

Case Study 5: How to make your SME attractive to international employees (Germany 2017)

Abstract

This case study describes an HR issue relating employer branding in a medium-sized enterprise in Saxony, Germany. The research problem is to find a way in which a regionally attractive employer can also become attractive on the international labour market and what contribution HR in the company can make to this. The case study aims to establish the steps of a recruitment process to help SMEs be more attractive to international employees.

The practical part of this case study focuses on applying theoretical HR knowledge to the case study company and to establish a step-by-step instruction for an ideal recruitment process.

Introduction

This case study summarises the results of the HR project work of a WHZ student team within the framework of the ERASMUS project SHARPEN (2017). The students collaborated with an SME in the Free State of Saxony. The research problem is to find ways that a regionally attractive employer can also become attractive on the international labour market and what contribution HR in the company can make to this. Employer Branding is the process of building an employer brand; it includes every activity of the company that makes current and potential employees think that this company is a great place to work (cf. McLeod, 2013, Sluis, 2009).

The Company

Lasertac AG is a SME located in a city of Saxony. The company uses the most modern technologies as well as efficient HR-structures. They have a team of specialists who develop machinery, processes and systems at the highest technical and technological level. Their systems have been effectively implemented in different high-tech industries worldwide. Photovoltaic, semiconductor, glass and display industries are just a few technologies that they have implemented in their framework. Their purpose is to fully satisfy the demands of their customers, even when it comes to the most complex projects. The company sticks to high performance and future-oriented processes with high production efficiency. International standards for true innovation were set by their technologies. Another point is that the company places great importance on steadily extending their know-how by keeping up with the latest research. Results are combined with customers' demands on a daily basis, so they are actually able to realise them in practice. Right now, they have got 190 employees and the average age of the employees is 36.5 years.

Organisational structure

Lasertac AG's organisational structure is divided into three different stages. Lasertac AG works with a hierarchal relationship where the CEO is the head of the organisation. He determines the responsibilities for all the positions beneath him, such as the Chief Technology Officer, the Chief Operations Officer, the Chief Financial Officer as well as the Sales department. Below

the Chief Financial Officer, they have got the Head of Human Resource Management, which is supervised by the CFO. So, if the Head of Human Resource Management comes to a decision, this will be reported back to the CFO and finally to the Chief Executive Officer.

A structure like this is mainly used in the management of big projects or processes that include product development. Its target is to use employees from various functional disciplines to form a team of qualified specialists.

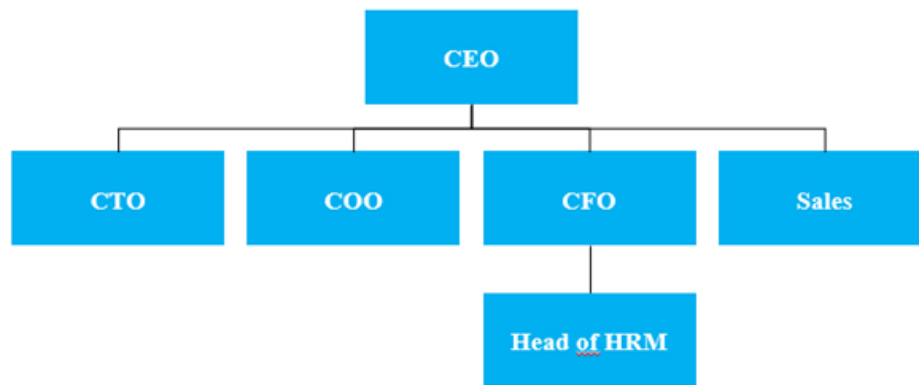


Figure 1: Organisational Structure Lasertac AG (source: own elaboration)

The HRM Priorities of the Company

HRM in the company covers various fields. There are two employees working in the HR-department. They make sure that the company is equipped with qualified employees. Besides that, they hold employee feedback talks on a yearly basis. They also set up competency models, which are related to their job descriptions, so potential applicants can see what is needed for the job as in educational degree, experience, special knowledge etc. Currently the HRM activities are predominantly local. It is important for the company to focus on the international aspect of recruitment. It has to be defined how and on which platform foreign people in the technological field of laser technology can be addressed. In addition to that, the company struggles to maintain contact with them between the signing of the contract and their first working day, especially when it comes to the contact between the company and foreign employees, which has to be improved. Another aspect that needs improvement is the aspect of integration. After employees from other countries have been recruited successfully it is important to integrate them into the workplace, both socially and professionally. Furthermore, training especially international and intercultural training is important for the company and the employees. They need training to improve the international performance of the company. With this overview of the current situation of the regional SME, four specific HR needs for the company have been identified:

- 1) Online Recruitment - international
- 2) Keeping contact between signing of the contract and first day of work
- 3) Integration of new employees
- 4) Further international training

Findings and Solutions

1) Online Recruitment - international

Within a good recruitment process the right number of applicants with the expected qualifications, for one or several jobs. Recruitment is known as “one of the activities that impact most critically on the performance [and success] of an organization” (Richardson n.d., p.1). According to Armstrong (2014), the recruitment process consists of 10 steps:

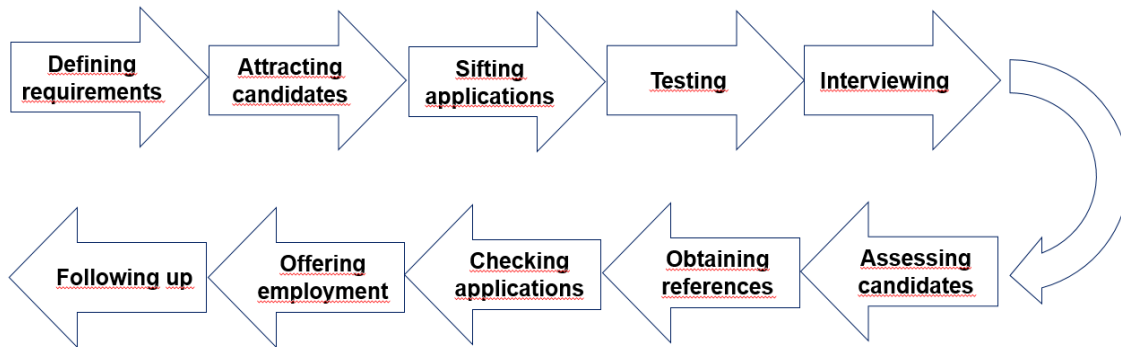


Figure 2: The Recruitment and selection process (source: Armstrong & Taylor, 2014, p. 226)

The recruitment process always starts with an analysis of the requirements for the company and in the same effect to develop the best way to attract suitable candidates to a job vacancy. After invitations to interviews, the applicants are tested and assessed to ascertain the most suitable candidates. Furthermore, the application papers have to be checked and the future employee needs to be chosen.

Lasertac AG is especially searching for engineers, students and industrial business managers for roles in the areas of project management, assembly and distribution. For their international business, the company needs employees that have good English languages skills and are willing to travel to their international customers and locations. The HR department already uses different online platforms for recruiting. Although the company gets mostly positive feedback for their online performance, the company needs a suitable platform to both attract and recruit suitable foreign employees, especially from Asia.

2) Keeping contact between signing of the contract and first day of work

After the process of recruitment and a final decision about an applicant has been reached, after several job interviews, it is very important to put effort into keeping contact with the future employee(s).

The aspect of keeping in contact with these employees can be depicted in the following model:

Table 1: Introduction of new employees (source: Stein, 2015)

Successful onboarding		
First Phase: After signing the contract and before the first working day	Second Phase: The first working day	Third Phase: Probation and induction
<ul style="list-style-type: none"> Preparation of the working place 	<ul style="list-style-type: none"> Offer orientation Offer information 	<ul style="list-style-type: none"> Construct induction plan

<ul style="list-style-type: none"> • Keeping in contact with the employee • Delivery of current information 	<ul style="list-style-type: none"> • Offer mentoring system 	<ul style="list-style-type: none"> • Regular feedback • Coaching, training, mentoring, evaluation
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According to this model, contact keeping is part of phase one of the onboarding-process. A good relationship between employee and employer already starts after the signing of the contract. On the one hand, it is necessary and a matter of politeness to inform the applicant that was not chosen for the job, of the decision. On the other hand, the applicant who is best suited to the job needs to be informed and provided with the most important information about the workplace that he/she will be working at, for example, contracts, certificates and time schedules. This will positively influence the employee and the future working atmosphere.

This exchange of information takes place through many different platforms. Of course, the traditional and still most common ways for communication between employers and their employees are phone calls or e-mail. But more and more companies, especially internationally operating ones, develop their use of more modern platforms, like video conferences to personally interact with the possible applicants.

These aspects will make the employee feel more confident when starting the new job, which can only benefit the company, the co-workers and the HR department. Only with good preparation of both employer and employees can a frictionless process can be guaranteed.

3) Integration of new employees

After the new employee has been recruited successfully, the company has to focus on the aspect of integration. The term can also be described as the “transition of new employees from the external to the internal sector of the company”, developing them into integrated and accepted members of the organisation (Lohaus & Habermann, 2016, p. 14).

Integration is often divided into both technical and social integration, which is shown in the following model:

Table 2: Tasks and targets of integration (source: Lohaus & Habermann, 2016, p. 15)

Technical Integration	Social Integration
Integration and induction into the working tasks and working place	Integration into the team and the organisation
Goal: Quick and successful accomplishment of the company's working requirements	Goal: adaption of the organisation's values for feeling comfortable in the company

This theoretical framework of the aspect of integration has a special meaning for Lasertac AG when it comes to the integration of foreign employees.

4) International and intercultural further training

In order to enter a more global and international market and, most importantly, succeed in it, it is important to combine both aspects of training and internationality. Training does not only

take place within the job, but also prior to the job. Both foreign employees and employees who work at foreign locations will particularly benefit from international training so that they can prepare for the international aspects of their jobs. It also has to be taken into consideration that HR Managers also need training to help them interact with foreign applicants and employees. Possible international training methods include (Dowling, 2017, p. 179):

- Assessment centres
- Field experiences
- Simulations
- Sensitivity training
- Intercultural web-based workshops
- Extensive language training

Language training is especially important for the company. English is known as the language of world business and therefore needs to be present in their company, especially when they interact with foreign customers and locations.

Furthermore, Lasertac AG already has six-month induction programmes to promote professional competencies, manners, and hard and soft skills. Those programmes are very job-specific and include employee meetings once a year, in which it is determined what kind of training the employees already have, how well they worked and which training they still need. The SME gives their employees opportunities to improve both professional and language skills. The company also offers method training and management workshops if they suit the job. It is also very important to integrate foreign employees into the training programme. They need specific training within the six-month-long induction process.

Practical Tools for the regional SME

Below is a step-by-step guide on how to attract international employees and is illustrated in order to facilitate this process for SMEs. More detailed information on each step can be found below the illustration.



Figure 3: Summary of steps for SMEs to attract international employees (source: own elaboration)

First step: Create an attractive career page on the company website

The SME has a career page on their website, but it is not as good as it could be. The career page is compact and easy to use. The human resource specialist is named as the contact person and job offers are inserted immediately. These points can be interpreted as positive. But to attract new employees it could be a good idea to share more information about the jobs and apprenticeships that are offered, and the special competencies the company is searching for. Actually, there is a job ad for a Project Manager available. The job ad is clear and sums up all necessary facts, but it could better illustrate the new task area more precisely and give some examples about the projects that the new employee has to lead.

To attract new employees the company should show some pictures and experiences from the skilled staff. Referring to the job ad for a Project Manager, sharing a picture of a customer meeting between a Project Manager and a Chinese customer, or a personal experience report from a skilled Project Manager from the existing staff could be a good opportunity to give an impression of the new task field to possible candidates. It is an opportunity for the candidates to get some personal information about their new jobs and the new workplace.

Second step: Prevent social media accounts from “dying”

The company has accounts with Facebook, Xing, LinkedIn, YouTube and Twitter, but they need to share more interesting information there. If they only post once in a month it is not enough and so everyone will think it is “dead”. Social media is the most suitable way to attract new employees all over the world, in a short time and without a high cost. At first, they have to improve their presence on social media. In addition to the job ads, they can post something about the benefits of the company as an employer and give invitations to job fairs or other events. Online recruitment, especially through social media, is a really quick process, so the company has to ensure that requests from possible new employees get answered immediately. Thus, it is a good idea to name an employee that takes responsibility for that.

Good advice exists for using social media to recruit new employees. At first it is very important to share interesting information about the company. What are you doing? Which new technologies and machines do you offer? Are there any upcoming events in the next few days?

Another important point is to build an employer brand and to share all the great benefits of the company. Are there any special working conditions like flexi-time or special additional training or career opportunities? Are there any financial incentives? What about the working climate and the team the new employee will belong to?

It is important to make sure the company is known in their specific field/sector. It can be a good idea to use headlines, photos and videos to share a job ad online. Giving your job ads a special headline makes it more likely to attract the attention of users. You can include pictures to aid visualisation and give the applicant an impression of the new workplace. Other advice is to share video podcasts to address the applicants personally. All necessary facts about the available job position have to be included. Facts about the new employment e.g. information about the task area and the working conditions have to be clear and included into the job ad.

It is really important to name a contact person and make sure that the applicant can contact them easily. All social media accounts should be supervised by a professional. The best way to give applicants the opportunity to get in contact with your company is a link to your own website. In a job ad on social media you can also share a link to an online application form. Through this the user is able to apply directly after reading the announcement.

The SME should open an account with Instagram because they do not yet have one. An Instagram account is easy to create and to maintain. All posts on this platform can be shared on other social media accounts immediately, so this can be a time-saving method to spread information easily on different accounts by creating a single post for all of them. Instagram is also a great opportunity for networking. Lasertac AG is able to set links to other companies or events, in which they can take part and support job vacancies there. In an Instagram post the regional SME is able to include referrals to their career page or lead the viewer to application forms directly, which offers an easy way to apply for all possible candidates.

Third step: Focus on specialised job boards

This practical tool is about specialised online job boards. Lasertac AG has collaboration with a technical university and uses their noncommercial internal job board for recruiting. Our university - the University of Applied Sciences - can also be a useful address for online recruiting. The University offers a course of studies called "Language and Business Administration German-Chinese". Students in this course have skills in business management and also language skills. It includes an exchange programme and both sets of students, from Germany and also from China, speak both languages fluently and they know the special cultural differences very well. Within an internship, college students are quickly available and both sides will benefit from this employment. The University of Applied Sciences also offers a non-commercial job board called "career service" where the regional SME Lasertac AG is allowed to place job ads for free.

There are specific job boards for different professionals, so the company should search for applicants and run online ads actively in the right place. The company can place an ad on an online job board, which only deals with, for example, engineers or mechatronics. Online job

boards offer the opportunity to search for special criteria, so the company can find the most suitable candidates in a short time. During the project work we have discovered that there is a special online job board for the exchange of Chinese and German employees. This job board is called Sinojobs and fits the needs of our regional SME perfectly. Sinojobs is a commercial job board and the leading recruiting portal for Chinese and European professionals and executives. The company can share their available jobs there and search actively for suitable candidates, too. In addition to this, sinojobs organise a special recruiting fair called "Sinojobs Career Days". If the regional SME decide to take part in this event it could be a great opportunity to contact candidates, headhunters and other companies.

Fourth step: Invest in online recruitment software

Investment in good recruitment software is the most important factor for successful online recruitment. The software lessens the time-to-hire, the cost-per-hire and the whole recruitment process. Here we have a little contradiction to the needs of the company, because the SME is not able to spend much money on their recruitment process. However, the company will surely profit from this investment in a short time.

If you use online recruitment the selection process is carried out online. There is much software available that is able to compare the company's needs with the skills of the candidates and sort out the most suitable ones. For this first selection, you do not need a human resource specialist. The software is able to fulfill this task immediately after the application has been received. The candidate gets an email about the result. If the result is negative, the person has certainty and does not have to wait any longer. If the result is positive the software can send a link to another selection programme, for example, a test or an invitation to an assessment centre. Online recruitment software speeds up the whole recruitment process, which is a really important aspect for the company.

Tests or assessment centres, which can be completed online are comfortable for foreign employees. They are able to pass through the selection process without traveling, which is a very important factor for our regional SME and their need for foreign employees. Special software is also able to analyse the results of the tests and can also send an email response immediately.

After the tests have sorted out possible candidates, the company can do job interviews to get to know the candidates better. Job interviews can also be arranged and/or carried out online. The company can use special software e.g. Skype or other facetime programmes. This method enables a personal conversation no matter where you are. Finally, the company offers employment to the most suitable candidate offline.

For this they have to create an attractive career page on their company website and share interesting information on social media accounts. Furthermore, they have to search actively on specialised job boards, e.g. Sinojobs for new employees and they have to invest in professional online recruitment software to improve their recruitment process for foreign applicants.

Contact Keeping

Contact keeping is a very big part of the drive to retain new employees. After the process of recruitment and the final decision about an applicant has been made following several job interviews, it is very important to put effort into keeping contact with future employees. One important solution for retaining employees from other countries is improving the model of contact keeping. New employees that they want to gain and retain are preferably from China or the United States. That is a reason why it is very difficult to stay in personal contact with them between the phase of signing the job agreement and actual start of work. Lasertac AG can keep contact with its new employees by means of the following methods:

Online methods:

- Invite new employees to like and follow your social media accounts
- Set up an online platform for the new employees
- Provide a communication platform for existing and new employees
- Share small videos about new developments of the company

Offer international/ intercultural/ further training:

- Perform training at this time to close the gap
- Send a German contact person to Chinese training centres
- Arrange team-building measures abroad
- Organise a trip for the new employee to get to know the new workplace

Additional possibilities:

- Assistance in finding an apartment and re-registration
- Send employee newsletter via email
- Actively show your interest in your new employee (e.g. asking how it is going)
- Sending birthday wishes or wishing happy holidays

Foreign employees are gaining their level of knowledge through seminars, training, mentoring or working groups in the chosen foreign country by means of outsourcing. This level of knowledge can be tested as a part of contact keeping. Furthermore the employer can query some facts that the new employees should already have learned while doing training. In summary, contact keeping provides a good opportunity to check the knowledge of the new employee, as well as give them the feeling of being already a part of the company.

Research Methodology

The methodology was based on interviewing one of the company's HRM specialists. The methods are interview-based and consist of qualitative and quantitative research methods. The interviews were carried out using a questionnaire. In addition, accessible corporate documents and online information were analysed.

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