LEARNING OBJECTIVES

After reading and studying this chapter, you should be able to do the following:

6.1 Describe workforce planning and its role in HR.
6.2 Identify what recruiting is and its key components.
6.3 Describe the three stages of recruitment and what takes place in them.
6.4 Explain the various aspects of diversity in recruiting.
6.5 Understand recruitment results (both positive and negative).

HR in Action: The Case of Labor Shortages for Basic Services

You may not reflect on all the steps that the water you drink goes through before it comes out of your kitchen faucet. However, water treatment plant and system operators do. They monitor operating conditions, meters, and gauges among several other things at water treatment plants to make sure what you drink is safe. The job requires a high school diploma or equivalent and a license.

Job growth is brisk, with 7,000 new job openings expected by 2024. With that said, local and state governments around the United States are worried about whether they will be able to successfully fill water infrastructure positions, as a labor shortage is projected in this field. In fact, water treatment worker is one of the jobs most at risk in terms of not having enough qualified candidates, according to an employment report by the Conference Board. Websites seeking to attract applicants for the water treatment industry boast that such jobs require no college degree, offer good opportunities for advancement as well as great pay and benefits, are resistant to recessions, and provide the ability to benefit society. It remains unclear whether or not increased automation may be able to help employers meet demands with fewer workers.

Other basic services jobs also have challenges. For example, the electric power industry is plagued by staggering estimates of 30% to 40%
of its entire 400,000-person workforce being eligible to retire. The nursing profession has similar issues, with job openings continuing to grow due to the aging population in the United States but new nurses not entering the profession quickly enough to keep up with demand.¹

Case Discussion Questions

1. What might employers do to help recruit more individuals into professions with potential labor shortages?

2. Local governments employ large numbers of people. What do you see as the potential pros and cons of working in a government job?

3. What do you see as a bigger problem, labor shortages (fewer applicants than jobs) or labor surpluses (more applicants than jobs)? Explain your answer.

This chapter discusses the basics of workforce planning and recruitment. By hiring, retaining, and supporting a workforce diverse in terms of KSAs, gender, race, religion, age, sexual orientation, physical abilities, and other characteristics, employers can achieve better business results and, if done correctly, minimize the chances of costly lawsuits. Having diverse employees and creating a culture of inclusion are good for business. Studying this chapter will give you the knowledge and tools to engage in effective recruitment.

Understanding the Labor Landscape

LO 6.1 Describe workforce planning and its role in HR.

Workforce planning and forecasting are important parts of effective human resource management. To survive in both good and tough times, organizations that successfully plan for future needs can navigate challenging times and avoid some of the labor-related surprises that are likely to occur over time. Engaging in the process of workforce planning can help eliminate (or at least decrease) surprises, smooth out business cycles, identify problems early, prevent problems, and take advantage of opportunities.² While no amount of planning can be 100% effective, planning and forecasting can help organizations avoid some obvious challenges out on the horizon. Plus, solving a talent problem that is years away from happening is much easier than trying to respond to one that is immediate. So what exactly is workforce planning and how is it done?

Workforce Planning

Workforce planning refers to the process of determining what work needs to be done in both the short and long term and coming up with a strategy regarding how those positions will be filled (Figure 6.1). Workforce planning is linked to strategic goals in many ways. If the organization is considering entering a new industry sector, it will need to understand what skills are necessary to be successful in the new industry. For example, when Future Mobility Corp (a Chinese start-up backed by Tencent Holdings) decided to enter the electric vehicle...
market, it needed new expertise. It decided to acquire expertise in this area by hiring the entire electric vehicle development team from BMW. Whether this decision was effective remains to be seen, but it is an illustration of a strategic acquisition decision.

This chapter is especially focused on the role of recruitment in workforce planning, and a key step in this process is forecasting. **Forecasting** refers to the act of determining estimates regarding what specific positions need to be filled and how to fill them. This analysis includes understanding internal and external talent supply and demand, labor costs, company growth rates, and revenue. The forecast can be as detailed or general as makes sense for the organization depending on how volatile or stable the organization, industry, or economy is at a given point in time. However, even positions that have historically been easy to fill may become challenging to fill over time as the workforce ages, unemployment rates decrease, or positions change in terms of how attractive they are to potential applicants.

The next step after engaging in a thorough forecast is to set recruitment-specific goals that are aligned with the organization’s strategic plans. The overarching goal is to identify and attract qualified applicants while avoiding problems associated with labor shortages or surpluses. Many questions should be answered (Figure 6.2). For example, what skills are needed? How many of those skills exist already within the organization and how many are new? What are the forecasted attrition rates during recruitment and selection as well as turnover rates, and how might they affect recruiting goals? The next step is to develop recruitment processes to achieve these goals. This is followed by implementation and, finally, evaluating the recruitment process for ways to improve or alter it for the future.

**Succession Planning and Leadership Development**

**Succession planning** refers to the active forecasting of leadership needs and the strategies for filling them over time. **Leadership development** refers to the formal and informal opportunities for employees to expand their KSAOs.

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**FIGURE 6.1 Workforce Planning and Recruitment Process Steps**

Each step of the planning process is important for long-term recruitment success.

- **Forecast**
- **Set recruitment goals**
- **Develop the recruitment process**
- **Implement the recruitment process**
- **Evaluate the recruitment process**

---

**Forecasting**

The act of determining estimates during workforce planning regarding what specific positions need to be filled and how to fill them.

**Succession planning**

Taking stock of which employees are qualified to fill positions that are likely to be vacated soon.

**Leadership development**

The formal and informal opportunities for employees to expand their KSAOs.

---

**FIGURE 6.2 Sample Questions for Workforce Planning**

Workforce planning requires asking and answering key questions.

- **What skills do we have internally? Which do we need to hire?**
- **How will this change over time?**
- **How do our jobs compare to competitors’?**
- **How tight is the labor market?**
- **Where will we find our applicants?**
- **Who is eligible to retire? When are they eligible? Who will replace them?**
- **What metrics should we use to evaluate recruiting?**
- **How many new positions do we need to fill?**
their KSAOs. It is important to recognize that both recruitment and retention are tied to whether potential employees and existing employees perceive that there are developmental opportunities in the form of training and promotion. It is important to consider succession planning in terms of what KSAOs an employer will need, when they will need them, and how to develop employees so that transitions in leadership occur smoothly. Doing so is part of effective workplace planning. At a minimum, organizations need replacement planning to identify a minimal plan of individuals to take over top leadership roles over time. Succession planning involves both the identification and training of individuals who might serve as replacements of top leaders within the organization. Finally, succession management refers to identifying and developing successors at all levels of the organization.4

**Labor Market Conditions**

Labor market conditions refer to the number of jobs available compared to the number of individuals available with the required KSAOs to do those jobs. Earlier chapters referred to various Bureau of Labor Statistics (BLS) analyses, findings, and projections. The U.S. Department of Labor oversees the BLS, which is “the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making.”5 One of the important functions provided by this research arm of the Department of Labor is to help organizations understand labor market conditions, as this is a fundamental aspect of workforce planning and recruitment strategies.

**Workforce Labor Shortages**

Workforce characteristics may influence recruitment in various ways, including through labor shortages and surpluses. A workforce labor shortage refers to labor market conditions in which there are more jobs available than workers to fill them. When there is a labor shortage, there is a “tight labor market,” with recruiters consistently reporting that finding skilled job candidates is harder. For example, organizations seeking to hire women in the computer sciences face serious recruiting efforts, as women accounted for only 18% of college graduates with this degree, down from 37% in 1984.6 A decreasing unemployment rate is one signal that labor market conditions may become more challenging for employers. The United States, Canada, Germany, and Japan have been experiencing falling unemployment rates, which can signal employment challenges.7 In 2016, 69% of recruiters surveyed within the United States reported a lack of skilled candidates in the labor market as the largest obstacle to hiring. Labor shortages may change what applicants are offered. Surveys of recruiters indicate that job candidates are more willing to ask for higher salaries—especially in the technology and health care sectors. In response, 68% of companies have increased the average salary offer made to job candidates in 2016 compared to 2015.8 It is important to keep in mind that although the overall employment rate is one indication of labor availability, there can be dramatic differences between jobs, industries, and even locations depending on the requirements of the jobs. For example, when Amazon announced plans to add 100,000 new jobs over 18 months, it was good news for those looking for a job, but it was a situation that put added pressure on the labor market where the company was hiring.9
**Workforce Labor Surpluses**

*Workforce labor surplus (slack)* refers to labor market conditions in which there is more available labor than organizations can need. Such a situation can result in high unemployment rates and make finding a job tough for individuals. This can be nationwide, or it can happen within specific regions or areas. For example, the logging industry was greatly curtailed in the Pacific Northwestern United States in the 1980s. Similarly, manufacturing jobs available have decreased in America’s Midwestern states. Under such labor market conditions, the challenge becomes matching the skills needed to do the jobs with those in need of employment. Programs such as job retraining and educational reimbursements represent some ways that organizations and, at times, the government can seek to align skills in the local labor market more with local labor demands. Organizations facing a workforce labor surplus in their area or industry have an easier time finding employees to fill their positions. However, organizations must often compete for those with key skills.

**Talent Analysis**

A *talent analysis* refers to actively gathering data to determine potential talent gaps, or the difference between an organization’s talent demand and its available talent supply (Figure 6.3). The talent supply, more often called a *talent pool*, is a group of individuals (employees or potential applicants) who possess the KSAOs to fill a particular role. As you can imagine, determining the needed KSAOs comes from job analysis information. Understanding the current and future talent needs is an important aspect of this analysis, as is understanding the current internal labor pool (those who already work for an organization) and future external labor pool (those who do not currently work for an organization but who might be...
hired in the future). For example, Boeing uses predictive workforce modeling techniques to predict and fill talent gaps before they develop. It considers several factors such as business trends, associated workforce skill needs, internal workforce demographics such as skill populations, job levels, age and retirement eligibility, economic trends, and expected employee life cycles.10

One way that the talent pool can be increased is via immigrants to the United States. Data show that more than 26 million individuals who were born outside of the United States were legally employed in 2015.11 Immigrants serve as a major talent supply if they possess skills that are in demand.

The Recruiting Process

**LO 6.2** Identify what recruiting is and its key components.

**Recruitment** is the process of identifying and working to attract individuals interested in and capable of filling identified organizational roles. These individuals may be from either the external or internal labor markets. When it comes to recruitment, both quantity and quality matter. It is a mutual decision-making process on the part of both employers and individuals, with organizational representatives considering such factors as needs, costs, and timing and individuals considering factors such as their reactions to the recruitment process, location of the job, and organizational reputation.

**Why Recruitment Matters**

Effective recruitment is a critical aspect of organizational success. Reasons for this include innovation, firm performance, and organizational culture.12 In fact, recruitment has consistently been identified as one of the most impactful HR functions.13 As you may recall, HRM is defined as *the decisions and actions associated with managing individuals throughout the employee life cycle to maximize employee and organizational effectiveness*. Recruitment is the start of the employee life cycle and the source of human capital within an organization.

**Recruitment Strategy**

A recruitment strategy is the formalization of the recruitment process at a given organization. It includes recruitment objectives, strategy development, recruitment activities, recruitment results, and understanding the intervening job applicant variables, which may influence any of these factors.

**Recruitment Objectives**

Identifying recruitment objectives, or goals, at the start of the recruitment process sets the stage for the next steps. Objectives might include the number and qualifications and characteristics of applicants, time frame for recruitment, and how effective recruitment will be determined.
Strategy Development
There are many elements of a recruitment strategy, but overall, this is where needs are articulated, including whom to recruit, where to find them, how to reach them, who will interact with them, and what they will be offered to join the organization. Recruitment need refers to the results of the workforce planning process in terms of what KSAOs are needed within the organization as well as when they will be needed. Placement refers to two aspects of strategy development. First, where do we need the talent to be placed? Where in the organization are employees needed? Second, where will they be found? Will these be internal or external hires? Is the talent pool sufficient, or do steps need to be taken to develop the necessary talent?

Recruitment Activities
Recruitment activities include which methods will be used, what information about the job will be conveyed, and the details of the strategy developed in the previous step. One opportunity to make recruitment more effective is to closely align the recruitment process to selection and onboarding. Many organizations focus so much time and attention on recruiting that they forget how important it is to have everyone on the same page regarding what the job entails, what is expected of new employees, and what they can expect when they enter the organization. Research shows that the more highly these are aligned, the more effectively new employees adjust to their jobs.14

The Role of Recruiters in the Recruitment Process
Recruiters are an important part of the recruitment process. In addition, a hiring manager is defined as the person who asked for the role to be filled and/or whom the new hire will be reporting to as his or her manager. Recruiters and hiring managers are the gatekeepers of the hiring process and, in the best case, are working as partners during the recruitment process. The goal of the selection process is to obtain large pools of qualified applicants. However, recruiters and hiring managers can become inundated with large numbers of applications, overburdening hiring personnel with more applications than they can process. This can result in nonstrategic, suboptimal decision making as, in general, decisions made under tight timelines are more likely to result in little thought on the part of decision makers, and research has shown that placing increased information-processing burdens on decision makers allows biases to enter the decision-making process.15

Further, recruitment decision makers need to feel confident that they can rely on the assessment solutions (e.g., employment tests, interviews) that they are using in the hiring process to help them find the best candidates possible. Assessment solutions need to be valid predictors and legally defensible. In other words, recruiters need assessment systems that can provide large numbers of qualified applicants but that can effectively and efficiently determine who the best applicants are. Addressing these issues for recruiters will do much to increase the cost–benefit analysis of the hiring process.16

Considering the role of recruiters is important to understanding organizational effectiveness at attracting talent. Overall, the job of recruiter is seen as a desirable one. Corporate recruiter has been listed as one of the 50 best jobs in the United States based on salary, job openings, job score, and job satisfaction ratings.17 But recruiters are human, which means that their effectiveness is subject to their strengths and weaknesses pertaining to their attitudes, decision making, and other behaviors. For example, have you ever wondered how
the use of photos in social media affects the recruiting process? Photos can send positive or negative signals to recruiters, 41% of whom say that seeing a picture of a job candidate before they meet in person influences their first impression.\(^{18}\) Even more potentially damaging are photos focused on alcohol and a perception by a majority of recruiters that “over-sharing” on social media sites counts against an applicant. Impressions do not end there. Researchers in Belgium studied the influence of attractive profile photos on Facebook and found that candidates with more attractive photos obtained 38% more job interview invitations than those with less attractive photos.\(^{19}\) Recent recruiter surveys indicate that typos, drug use, body odor, and dressing too casually for interviews negatively affect hiring decisions.\(^{20}\) Factors that led to favorable impressions included applicant enthusiasm, command of job requirements and skills, culture fit, and strong conversation skills.\(^{21}\)

### Stages of Recruitment

**LO 6.3** Describe the three stages of recruitment and what takes place in them.

The stages of recruitment move through a recruitment funnel (see Figure 6.4) in which the number of participants gets smaller the further down the funnel the applicant goes. It is important to understand how critical this recruitment funnel is. This is because only those individuals who become applicants can ultimately be hired, so the initial applicant yield ratio (how many ultimately hired compared to those who applied) is important. The goal is to get a large number of qualified applicants from which the employer can choose. Further, any applicants who remove themselves from the process cannot be selected, so keeping applicants’ interest so that they do not drop out is important. Understanding this concept is helpful as we discuss the recruiting process.

At its most basic level, the idea behind the recruitment funnel is that the number of applicants needed at the start of the selection process is much larger than the ultimate number of hires made (see Figure 6.4). While every organization will identify its own ratios for success based on its workforce planning and actual number of hires per applicants, it is clear that as applicants move through the selection process and the best applicants are identified at each selection hurdle, fewer and fewer applicants are considered further. How wide or narrow the recruitment funnel is depends on the number of employees needed and the level of skills needed to perform the job. For example, when hiring a retail employee to help customers and ring up sales, there are often fewer requirements than when hiring a mechanic to fix cars. That is because retail employees can be more easily and quickly trained compared to mechanics, who take years to perfect their craft.

There are three fundamental stages of recruitment:

1. Identify and generate applicants.
2. Maintain applicant interest and participation as they continue through the assessment process. During recruitment, the organization is trying both to assess and to attract the best job applicants.
3. Influence job choice so that desired applicants are willing to accept offers made to them.
CHAPTER 6  Workforce Planning and Recruitment

Generating Applicants

Generating applicants is an important first step to the recruitment process. It is one that has also garnered a great deal of well-deserved attention, as it represents a substantial investment of both time and money on the part of the recruiting organization (see Figure 6.5). Generating applicants determines the talent pool that will be considered for positions within an organization. Following are some important considerations, starting with applicant quantity and quality.

Applicant Quantity and Quality

It is important to understand that there are two major goals within the first stage of the recruitment process.22 The first goal is quantity: Generating a sufficient number of applicants during the first stage of the recruitment process is important for several reasons, including that the effectiveness of the selection process depends on having a large enough talent pool that has the skills needed to do the job and meets other strategic needs such as diversity and succession planning. We know that lower selection ratios—and how “choosy” the employer can be—are achieved by attracting large numbers of applicants. It is not clear whether the relationship is causal. It may be that well-run and profitable organizations are more attractive than other organizations. Nonetheless, this does highlight the importance of having sufficient numbers of applicants.

The second goal is quality. Quality relates to applicants having the requisite skills needed as well as representing a diverse pool of applicants. Research shows that low selection ratios are associated with positive organizations’ financial performance.23 As such, in addition to applicant quantity, applicant quality is important.
Realistic Job Previews

One important function of the recruitment process is to attract individuals to apply for jobs and be inclined to take a job if offered one. High turnover rates can create recruitment challenges, as the organization needs to constantly recruit and hire new employees. An important consideration is to attract individuals to the job and organization while also being realistic enough that once they begin the job, they will not be disappointed and quit. One way in which organizations and researchers address these concerns is the realistic job preview (RJP), which offers potential applicants a realistic, and sometimes unappealing, view of the actual job.

For example, the Indiana Department of Child Services created a 35-minute video that frankly outlines the challenges and frustrations along with the rewards and joys of the job of child services caseworker. It starts with a warning that “due to mature subject matter, viewer discretion is advised.” It includes references to the job being “rewarding, complex, stressful, and sometimes a bit frightening.” On a lighter note, the Walt Disney Company shows job candidates a film depicting what it is like to work at Disney and outlines its employment policies and conditions. Some candidates self-select out of the recruitment process based on viewing this film, deciding it is not a good fit for them.

Research regarding RJPs has been mixed, with some studies finding support and others finding no appreciable differences between those who experience RJPs during recruitment and those who do not.

One innovative example of an RJP is used by Zappos. It offers a financial incentive for new employees to quit after going through the training program, because it is only at that point that they can fully understand what the job would entail. Zappos effectively pays a new employee to quit if the employee doesn’t feel they are a good fit. Specifically, Zappos pays for time invested in training, plus $4,000 if the person doesn’t think it is the right position or company them. About 2% to 3% of employees take the offer.
Recruitment Sources

Perhaps no single aspect of recruitment has received more time and attention than recruitment sources. Deciding exactly how to reach potential applicants is both a strategic and a financial decision. Recruitment sources can be divided into two main categories: passive recruitment and active recruitment (see Figure 6.6).

Although research has been conducted around the globe in the hopes of identifying which recruitment sources are the most effective, what is effective for one organization may be less effective for another due to the differences in their recruitment strategies, brands, and industries. In addition, organizations may choose to focus on the recruitment of internal candidates or look for talent outside of the organization. A recent SHRM survey found that 25% of organizations filled positions with current internal employees and 75% with external hires.

Internal Recruiting Sources

Steve Kerr, senior advisor and former chief learning officer at Goldman Sachs, is quoted as saying, “It’s very odd to me. The assets walk home at night. If people are your most important asset, you ought to develop them. It is Goldman’s philosophy that not only do people have to be developed, it ends up being a huge competitive advantage.” He further argues that development can help with “recruitment as well as retention.” As noted earlier, succession planning is an important piece of workforce planning. Another benefit of recruiting for positions internally is that advancement and development opportunities can be attractive to current employees and help with retention. If you are able to redeploy talent throughout the organization rather than losing it, the organization is able to retain valuable organizational knowledge.

External Recruiting Sources

External recruitment refers to an employer’s actions that are intended to bring a job opening to the attention of potential job candidates outside of the organization and, in turn, influence their intention to pursue the opportunity. A key aspect to external recruitment is to identify the most effective external recruitment sources. Types of sources include external services such as search firms, employment agencies, on-demand recruiting services, alumni employees, and military transition services, as well as job postings such as those in newspapers, on social media, and on career sites. In addition, some organizations find that cultivating an employee pipeline to keep up with anticipated talent demands is useful.
Many attend college job fairs, work with college placement offices, and use internship programs. Another option is to consider non-U.S. citizens for hard-to-fill positions. This might include offshoring or visa sponsorship issues. Each of these sources has potential benefits and drawbacks that should be considered as part of an organization’s recruitment strategy.

**Webpages**
For most organizations, the webpage is a vital part of recruitment because it sends signals regarding what the organization is like and because it contains employment information. Public webpages may serve as recruitment sources for both internal and external applicants. Internal webpages, which are accessible by only current employees, are another important source.

**Unadvertised Jobs**
Although the following sections outline both internal and external recruiting sources, another key recruitment source is word-of-mouth listings. About 50% of positions are actually filled via informal channels and may never have been formally advertised or listed. As a best practice, we recommend making a recruitment pool as large as possible; however, there may be times when informal channels yield unique talent acquisition opportunities for an organization. It is important to consider the pros and cons of hidden job listings and informal hiring, although very little research has been conducted in that regard. However, hiring those one knows can lead to lower diversity in terms of approaches and ideas, can be perceived by others as unfair, and might run afoul of federal guidelines.
Internal Transfers and Promotions

Firms report filling positions with internal transfers and promotions a little more than 37% of the time. A key aspect of managing internal transfers and promotions is the use of an internal applicant tracking system (ATS), which offers a centralized way to house employee and applicant data in a single repository. This repository of data can then be linked with other HR information systems like that of retention and performance management to analyze the effectiveness of applicants from different recruitment sources, for example. It can also be used to track employee transfers and promotions over time.

Internal Job Boards

Internal job boards allow organizations to post available positions internally before the rest of the potential talent pool sees them. When internal candidates are given early consideration for positions, it can be good for morale and for mobility within the organization. In fact, some organizations invest a considerable amount to help existing employees find new opportunities within the organization because this may serve to help boost retention rates and retain top talent.

Alumni Employees

More and more organizations are considering rehiring former employees. The practice of employing “boomerang employees” who return to the organization is common in accounting and consulting firms. In fact, Deloitte conducted a study of alumni rehires and found that rehires saved them $3.8 million in search fees alone. For National Basketball Association (NBA) players, for example, research revealed that for players who left a team and later returned, success was related to leaving on good terms initially, being successful while they were away, and the terms of their reemployment. In general, research shows that rehires are less likely to quit and have an easier time onboarding back into the organization. Overall, nearly 7% of hires are former employees. Organizations can cultivate effective alumni networks in several ways, including by creating a website with a directory of members, job boards, and information about networking events and professional development. Microsoft traditionally has hired around 5% alumni employees each year. It launched the Microsoft Alumni Network in 1995, which currently has thousands of members.

Employee Referrals

An employee referral is a specific recruitment method that taps existing employees for potential applicant suggestions. Some firms such as Google pay existing employees a bonus for a successful referral. The average bonus reported is between $1,000 and $2,499. Other incentives might include a paid day off, gifts, or recognition at a staff meeting. Employers may give rewards immediately when referred employees are hired or after a set number of days of successful employment. They further work to ensure that current employees find the process pleasant by ensuring that referred individuals are contacted within 48 hours. This can be an effective way to recruit, because existing employees understand the organizational culture and job demands and are in a good position to suggest potential candidates they feel would be successful. When surveyed, 78% of recruiters reported that employee referrals helped them find their best candidates. Referrals account for more than 22% of applicants.
To help ensure that referral programs do not result in unfair hiring practices, SHRM recommends the following. SHRM also has an available online toolkit to help with designing referral programs.42

- **Reread legal recruitment guidelines.** This helps ensure that you are not unintentionally creating a system that is not consistent with existing laws.
- **Use a variety of recruiting methods when advertising job openings.** This will help keep the applicant pool more diverse.
- **Make employee referral programs open to the entire organization, not limiting them to specific employee groups, departments, or divisions.**
- **Evaluate all candidates—including employee-referred candidates—using the same qualification criteria.**
- **Conduct ongoing analyses of the workforce and the applicant pool to ensure that the employee referral program is effective and is yielding the intended results.** Included in the analyses should be diversity categories, the quality of hire, and resulting tenure from referrals. If the program is not meeting its intended goals and is negatively affecting workforce diversity, reevaluate it.

### Search Firms

Search firms are paid to find candidates to help organizations fill roles. Executive search firms focus on the upper levels of an organization. Some organizations use search firms to fill all their positions. Others use them rarely. Time Warner, Inc. hired thousands of senior-level employees from 2005 and 2012 but used an executive-search firm only once.43 Some industries, such as higher education, tend to use search firms to generate candidates for key positions like university president, provost, or dean. Search firms can also be used to fill open positions quickly in areas in which the organization does not have an established recruitment process or brand. For example, Apple hired a search firm to help it quickly staff its retail stores in China.44 Regardless of who is responsible for the actual recruitment, it is imperative that job expectations and qualifications are clear and accurate. Not doing so can lead to higher levels of turnover and frustration for those hired and organizations.

### University Relationships

New college hires often originate from recruitment strategies aimed at leveraging university relationships such as targeting specific universities, attending university job fairs, and developing internship programs. Some schools even host “virtual” job fairs so that a wider number of hiring organizations and students can attend at a lower cost.45 Research shows that job fairs have a significant impact on student perceptions of organizations.46 Such relationships work for current students but can be effective for university alumni relations as well.

Located in the 30,000-person rural town of Bozeman, Montana, RightNow Technologies, Inc. struggled to find enough qualified software engineers and marketing professionals. To aid recruitment efforts, the company turned to Montana State University, figuring that former students would be aware of the livability of Bozeman and might be interested in returning if offered the right opportunity. This led RightNow to purchase a list of alumni...
from the school to recruit directly, which yielded such success that other firms in the area have adopted similar practices.\textsuperscript{17}

Rosetta, a marketing and advertising company, created a campus ambassador program in which past interns interested in staying involved with Rosetta were trained on the company’s recruiting process and recruitment message. It provided them with giveaways to help promote Rosetta’s brand and asked ambassadors to engage in specific programs such as conducting information sessions, participating in Rosetta’s campus visits, and providing referrals. In 2015, 26% of its past interns participated, and applications were up 7% that year.\textsuperscript{48}

**Internship Programs**

Internships can be an important tool for both organizations and students. For students, research shows that they almost double the chance of full-time job offers when they graduate. This makes sense, as many interns are eventually offered full-time employment. Further, those who have had internships earn more than those who do not, have lower turnover, and are more likely to report that their college degrees helped prepare them for their careers.\textsuperscript{49}

Research shows that organizations that want to hire interns tend to be more open to their creativity, which helps to attract interns who are interested in full-time jobs after graduation.\textsuperscript{50} In a 2015 recruiter survey, 55% of respondents reported that intern-to-hire programs led to their best hires.\textsuperscript{51} Some organizations invest heavily in their internship programs (see Table 6.1).

Internships are also very successful recruitment tools for small- and medium-sized businesses. Resources for setting up internship programs can be found on the National Association of Colleges and Employers (NACE) website (http://www.naceweb.org/internships/15-best-practices.aspx).

Best practices include

- providing interns with meaningful work assignments,
- holding orientations,
- providing a handbook or relevant website for addressing rules and frequently asked questions, and
- conducting exit interviews at the end of the internship experience to learn how it went and ways to improve future internship experiences.

**External Job Boards**

External job boards have made advertising jobs much easier than it has been in the past. They have largely replaced the

<table>
<thead>
<tr>
<th>TABLE 6.1 Which Organizations Have the Most Prestigious Internships?</th>
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<tr>
<td>Vault.com surveyed 13,000 current and former interns and asked them to rate the prestige of companies on a 1-to-10 scale. The research methodology used to compile this list included only large companies.</td>
</tr>
<tr>
<td>Here are the results for 2019:</td>
</tr>
<tr>
<td>2. Apple, Inc.</td>
</tr>
<tr>
<td>3. Microsoft Corporation</td>
</tr>
<tr>
<td>5. Facebook</td>
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</tbody>
</table>

idea of placing help-wanted ads in the newspaper. Online job boards allow organizations to post for current and potential jobs, direct applicants where to apply, and provide specific information to help applicants narrow down potential positions via a number of search parameters such as location, job requirements, or pay. Types of job boards range from those with jobs in all categories such as Monster.com (one of the oldest job boards), Glassdoor.com, and Indeed.com to more specific job boards such as AllRetailJobs.com or www.truckerswanted.ca, the latter of which is specific to the trucking industry in North America and free for both drivers and companies to use. ZipRecruiter.com allows organizations to post to more than 200 job boards at once. In the United States, nearly 10% of hires were found via job boards.52 Globally, perhaps the largest job board is China’s job51.com website, which reports having 81 million registered individuals, with 72 million résumés contained within its database.53

Social Networking Sites
Each day, millions of people spend time on social media. These sites allow organizations to dramatically widen their reach when it comes to recruiting. Social networking sites such as Instagram, Twitter, Facebook, and Snapchat vary in the degree to which they have traditionally been considered recruitment sources. It is hard to ignore the trend toward social networking sites being an important source for potential talent and networking. These sites are large and continue to add members. For example, LinkedIn reports having 530 million members.54 On average, upward of 60,000 jobs are posted on Twitter daily.55

Using social media can help pinpoint specific skills and more narrow needs. For example, PepsiCo shares job openings and responds to candidate questions on Twitter.56 Innovis Health runs specialty clinics in Minnesota and North Dakota. To help with physician recruitment, this company loads videos to YouTube to show potential recruits what the facilities look like and how they operate.57 In China, Marriott launched a promotional campaign to help staff 20,000 positions in its new hotels. Marriott found that videos featured on its website as well as launching a social game online to allow users to virtually manage their own restaurants as a way of exposing them to Marriott’s customer service principles were helpful.58

Employment Agencies
Employment agencies vary a great deal in terms of the services they offer and roles they perform. For example, they might engage in roles such as information provider, matchmaker, or administrator. Employment agencies also provide employers with flexible workers. Flexible workers include contract, contingent, and part-time workers, who account for a little more than 16% of hires.59 Further, within the United States, 81% of organizations report using flexible workers.60 Staffing firms, also known as temporary employment agencies, can help organizations fulfill workforce needs and handle the administration of employees needed for only a short period of time. However, it is important to remember that those employers considering working with agencies should follow guidelines to ensure they work only with reputable firms, document any agreement with the agency with a written contract, and ensure that the staffing agency controls all aspects of the working relationships such as setting hours, paying their employees, and complying with employment laws.61 Some organizations such as T-Mobile have turned to temporary workers to fill permanent positions such as engineers and technicians.62 Regardless, organizations should continue to
work to make sure all employment decisions comply with all antidiscrimination and similar laws even for temporary workers hired by staffing firms.

**Freelance Employees**

The gig economy is growing every year. As more and more individuals are choosing freelance work as their primary form of employment or as side employment, gig workers have become a viable source for organizations to find desired skills. Although previous chapters describe the pros and cons associated with hiring freelance employees, it is becoming easier and easier for employers to locate them using online marketplaces for work outsourcing. Sites such as Elance.com for business and engineering services, FlexJobs.com, Guru.com (which boasts 1 million jobs completed to date and 3 million freelancers), and GetAFreelancer.com help organizations locate the skills they need.

**Walk-Ins**

Only a negligible 1% of new hires come from applicants applying in person at stores or facilities. With that said, depending on the type of job, walk-ins may be an important form of recruitment source. For example, in retail and hospitality sectors, walk-ins occur with greater frequency. Typically, individuals apply in person at local companies when seeking part-time work. The formula is simple: Organizations receptive to walk-ins should be prepared with job application forms. Depending on how strong the need is, some organizations give managers the freedom to interview prospective employees on the spot. One obvious and low-tech way to indicate that you are interested in walk-ins is to post a “help wanted” sign in the window of the business.

**Recruiting for Diversity**

**LO 6.4** Explain the various aspects of diversity in recruiting.

Recruitment is covered by several laws designed to protect individuals from discrimination on the basis of their sex, race, age, or differential abilities. Laws such as Title VII of the Civil Rights Act, the Americans with Disabilities Act, and the Age Discrimination in Employment Act all serve to protect individuals. In addition to wanting to comply with legal requirements, organizations often also want to attract members of protected groups to leverage the positive aspects of having a more diverse workforce. In its survey of college employers, NACE found that 56% of respondents indicated that they have a formal diversity recruitment effort. In reviewing specific issues and research findings associated with different groups, we also recognize that individuals vary a great deal in the degree to which they identify with each group as well as how their specific constellation of demographics and beliefs influences their reactions to recruitment and organizational attraction.

One thing that organizations can do to ensure stronger diversity within the organization is to treat their existing employees well and to invest in their career development once they are hired into the organization. If your organization does a reasonable job of attracting a diverse workforce but is not able to retain such individuals, it might be time to examine other factors such as the organization’s culture and perceptions of how it is to work there from those on the frontlines. It can also be illuminating to do an analysis.
of who is leaving to see if the numbers are equally distributed across different groups. For example, ride-sharing company Uber found out that ignoring such issues can lead to decreases in a diverse workforce as well as create a public relations problem, thereby affecting the bottom line.66

Gender Diversity

Some industries have a more challenging time recruiting and maintaining women than others. The high-tech industry has had an especially tough time with recruiting and retaining women for many reasons. Research shows that women are less likely to engage in persistent job-search behaviors. This is consistent with findings regarding promotions within organization such as for Google, wherein women were less likely to put themselves up for promotions and less likely to persist if passed over the first time they applied.67 Nevertheless, organizations can enact key activities to attract and retain women at all ranks of the organization, including the creation of a united front in which the message and behavior are clear regarding how women are to be treated within the organization, the spreading of a wide recruitment net, the development of a female-friendly benefits program, the serious treatment of sexual harassment and gender discrimination, and the placement of women in positions of power.68

Recruitment is a process in which unconscious biases of both applicants and organizational decision makers may play a role, limiting diversity. This is particularly challenging because it is unconscious, meaning that employers may not be aware of how their recruitment efforts are not attracting a wide range of applicants. Conscious effort may be needed to reverse the effects. Research has shown that there are differences in how male- and female-dominated occupations advertise these positions, with traditionally male-dominated occupations using words such as competitive and dominant in position descriptions. Textio is a Seattle-based start-up that develops software to get around this problem by analyzing the text of job postings to make postings attractive to a diverse pool of applicants.69

The recruitment of greater numbers of individuals for jobs with labor shortages such as nursing has led to the ongoing need for the recruitment of men as well as women. At this point, men represent only 9% of the 3.5 million nurses in the United States.70 When it comes to gender diversity, it is not solely a male or female issue. The key is to give everyone access to the same positions for which they are qualified. It is important that applicants are able to pass key selection criteria such as the ability to lift a certain amount of weight or to drag heavy hoses in the case of firefighters if those tasks are job related. Diversity management is an ongoing process. These examples highlight the importance of considering diversity along a number of key dimensions.

In 2019, the U.S. Military Academy at West Point graduated a record 34 Black women graduates.
Racial Diversity

Strategic ad placement can be an effective way to attract a more diverse applicant pool.\textsuperscript{71} In addition to where ads are placed, the content of those ads may influence applicant attraction as well. Research found that African American applicants were more attracted to organizations indicating that they emphasize a commitment to equal opportunity, access to training, and to recruiting applicants of color.\textsuperscript{72} Studies show that recruitment materials matter a great deal for applicants. For example, recruitment materials depicting employees of color have been found to attract African Americans and Latinos without negatively affecting Caucasian applicants.\textsuperscript{73} Further, when photos illustrated minorities in supervisory roles, positive effects were even stronger.\textsuperscript{74} An important consideration is to firmly align the recruitment message with the organizational reality. It makes no sense to recruit individuals with false promises of an organization that does not exist, because this results in an unrealistic job preview. Doing so creates a costly situation for both individuals and organizations and can serve to undermine diversity recruitment and retention in the long run.

Age Diversity

By 2030, 20\% or more of the U.S. population will be aged 65 or older. People are working longer due to longer life spans, and people of different ages will be working side by side as never before.\textsuperscript{75} This has implications for recruitment as more and more individuals are choosing to continue working and may go for “encore” careers. Research shows that there are few differences between the performance of older and younger workers. In fact, older workers are more likely to engage in organizational citizenship behaviors and have fewer unexcused absences.\textsuperscript{76} In a study examining common age stereotypes, researchers found that across all available data, few of the older worker stereotypes are true: There was no evidence that older workers were less motivated, more resistant to change, less trusting, less healthy, or more vulnerable to work-family imbalance, although they may be less interested in training and career-development activities.\textsuperscript{77} Additionally, given their extensive experience, older workers can be seen as bringing important human capital to an organization.\textsuperscript{78} Attracting more seasoned employees is becoming more attractive to many companies. Organizations are beginning to take notice. For example, Walmart approached AARP (previously known as the American Association of Retired Persons) in the hopes of recruiting older workers.\textsuperscript{79} Organizations would benefit from considering how the recruitment methods they use affect the diversity of their applicant pool. For example, the exclusive use of college recruiting programs may exclude older applicants and violate the Age Discrimination in Employment Act (ADEA). Similarly, using wording such as new college graduate and digital native may repel older applicants and may run afoul of ADEA.\textsuperscript{80} Further, recruiters play a key role, and they should be aware of their own biases against both younger and older applicants when making hiring decisions.

Veterans

There are approximately 22 million military veterans in the United States, making up 9\% of the adult population. Once service members leave active duty and enter the civilian job market, they represent another potential source of recruitment. Matching the KSAOs of
military positions to civilian positions, however, can pose a challenge within civilian organizations, because the job titles, duties, and requirements may differ greatly. In fact, in a SHRM survey, 60% of respondents indicated that they had experienced challenges related to the hiring of veterans for this very reason. Some companies see hiring veterans as an expression of goodwill. Others see it as a win-win to close their talent gap.

For example, Raytheon Company hires thousands of engineers each year. As part of the U.S. Army’s Partnership for Youth Success (PaYS) program, which connects new recruits with postservice jobs, Raytheon can hire qualified employees and get them security clearance, which is timely and can be expensive. Raytheon states, “Military professionals come to us with security clearances, and in many cases they’ve used our products, so they’re familiar with the company and our processes. That’s a big timesaver and cost-saver.”

Researchers suggest several strategies for success when considering veterans as a recruitment source, including:

- understanding (and modifying as needed) beliefs about veterans,
- hiring and training knowledgeable decision makers to work on recruitment,
- increasing the organization’s knowledge of military job-related tasks and KSAOs, and
- socializing veterans in the role requirements and norms of civilian organizations.

Spotlight on Legal Issues

GENERAL GUIDELINES FOR RECRUITMENT

The information here should not be considered a substitute for legal advice. The application and impact of laws vary based on the specifics of the case, and laws may change over time. We encourage readers to seek out legal advice if unsure of the legality of specific programs or actions.

When it comes to recruitment, legal issues are an important consideration. As the EEOC’s compliance manual says, “Who ultimately receives employment opportunities is highly dependent on how and where the employer looks for candidates.” For instance, disparate racial impact occurs when a recruitment practice produces a significant difference in hiring for protected racial groups. It does not necessarily matter whether such differential impact is intentional—just that it occurred.

Here are some questions to ask about your recruiting practices to help avert or curtail potential problems. Ideally, you will be able to answer yes to the following:

- Do you have standardized recruiting practices?
- Have you ruled out that your recruiting practices indicate possible disparate impact?
- Can you provide evidence that each of your recruiting practices is consistent with business necessity and is job related?
- Are you casting a wide net in your recruiting sources by using a variety of sources accessible to everyone?
- Are recruiters and agencies you work with familiar with discrimination laws and how to comply with them?
Differently Abled Individuals

The Americans with Disabilities Act (ADA) (1990) prohibits discrimination against a qualified applicant or employee with a disability. Determining who is qualified to perform the major functions of the job with or without accommodations is based on a job analysis. The ADA applies to organizations with 15 or more employees and defines a disability as a physical or mental impairment that affects one's major life functions. The key point to understand is that the ADA includes both applicants and employees, so it is in full force during recruitment efforts, and if requested, reasonable accommodations must be made in terms of all aspects of recruitment and selection. For example, an organization would need to make sure that the recruitment methods it uses do not exclude applicants with disabilities. If recruitment activities are conducted on a college campus or at a job fair, the location needs to be accessible. If online sources are used, it is important to ensure that applicants with visual and hearing impairments can complete the application process.

Recruitment Results: Evaluating Effectiveness and Metrics

LO 6.5 Understand recruitment results (both positive and negative).

Up to this point, this chapter has focused on various aspects of recruitment. Let's now consider some broader issues, including how to evaluate the effectiveness of recruitment efforts, how to keep applicants interested and motivated throughout the process, and how to choose the right job for the right applicant.

When it comes to measuring the quality of their college hires, the energy corporation Chevron says it looks at ethnic and gender diversity, schools attended, campus interview assessment scores, total internships the employee had, internships with Chevron, performance ratings, promotions, and turnover. As one of Chevron's recruiters says, "Being able to see what you're doing right and what needs attention is critical to the long-term health of your organization." Five principles to keep in mind when it comes to strategic workforce measures are as follows:

1. Don’t start with the measures. While measures can be an important tool, they should not be the goal of strategic workforce planning and implementation.
2. Don’t rely on benchmarking. By definition, benchmarking means matching what others do. Doing so will not generate competitive advantages to your organization.
3. Don’t expect measurement alone to fix problems. While measurement can identify areas of strength and weakness in your recruitment processes, simply gathering the data is not enough to fix potential problems.
4. Focus on the strategic impact of the workforce. Not all individuals, teams, or divisions within an organization have the same impact on the organization’s success on key goals. Focus on the places where it matters most.
5. Measure both levels and relationships between workforce measures. Some measures may go down when others go up. Understanding how they work together is important for getting a full picture of organizational functioning.

The key to implementing strategic recruitment is to think of these measures as a starting point rather than the goal. That is because such measures may serve to incentivize the wrong behaviors or mask important relationships with strategic implications. For example, time to hire and cost per hire are common metrics used in recruiting, and research shows a positive relationship between these metrics and firm performance. However, as Becker and colleagues note, it is important to pay attention to the outcome of measuring behavior. For example, potential efforts to later work to minimize measures might serve to encourage

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Manager’s Toolbox

**COMMON RECRUITMENT KEY PERFORMANCE INDICATOR (KPI) METRICS**

A variety of potential workforce metrics may be used to assess recruitment effectiveness. We list several of these metrics below within their recruitment stage.

**Generating Applicants**
- **Application completion rate percentage** (number of applicants who complete the application process/number of applicants who start the application process)
- **Qualified candidates** (those moving past the phone screen stage)
- **Source of hire** (tracking, surveys)

**Maintaining Applicant Participation**
- **Applicants per hire** (number of applicants hired/number of applicants who start the application process)
- **Candidate experience** (survey)
- **Time to hire** (number of days between when a person applies and accepts an offer)
- **Yield ratio** (number of applicants who move from one recruitment hurdle to the next)

**Job Acceptance**
- **Acceptance rate** (number of accepted offers/total number of offers)
- **Open vacancies versus positions filled**
- **Time to fill** (number of days a job is open)

**After New Employee Organizational Entry**
- **Cost per hire** ([|internal costs + external costs|]/number of hires)
- **Diversity** (qualitative and quantitative approaches)
- **Hiring manager satisfaction** (survey)
- **New hire satisfaction** (survey)
- **Performance** (track performance ratings)
- **Turnover/retention rate percentage** ([number of employees employed after 1 year/number of employees hired 1 year ago] × 100)
- **Quality of fill** (a combination of metrics such as new employee satisfaction, performance, promotion, high potential ratings, and retention).
recruiters to engage in lowering how select they are when choosing recruitment channels or actual applicants. They argue that a better idea would be to focus on other metrics such as the quality of hires. And only 23% of organizations report that their organization measures quality of hire. 86 That could mask or create a problem. For example, if recruiters are given bonuses for hiring 20% of those who apply, they could increase their percentage by making offers to applicants with fewer alternatives. Although this could help them earn a bonus, it would hurt the organization overall because weaker employees are hired. All of these measures indicate the need for an effective tracking system to gather information, and adding new information such as new hire surveys is another way to tap into key metrics such as new hire satisfaction levels. Similarly, the only way to address hiring manager satisfaction is to ask managers how they feel.

**Maintaining Applicant Interest and Participation**

A major consideration when it comes to the recruitment process and associated activities related to effectiveness is maintaining applicant interest and participation. 87 If an applicant withdraws from the process or goes through the process without much enthusiasm for the organization and, ultimately, turns down a job offer, recruitment has not been effective. With this in mind, we cover some key factors related to the maintenance of applicant interest and participation.

**Treatment During Recruitment**

Research finds that recruiter behaviors such as how personable, competent, and informative they are matter. These behaviors are related to applicant perceptions of job attributes and how they feel about the organization and job, as well as the likelihood of accepting a job offer. 88 Timing and communication are fundamentally important factors when it comes to maintaining applicant interest and participation. Research shows that, overall, job applicants like to hear back quickly and have regular status updates. Not surprisingly, the best applicants have the most alternatives and are also the most likely to withdraw from the hiring process if they feel they are not being treated well. 89 Firms report greater success when they begin their recruiting process earlier. To help applicants understand where they stand in the recruitment process, Disney created a hiring dashboard through which applicants can track the status of their application. 90

**Interviews**

There are two types of interviews to consider. The first is the informational interview, which is defined as the exchange of information with the goal of learning more about the organization and its industry. If you have ever had an informal discussion with a recruiter at a job fair or interviewed an organizational insider about his or her job, you have already conducted an informational interview. The purpose of such interviews is to begin the process of getting to know more about the organization and industry and potential career opportunities in general. Even though such interviews are informal, they may still serve to influence the reactions that applicants have to that organization. Imagine you are a supply and logistics student looking to find out more about the packaging and distribution industry. You reach out to three organizations, requesting an informational interview, but only one replies. You have a great time at the interview and learn a lot. Although you are not
looking for a job right now, imagine if you would be more or less likely to pursue a job with the two companies that never got back to you versus the one that did.

The other type of interview is the selection interview, which is what we traditionally think of as a job interview. Even though the selection interview puts the applicant “on the spot,” it is also important to approach it as a two-way process. While the employee is being evaluated, he or she is also gaining insights into what it would be like to work for the interviewing organization. And the organization is also still trying to attract the applicant to the job and the organization to increase the chances that the applicant accepts a potential offer. In these ways, selection interviews also serve a recruitment purpose.

**Site Visits**

One important part of the recruitment and selection process for both organizations and individuals is the site visit. On a site visit, the job applicant physically goes to the organization’s location to meet with and to be interviewed by its representatives. Site visits serve many important functions, including presenting a chance for applicants to meet key organizational members, compare their expectations to the realities encountered during the visit, and allow for them to have a more substantial set of interactions. Research shows that applicants report several benefits related to site visits, including opportunities to meet current employees, high-level organizational members, and those with similar backgrounds. In terms of site visit logistics, they report being positively influenced by being treated professionally, having a likeable site visit host, quality hotels, and the site visit being well orchestrated.91

**Factors Influencing Job Choice**

As seen in the previous section on maintaining applicant interest and participation, poor treatment at any stage of the recruitment process can lead job applicants to withdraw. In addition, organizational and individual considerations influence job choice (see Figure 6.7).92

**Organizational Image, Brand, and Reputation**

NACE routinely surveys companies and finds that branding continues to be a key focus for university recruiting programs, and research supports the idea that organizational image affects applicants.93 Slogans like “Work hard. Change the World,” used at Amazon, help organizations signal important aspects of their culture. Being a well-regarded brand is a good problem to have, but it can make keeping up with the number of applications challenging. For example, Google receives millions of
résumés each year. In 2014 alone, it received more than 3 million résumés. Worried that it might alienate its brand if it relied on algorithms to decide who made the cut or not, Google modified its hiring process to ensure that human eyes look at every one of those millions of résumés. And the importance of maintaining a company’s brand is likely to continue. For example, the Conference Board surveyed CEOs and asked them to identify key challenges they anticipated in the coming years. At the top of the list was a need to use decision-making tools like data analytics to understand what is attractive about their brands and social media that reinforces a positive brand image. Social media can also present opportunities and challenges for employment brands. The Twitter account of the Wendy’s fast food chain got a great deal of attention based on online exchanges. In fact, the team who manages this account even has a publicist. Research has shown that word-of-mouth opinions regarding the hiring process affect whether or not an applicant will choose a job.

Organizational Fit
Research shows that applicants who highly identify with an organization are more likely to pursue jobs and to accept them if offered. Organizational cultures vary a great deal, and they are not equally attractive to everyone. For example, someone attracted to a clan culture (e.g., Costco or Southwest Airlines) might be less attracted to a hierarchical culture (e.g., Walmart or Boeing). Research has found that specific values such as an organization’s social and environmental responsibility are related to how attractive the company’s is to job applicants. Organizational fit is another consideration that job candidates take into consideration when deciding whether to accept a job.

Job Features
Pay and benefits are also important considerations for decision makers. For instance, 78% of Jobvite recruiter respondents say that medical/dental coverage is the most effective perk to attract new candidates, and 65% report that offering a 401(k) plan is also helpful, followed by 44% indicating that flexible schedules and a casual dress code are also attractive to potential employees. In addition to financial aspects of employment, the actual work that will be done and how it will be done (or job characteristics) also can serve to influence decision makers. In general, people tend to prefer work that affords them autonomy, is seen as meaningful, and allows them to receive feedback.

Alternative Offers
Finally, the process of individual decision making involves comparing potential alternatives. If a job candidate has multiple offers, they may simply decide that one offer is more attractive overall than another one. The best applicants tend to have the most job alternatives. Organizations wanting to hire such individuals should consider putting their best offer forward as much as it can to attract them.

CHAPTER SUMMARY
Understanding the labor landscape makes it possible to follow the steps in the workplace planning and forecasting process, including succession planning, leadership development, assessing labor market conditions, and talent analysis. Effective recruitment begins with setting objectives to develop a strategy.
Its advantages for organizations range from increased hiring success to higher firm performance to the ability to attract a diverse set of applicants. Recruitment stages include generating applicants, assessing the quantity and quality of applicants, and accessing sources of recruitment—both internal and external. Hiring for diversity means attending to multiple kinds of diversity, including gender, race, age, veteran status, and differently abled individuals. In the process of recruitment, organizations need to comply with various laws and policies. Organizations strive to maintain applicant interest and participation so that the best applicants accept job offers. Global considerations also come into play in attracting talent. Measuring effective recruitment using metrics and analytics is also an important part of recruitment.

**KEY TERMS**

- workforce planning 122
- forecasting 123
- succession planning 123
- leadership development 123
- succession management 124
- labor market conditions 124
- workforce labor shortage 124
- workforce labor surplus 125
- (slack) 125
- talent analysis 125
- talent pool 125
- recruitment 126
- hiring manager 127
- realistic job preview (RJP) 130
- external recruitment 131
- applicant tracking system (ATS) 133
- informational interview 143
- selection interview 144
- site visit 144

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CHAPTER 6 Workforce Planning and Recruitment

EXERCISE 6.1: EMPLOYEE TURNOVER RATE

You have been with your large high-tech organization for 3 years, having joined right after earning your college degree in business. You enjoy working in human resource management on the recruitment side of things. Lately you have noticed that even though you are doing a good job at attracting applicants—you are able to keep them interested in the selection process and have established a strong acceptance rate among applicants—there is a problem. The turnover rate for employees within 18 months of being hired is at 34%. Although that isn’t the highest rate in the industry, it certainly is higher than you’d like to see, and it is higher than it used to be.

You have done some initial analyses and determined that part of the issue seems to be that recruiters tell potential employees things to attract them to the organization, but the reality once they join is quite different. And especially for top performers, other options at other organizations quickly become attractive.

You have spoken with your boss, the vice president of HR, and she has authorized you to create a task force to investigate the issue further and develop a strategy to solve the root causes of the problem. She suspects that the turnover rate is a symptom of bigger problems rather than the main problem.

Questions

1. Whom do you think you need to involve in this decision? Why?
2. How should you begin to tackle this problem in terms of your approach and sources of information?
3. What data should you gather?
4. Are there experiments you might do to test potential causes and to identify different solutions?

EXERCISE 6.2: RECRUITMENT AND BEYOND

Imagine that you and a small team of two to five colleagues are working with a medium-sized retail company that is expanding internationally. Although the headquarters will remain in Columbus, Ohio, the firm is opening a second office in Japan. They want to know what your team recommends in terms of recruiting for this new 30-person office. Your team’s job is to decide how to handle recruiting in the short term and long term.

Questions

1. Should your company hire locally, hire expatriate employees, use a search firm, start developing a college recruiting program in Japan, or use a different recruiting approach? Explain the advantages and disadvantages of each of these approaches.
2. What additional information would help your team decide?
3. Where will your team begin its recruitment efforts?
Job boards have become popular with organizations and job applicants. However, one major ethical concern has to do with information privacy. Two considerations seem especially important to consider.

First, who “owns” the data that applicants input into job board systems? Although online information privacy laws vary by country, with the European Union having stricter laws than the United States, the answer to this question is not clear. Imagine a scenario in which an online job board company tracks all your job application information and personal information and then sells this research about you. This is not as far-fetched as it sounds; there are documented accounts of job boards selling résumés and e-mail addresses.

A second concern is information security. Even if an organization does not plan to share your information with others, it is possible that cybercrime could lead to your information being stolen. For example, more than 1 million Monster.com subscribers had their information stolen. This is a serious concern, given how sensitive personal information such as Social Security numbers can be for identity theft. In response, Monster.com now allows users to make their résumés completely private so that employers cannot search for you but you can still search job listings and send out résumés and applications yourself.102

Questions
1. How would you discuss these ethical issues with the decision makers in your organization? Are there specific policies or practices you would recommend?
2. Beyond the issues described here, what other ethical questions might you ask about online job boards? Think of them from the perspective of the job applicant, the recruiting organization, the tech company that operates the board, and any other stakeholders.