | 1       | 4       |
| Total | 85 | 2.15 | 1.410          | .153       | 1.85                             | 2.46        | 1       | 5       |

**Table 5.13.1 ANOVA**

Please indicate the frequency of use of the following selection methods in your organization.

- Psychometric tests

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 57.924         | 1  | 57.924      | 44.071 | .000 |
| Within Groups  | 109.088        | 83 | 1.314       |        |      |
| Total          | 167.012        | 84 |             |        |      |

**Table 5.14 Descriptives**

Please indicate the frequency of use of the following selection methods in your organization.

- Social media profiles

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.95 | 1.123          | .180       | 1.58                             | 2.31        | 1       | 5       |
| Total | 85 | 2.35 | 1.141          | .124       | 2.11                             | 2.60        | 1       | 5       |

**Table 5.14.1 ANOVA**

Please indicate the frequency of use of the following selection methods in your organization.

- Social media profiles

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 11.775         | 1  | 11.775      | 10.010 | .002 |
| Within Groups  | 97.637         | 83 | 1.176       |        |      |
| Total          | 109.412        | 84 |             |        |      |

**Table 5.15 Descriptives**

Please indicate the frequency of use of the following selection methods in your organization.

- References

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 2.82 | 1.189          | .190       | 2.44                             | 3.21        | 1       | 5       |
| Total | 85 | 2.76 | 1.054          | .114       | 2.54                             | 2.99        | 1       | 5       |

**Table 5.15.1 ANOVA**

Please indicate the frequency of use of the following selection methods in your organization.

- References

|                | Sum of Squares | df | Mean Square | F    | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | .224           | 1  | .224        | .200 | .656 |
| Within Groups  | 93.070         | 83 | 1.121       |      |      |
| Total          | 93.294         | 84 |             |      |      |

**Table 5.16 Descriptives**

Please indicate the frequency of use of the following selection methods in your organization. -

Tests (ability, technical, numeracy)

|       | N  | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean |             | Minimum | Maximum |
|-------|----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|       |    |      |                |            | Lower Bound                      | Upper Bound |         |         |
|       |    |      |                |            | No                               | 46          |         |         |
| Yes   | 39 | 1.00 | .000           | .000       | 1.00                             | 1.00        | 1       | 1       |
| Total | 85 | 1.76 | 1.120          | .121       | 1.52                             | 2.01        | 1       | 5       |

**Table 5.16.1 ANOVA**

Please indicate the frequency of use of the following selection methods in your organization.

- Tests (ability, technical, numeracy)

|                | Sum of Squares | df | Mean Square | F      | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 42.142         | 1  | 42.142      | 55.387 | .000 |
| Within Groups  | 63.152         | 83 | .761        |        |      |
| Total          | 105.294        | 84 |             |        |      |