5
Personnel Planning and Recruiting

LEARNING OBJECTIVES

1. List the steps in the recruitment and selection process.
2. Explain the main techniques used in employment planning and forecasting.
3. Explain and give examples for the need for effective recruiting.
4. Name and describe the main internal sources of candidates.
5. List and discuss the main outside sources of candidates.
6. Develop a help wanted ad.
7. Explain how to recruit a more diverse workforce.

A s its board of directors began reviewing possible candidates to be IBM's next CEO, their thoughts turned to the sort of company IBM would be in the next few years. Some trends were clear. IBM had already sold off several "commodity" businesses such as personal computers and disk drives, replacing them with new software and service/consulting businesses. The new CEO would have to address new trends such as cloud computing. More sales would come from emerging markets in Asia and Africa. Strategic changes like these meant that IBM's employees would need new skills, and that the firm needed new personnel and succession plans for how to staff its new businesses.[1]

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Company's Strategic Goals

Employee Competencies and Behaviors Required for Company to Achieve These Strategic Goals

Recruitment and Placement

Strategic and Legal Environment

Training and Development

HR Policies and Practices Required to Produce Employee Competencies and Behaviors

Employee Relations

Compensation

WHERE ARE WE NOW . . .

In Chapter 4, we discussed job analysis and the methods managers use to create job descriptions, job specifications, and competency profiles or models. The purpose of this chapter is to improve your effectiveness in recruiting candidates. The topics we discuss include personnel planning and forecasting, recruiting job candidates, and developing and using application forms. Then, in Chapter 6, we'll turn to the methods managers use to select the best employees from this applicant pool.

INTRODUCTION

Job analysis identifies the duties and human requirements for each of the company's jobs. The next step is to decide which of these jobs you need to fill, and to recruit and select employees for them. The traditional way to envision *recruitment and selection* is as a series of hurdles (Figure 5-1):

1. Decide what positions to fill, through *work force/personnel planning and forecasting.*
2. Build a pool of candidates for these jobs, by *recruiting* internal or external candidates.
3. Have candidates complete *application forms* and perhaps undergo initial screening interviews.
4. Use *selection tools* like tests, background investigations, and physical exams to identify viable candidates.
5. Decide who to make an offer to, by having the supervisor and perhaps others *interview* the candidates.

This chapter focuses on personnel planning and on recruiting employees. Chapter 6 addresses tests, background checks, and physical exams. Chapter 7 focuses on interviewing—by far the most widely used selection technique.

WORKFORCE PLANNING AND FORECASTING

Recruitment and selection ideally starts with workforce planning. After all, if you don't know what your team's employment needs will be in the next few months, why should you be hiring?

Workforce (or employment or personnel) planning is the process of deciding what positions the firm will have to fill, and how to fill them. It embraces all future positions, from maintenance clerk to CEO. However, most firms call the process of deciding how to fill executive jobs *succession planning.*

Strategy and Workforce Planning

In either case, as at IBM (see page 137), employment planning should reflect the firm's strategic plans. Thus plans to enter new businesses or reduce costs all influence the types of positions you'll need to fill (or eliminate). Strategic issues are always crucial. In the short term, there's not much employers can do to overcome recessions, housing bubbles, or increases or decreases in consumer spending. However, the managers should control their strategy. So, knowing that the firm plans, say, to expand abroad, means making plans for ramping up hiring in the firm's international division. The accompanying Strategic Context feature illustrates this.

FIGURE 5-1 Steps in Recruitment and Selection Process
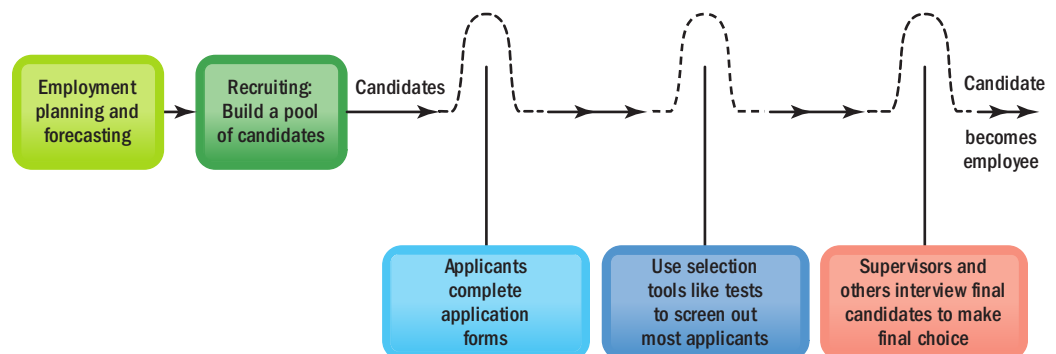
The recruitment and selection process is a series of hurdles aimed at selecting the best candidate for the job.

THE STRATEGIC CONTEXT

IBM

IBM has been transitioning from supplying mostly computers to supplying software and consulting services. Therefore, in terms of IBM's strategic workforce needs, "in three years, 22 percent of our workforce will have obsolete skills. Of the 22 percent, 85 percent have fundamental competencies that we can build on to get them ready for skills we'll need years from now." The remaining 15% will either self-select out of IBM or be let go.[2]

As at IBM, workforce and succession planning should entail thinking through the skills and competencies the firm needs to execute its overall strategy. At IBM, for instance, human resource executives review with finance and other executives the personnel ramifications of their company's strategic plans.[3] In other words, "What sorts of skills and competencies will we need to execute our strategic plans?"

Figure 5-2 summarizes the link between strategic and personnel planning. Like all plans, personnel plans require some forecasts or estimates, in this case, of three things: *personnel needs*, the *supply of inside* candidates, and the likely *supply of outside* candidates. The basic workforce planning process is to forecast the employer's demand for labor and supply of labor; then identify supply–demand gaps and develop action plans to fill the projected gaps.

We'll start with forecasting personnel needs.

Forecasting Personnel Needs (Labor Demand)

How many people will we need? Managers consider several factors.[4] For example, when Dan Hilbert took over staffing at Valero Energy, he reviewed Valero's demographics, growth plans, and turnover history. He discovered that projected employment shortfalls

FIGURE 5-2 Linking Employer's Strategy to Plans
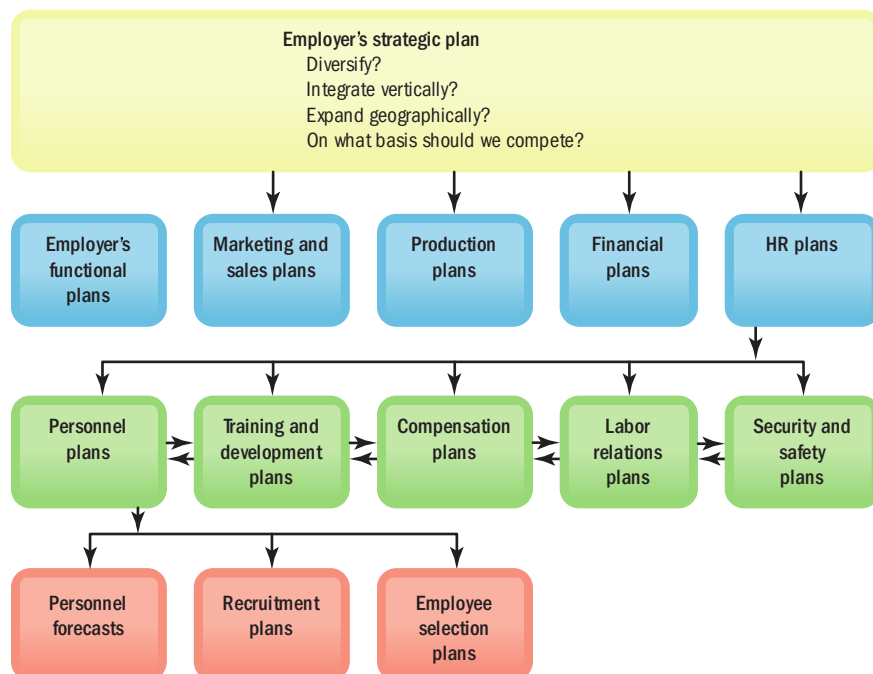
workforce (or employment or personnel) planning
The process of deciding what positions the firm will have to fill, and how to fill them.

were four times more than Valero could fill with its current recruitment procedures. He turned to formulating new personnel plans for boosting employee retention and recruiting and screening more candidates.[5]

A firm's staffing needs reflect demand for its products or services, adjusted for changes the firm plans to make in its strategic goals and for changes in its turnover rate and productivity. Forecasting workforce demand therefore starts with estimating what the demand will be for your products or services. Short term, management should be concerned with daily, weekly, and seasonal forecasts.[6] For example, retailers track daily sales trends because they know, for instance, that Mother's Day produces a jump in business and a need for additional store staff. Seasonal forecasts are critical for retailers contemplating end-of-year holiday sales, and for many firms such as landscaping and air-conditioning vendors.

Looking out a year or two isn't so easy. Managers will follow industry publications and economic forecasts closely, for instance from the *Conference Board*. Predicting a rise or fall in business activity a year of two in the future may not be precise. However, the planning process may help you to develop contingency staffing plans to address the potential changes in demand.

The basic process of forecasting personnel needs is to forecast revenues first. Then estimate the size of the staff required to support this sales volume. However, managers must also consider other, strategic factors. These include projected turnover, decisions to upgrade (or downgrade) products or services, productivity changes, and financial resources. There are several simple tools for projecting personnel needs, as follows.

TREND ANALYSIS   **Trend analysis** means studying variations in the firm's employment levels over the last few years. For example, you might compute the number of employees at the end of each of the last 5 years, or perhaps the number in each subgroup (like sales, production, secretarial, and administrative). The aim is to identify trends that might continue into the future.

Trend analysis can provide an initial estimate of future staffing needs, but employment levels rarely depend just on the passage of time. Other factors (like changes in sales volume and productivity) also affect staffing needs. Carefully studying the firm's historical and current workforce demographics and voluntary withdrawals (due to retirements and resignations, for instance) can help reveal impending labor force needs.

RATIO ANALYSIS   Another simple approach, **ratio analysis**, means making forecasts based on the historical ratio between (1) some causal factor (like sales volume) and (2) the number of employees required (such as number of salespeople). For example, suppose a salesperson traditionally generates $500,000 in sales. If the sales revenue to salespeople ratio remains the same, you would require six new salespeople next year (each of whom produces an extra $500,000) to produce a hoped-for extra $3 million in sales.

Like trend analysis, ratio analysis assumes that productivity remains about the same—for instance, that you can't motivate each salesperson to produce much more than $500,000 in sales. If sales productivity were to rise or fall, the ratio of sales to salespeople would change.

THE SCATTER PLOT   A **scatter plot** shows graphically how two variables—such as sales and your firm's staffing levels—are related. If they are, then if you can forecast the business activity (like sales), you should also be able to estimate your personnel needs.

For example, suppose a 500-bed hospital expects to expand to 1,200 beds over the next 5 years. The human resource director wants to forecast how many registered nurses they'll need. The human resource director realizes she must determine the relationship between size of hospital (in terms of number of beds) and number of nurses required. She calls eight hospitals of various sizes and gets the following figures:

Size of Hospital (Number of Beds)	Number of Registered Nurses
200	240
300	260
400	470
500	500
600	620
700	660
800	820
900	860

Figure 5-3 shows hospital size on the horizontal axis. It shows number of nurses on the vertical axis. If these two factors are related, then the points you plot (from the data above) will tend to fall along a straight line, as they do here. If you carefully draw in a line to minimize the distances between the line and each one of the plotted points, you will be able to estimate the number of nurses needed for each hospital size. Thus, for a 1,200-bed hospital, the human resource director would assume she needs about 1,210 nurses.

While simple, tools like scatter plots have drawbacks.[7]

1. They generally focus on historical sales/personnel relationships and assume that the firm's existing activities will continue as is.
2. They tend to support compensation plans that reward managers for managing ever-larger staffs, irrespective of the company's strategic needs.
3. They tend to institutionalize existing ways of doing things, even in the face of change.

MARKOV ANALYSIS   Employers also use a mathematical process known as *Markov analysis* (or "transition analysis") to forecast availability of internal job candidates. Markov analysis involves creating a matrix that shows the probabilities that employees in the chain of feeder positions for a key job (such as from junior engineer, to engineer, to senior engineer, to engineering supervisor, to director

FIGURE 5-3 Determining the Relationship Between Hospital Size and Number of Nurses

Note: After fitting the line, you can project how many employees you'll need, given your projected volume.
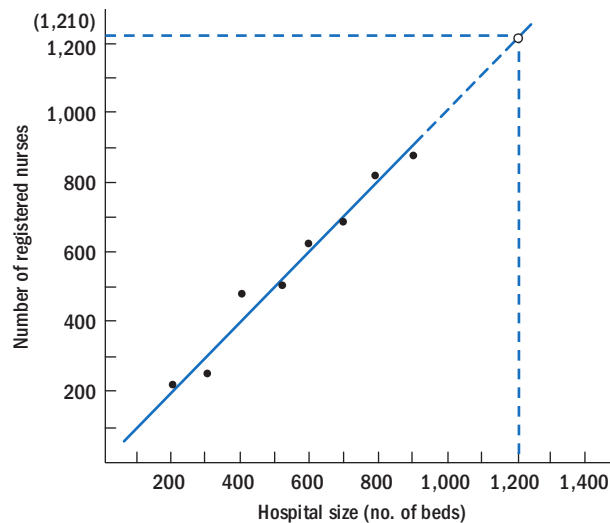
trend analysis
Study of a firm's past employment needs over a period of years to predict future needs.

ratio analysis
A forecasting technique for determining future staff needs by using ratios between, for example, sales volume and number of employees needed.

scatter plot
A graphical method used to help identify the relationship between two variables.

of engineering) will move from position to position and therefore be available to fill the key position.

Whichever forecasting tool you use, managerial judgment should play a big role. It's rare that any historical trend, ratio, or relationship will simply continue. You will therefore have to modify any forecast based on subjective factors—such as the feeling that more employees will be quitting—you believe will be important.

Improving Productivity Through HRIS

Computerized Personnel Forecasting

Computerized forecasts enable managers to build more variables into their personnel projections.[8] These systems rely on setting clear goals, such as reducing inventory on hand.[9] Other variables might include direct labor hours required to produce one unit of product (a measure of productivity), and minimum, maximum, and probable sales projections. Based on such input, a typical program generates average staff levels required to meet product demands, as well as separate forecasts for direct labor (such as assembly workers), indirect staff (such as secretaries), and exempt staff (such as executives).

With programs like these, employers can more accurately translate projected productivity and sales levels into personnel needs. Many firms particularly use computerized employee forecasting systems for estimating short-term needs. In retailing, for instance, labor scheduling systems help retailers estimate required staffing needs based on sales forecasts and estimated store traffic. As one vendor says, "[Our] Workforce Forecast Manager analyzes your business drivers to produce an accurate forecast down to 15 minute intervals. Seasonal variations, events, and current trends are consistently accounted for . . ."[10]

Perhaps because the demand for electric power is relatively predictable, utilities tend to do exemplary workforce planning. For example, at Chelan County Public Utility District, the development manager used spreadsheets to build a statistical model encompassing such things as age, tenure, turnover rate, and time to train new employees. This model helped them quickly identify five employment "hotspots" among 33 occupational groups at their company. This in turn prompted them to focus more closely on creating plans to retain and hire, for instance, more systems operators.[11]

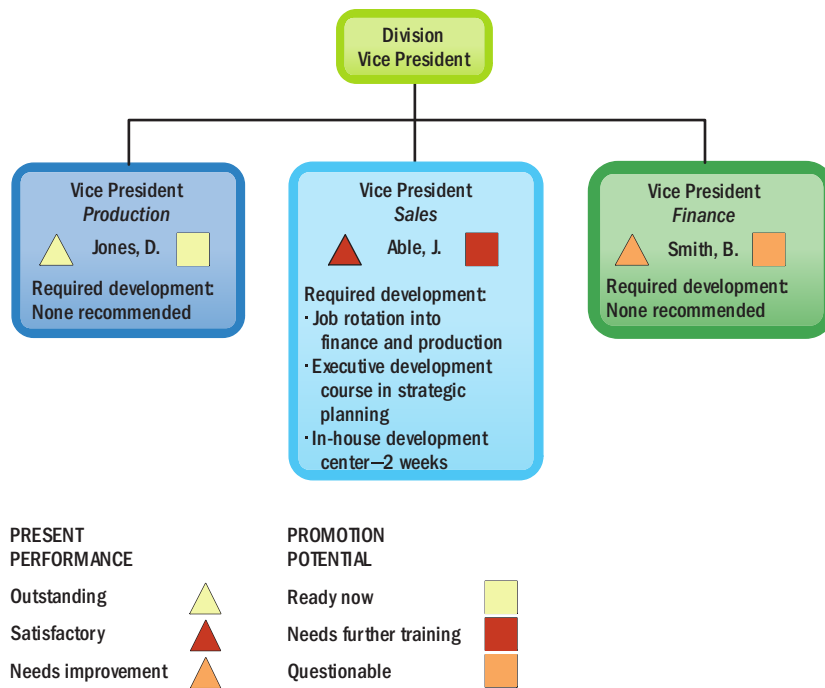## Forecasting the Supply of Inside Candidates

Knowing your staffing needs satisfies only half the staffing equation. Next, you have to estimate the likely supply of both inside and outside candidates. Most firms start with the inside candidates.

The main task here is determining which current employees might be qualified for the projected openings. For this you need to know current employees' skills sets—their current qualifications. Sometimes it's obvious how you have to proceed. When Google's founders wanted a replacement for CEO Eric Schmidt, they chose one of their own.

Sometimes who to choose is not so obvious. Here, managers turn to **qualifications (or skills) inventories**. These contain data on employees' performance records, educational background, and promotability. Whether manual or computerized, these help managers determine which employees are available for promotion or transfer.

MANUAL SYSTEMS AND REPLACEMENT CHARTS   Department managers or owners of smaller firms often use manual devices to track employee qualifications. Thus a *personnel inventory and development record form* compiles qualifications information on each employee. The information includes education, company-sponsored courses taken, career and development interests, languages, desired assignments, and skills. **Personnel replacement charts** (Figure 5-4) are another option, particularly for the firm's top positions. They show the present performance and promotability for each position's potential replacement. As an alternative, you can develop a **position replacement card**. For this you create a card for each position, showing possible replacements as well as their present performance, promotion potential, and training.

FIGURE 5-4 Management Replacement Chart Showing Development Needs of Potential Future Divisional Vice Presidents

Division
Vice President

Vice President
Production
△ Jones, D. ☐
Required development:
None recommended

Vice President
Sales
▲ Able, J. ■
Required development:
· Job rotation into
  finance and production
· Executive development
  course in strategic
  planning
· In-house development
  center—2 weeks

Vice President
Finance
△ Smith, B. ☐
Required development:
None recommended

PRESENT PERFORMANCE		PROMOTION POTENTIAL	
Outstanding	△	Ready now	☐
Satisfactory	▲	Needs further training	■
Needs improvement	△	Questionable	☐

COMPUTERIZED SKILLS INVENTORIES   Larger firms obviously can't track the qualifications of hundreds or thousands of employees manually. Larger employers therefore computerize this information, using various packaged software systems such as SurveyAnalytics's Skills Inventory Software.

Such programs help management anticipate human resource shortages, and facilitate making employment recruitment and training plans.[12] Increasingly, they also link skills inventories with their other human resources systems. So, for instance, an employee's skills inventory might automatically update each time he or she is trained or appraised.

The usual process is for the employee, the supervisor, and human resource manager to enter information about the employee's background, experience, and skills via the system. Then, when a manager needs a person for a position, he or she uses key words to describe the position's specifications (for instance, in terms of education and skills). The computerized system then produces a list of qualified candidates. Computerized skills inventory data typically include items like *work experience codes, product knowledge*, the employee's *level of familiarity* with the employer's product lines or services, the person's *industry experience*, and *formal education*.

KEEPING THE INFORMATION PRIVATE   The employer should secure all its employee data.[13] Much of the data is personal (such as Social Security numbers and illnesses). Legislation gives employees legal rights regarding who has access to information about them. The legislation includes the Federal Privacy Act of 1974 (applies to federal workers), the New York Personal Privacy Act of 1985, HIPAA (regulates use of medical records), and the Americans with Disabilities Act. Employers should keep their manual records under lock and key.

Internet access makes it relatively easy for more people to access the firm's computerized files.[14] One solution is to incorporate an access matrix in the database management system. These define the rights of users to various kinds of access (such

qualifications (or skills) inventories
Manual or computerized records listing employees' education, career and development interests, languages, special skills, and so on, to be used in selecting inside candidates for promotion.

personnel replacement charts
Company records showing present performance and promotability of inside candidates for the most important positions.

position replacement card
A card prepared for each position in a company to show possible replacement candidates and their qualifications.

FIGURE 5-5 Keeping
Data Safe

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Human Resource Management
(SHRM) in the format Textbook via
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Since intruders can strike from outside an organization or from within, HR departments can help screen out potential identity thieves by following four basic rules:

- Perform background checks on anyone who is going to have access to personal information.
- If someone with access to personal information is out sick or on leave, don't hire a temporary employee to replace him or her. Instead, bring in a trusted worker from another department.
- Perform random background checks such as random drug tests. Just because someone passed 5 years ago doesn't mean their current situation is the same.
- Limit access to information such as SSNs, health information, and other sensitive data to HR managers who require it to do their jobs.

as "read only" or "write only") to each database element. (So, those in accounting might *read only* information such as an employee's address.) Figure 5-5 summarizes some guidelines for keeping employee data safe. A growing problem is that peer-to-peer file-sharing applications jump firewalls and give outsiders quick access. Pfizer Inc. lost personal data on about 17,000 current and former employees this way.[15]

Forecasting the Supply of Outside Candidates

If there won't be enough inside candidates to fill the anticipated openings (or you want to go outside for another reason), you will turn to outside candidates.

Forecasting labor supply depends first on the manager's own sense of what's happening in his or her industry and locale. He or she will then supplement these observations with more formal labor market analyses, for instance, from the U.S. Bureau of Labor Statistics and from O*Net. For example, unemployment rates around 9% in the United States in 2011 signaled to HR managers that finding good candidates would be easier.[16]

Information like this is easy to find, both online and in print format. For example, look for economic projections online, for instance, from the U.S. Congressional Budget Office (www.cbo.gov/showdoc.cfm?index=1824&sequence=0) and the Bureau of Labor Statistics (www.bls.gov/news.release/ecopro.toc.htm). For hard-copy formats, *Bloomberg BusinessWeek* presents a weekly snapshot of the economy on its Outlook page, as well as a yearly forecast in December.

Your planning may also require forecasting specific occupations such as nurse, computer programmer, or teacher. Recently, for instance, there has been an undersupply of nurses. O*NET (discussed in Chapter 4) includes projections for most occupations. The U.S. Bureau of Labor Statistics publishes annual occupational projections both online and in the *Monthly Labor Review* and in *Occupational Outlook Quarterly*. Beyond specific occupations, the emphasis on technologically advanced jobs means many will lack basic skills such as communication, creativity, and teamwork.[17]

Talent Management and Predictive Workforce Monitoring

Traditionally, employers engage in formal workforce planning perhaps every year or so. However, this may not always provide enough time. For instance, having failed to do much such planning for years, Valero almost didn't have sufficient time to gear up its new employee development plan.

Applying a talent management philosophy to workforce planning requires being more proactive. Specifically, it requires *paying continuous attention* to workforce planning issues. Managers call this newer, continuous workforce planning approach *predictive workforce monitoring*. Some examples follow.

Intel Corporation example. Intel conducts semiannual "Organization Capability Assessments." The staffing department works with the firm's business heads twice a year to assess workforce needs—both immediate and up to 2 years in the future.[18]

Amerada Hess example. Amerada Hess uses its Organizational Capability (OC) group to monitor workforce attrition (such as retirement age, experience with Hess, education, etc.) and prospective talent requirements. It "then works with the lines of business to better prepare them for meeting changing global talent demands. The group considers how each line of business is evolving, examines what jobs at Hess will look like in the future, identifies sources for procuring the best talent, and assists in developing current and newly hired employees."[19]

Valero Energy example. Valero created a *labor supply chain* for monitoring steps in recruiting and hiring. It includes an analytic tool that predicts Valero's labor needs based on past experience. It also includes computer screen "dashboards" that show how components in the chain, such as ads placed on job boards, are performing according to cost, speed, and quality. In 2002, it took 41 pieces of paper to hire an employee and more than 120 days to fill a position. Each hire cost about $12,000. Soon, with the new labor supply chain in place, little paper was needed to bring an employee on board; the time-to-fill figure fell to below 40 days and cost per hire dropped to $2,300.[20]

ABB example. ABB's Talent Management process allows talent information to be stored on a global IT platform. For example, the system stores performance appraisals, career plans, and training and development information. It also shows a global overview of key management positions, including who holds them, and their potential successors. Potential successors get two kinds of assessments: by line managers, and against externally benchmarked leadership competency profiles.[21]
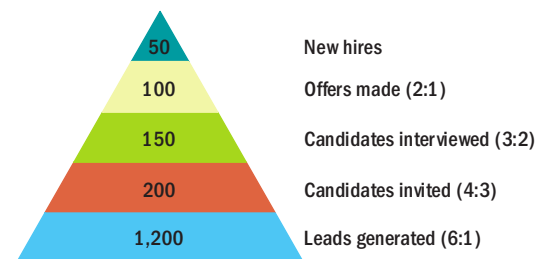
Developing an Action Plan to Match Projected Labor Supply and Labor Demand

Workforce planning should logically culminate in a workforce action plan. This lays out the employer's projected workforce demand–supply gaps, as well as staffing plans for filling the necessary positions. The staffing plan should identify the positions to be filled, potential internal and external sources for these positions, the required training, development, and promotional activities moving people into the positions will entail, and the resources that implementing the staffing plan will require. Resources might include, for instance, advertising costs, recruiter fees, relocation costs, and travel and interview expenses.[22]

The Recruiting Yield Pyramid

The manager should recognize that filling a relative handful of positions might require recruiting dozens or hundreds of candidates. Employers therefore use a staffing or **recruiting yield pyramid** as shown in Figure 5-6 to gauge the dimensions of the

FIGURE 5-6 Recruiting Yield Pyramid

50	New hires
100	Offers made (2:1)
150	Candidates interviewed (3:2)
200	Candidates invited (4:3)
1,200	Leads generated (6:1)

recruiting yield pyramid
The historical arithmetic relationships between recruitment leads and invitees, invitees and interviews, interviews and offers made, and offers made and offers accepted.

staffing issues it needs to address. In Figure 5-6, the company knows it needs 50 new entry-level accountants next year. From experience, the firm also knows the following:

- The ratio of offers made to actual new hires is 2 to 1.
- The ratio of candidates interviewed to offers made is 3 to 2.
- The ratio of candidates invited for interviews to candidates interviewed is about 4 to 3.
- Finally, the firm knows that of six leads that come in from all its recruiting sources, it typically invites only one applicant for an interview—a 6-to-1 ratio.

Given these ratios, the firm knows it must generate about 1,200 leads to be able to invite 200 viable candidates to its offices for interviews. The firm will then interview about 150 of those invited, and from these it will make 100 offers, and so on.

THE NEED FOR EFFECTIVE RECRUITING

3 Explain and give examples for the need for effective recruiting.

Assuming the company authorizes you to fill a position, the next step is to build up, through recruiting, an applicant pool. **Employee recruiting** means finding and/or attracting applicants for the employer's open positions.

Why Recruiting Is Important

It's hard to overemphasize the importance of effective recruiting. If only two candidates apply for two openings, you may have little choice but to hire them. But if 10 or 20 applicants appear, you can use techniques like interviews and tests to screen out all but the best.

Even high unemployment doesn't necessarily mean that it is easy to find good candidates. For example, a survey during an earlier slowdown (2003–2004) found that about half of respondents said they had "difficulty" finding qualified applicants. About 40% said it was "hard to find" good candidates.[23]

What Makes Recruiting a Challenge?

It's easy to assume that recruiting is easy—that all you need do is place a few ads on the Web. However, several things make it more complex.

- First, some recruiting methods are superior to others, depending on the type of job for which you are recruiting.
- Second, the success you have recruiting depends on nonrecruitment issues and policies. For example, paying 10% more than most firms in your locale should, other things being equal, help you build a bigger applicant pool faster.[24]
- Third, employment law prescribes what you can and cannot do when recruiting. For example, managers can't rely on word-of-mouth dissemination of information about job opportunities when the workforce is substantially all white or all members of some other class, such as Hispanic.[25]

Organizing How You Recruit

Should you centralize your firm's recruitment efforts, or let each plant or office do their own recruiting? For many firms, it's simply much easier to recruit centrally now that so much recruiting is on the Internet.[26] The accountants Deloitte & Touche Tohmatsu created a global recruitment site, thus eliminating the need to maintain 35 separate local recruiting Web sites.[27] Retailer 7-Eleven's site presents its worldwide job openings and lets prospective employees apply online.

THE SUPERVISOR'S ROLE   The human resource manager charged with filling an open position is seldom very familiar with the job itself. Someone has to tell this person what the position really entails, and what key things to look or watch out for. Only the position's supervisor can do this.

The supervisor should therefore know what sorts of questions to expect, and here your knowledge of job analysis should serve you well. For example, in addition to what the job entails now and its job specifications, the recruiter might want to know about the supervisor's leadership style and about the work group—is it a tough group to get along with, for instance?

INTERNAL SOURCES OF CANDIDATES

4 Name and describe the main internal sources of candidates.

Recruiting typically brings to mind LinkedIn, employment agencies, and classified ads, but internal sources—in other words, current employees or "hiring from within"—are often the best source of candidates.

Using Internal Sources: Pros and Cons

Filling open positions with inside candidates has several advantages. First, there is really no substitute for knowing a candidate's *strengths and weaknesses*, as you should after working with them for some time. Current employees may also be more *committed* to the company. *Morale* may rise if employees see promotions as rewards for loyalty and competence. And inside candidates should require *less orientation* and (perhaps) training than outsiders.

However, hiring from within can also backfire. Employees who apply for jobs and don't get them may become *discontented;* telling them why you rejected them and what remedial actions they might take is crucial. And too often internal recruiting is a *waste of time.* Many employers require managers to post job openings and interview all inside candidates. Yet the manager often knows whom he or she wants to hire. Requiring him or her to interview a stream of unsuspecting inside candidates can be a waste of time for everyone. *Inbreeding* is another potential drawback. When all managers come up through the ranks, they may have a tendency to maintain the status quo, when a new direction is required.

Finding Internal Candidates

Hiring from within ideally relies on job posting and the firm's skills inventories. **Job posting** means publicizing the open job to employees (usually by literally posting it on company intranets or bulletin boards). These postings list the job's attributes, like qualifications, supervisor, work schedule, and pay rate.

Qualifications skills banks also play a role. For example, the database may reveal persons who have potential for further training or who have the right background for the open job.

Rehiring

Should you rehire someone who left your employ? It depends. On the plus side, former employees are known quantities (more or less) and are already familiar with how you do things. On the other hand, employees who you let go may return with negative attitudes. A 2009 survey found that about 26 percent of employers who had laid people off recently planned to bring some back.[28]

In any event, you can reduce the chance of adverse reactions. After employees have been back on the job for awhile, credit them with the years of service they had accumulated before they left. In addition, inquire (before rehiring them) about what they did during the layoff and how they feel about returning: "You don't want someone coming back who feels they've been mistreated," said one manager.[29]

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employee recruiting
Finding and/or attracting applicants for the employer's open positions.

job posting
Publicizing an open job to employees (often by literally posting it on bulletin boards) and listing its attributes, like qualifications, supervisor, working schedule, and pay rate.

Succession Planning

Hiring from within is particularly important when it involves filling the employer's top positions. Doing so requires **succession planning**—the ongoing process of systematically identifying, assessing, and developing organizational leadership to enhance performance.[30] About 36% of employers have formal succession planning programs.[31] As in IBM's search to eventually replace its CEO (outlined earlier in this chapter), succession planning should conform to basic talent management practices. In particular, the key is to profile the competencies that the firm's evolving strategy will require the new CEO to have; then use that profile to formulate an integrated development/appraisal/selection package for potential candidates.

Succession planning entails three steps: identify key needs, develop inside candidates, and assess and choose those who will fill the key positions.

IDENTIFY KEY NEEDS   First, based on the company's strategic and business plans, top management and the HR director identify what the company's future key position needs will be. Matters to address in this early stage include defining key positions, defining "high potentials", enlisting top management support, and reviewing the company's current talent. (Thus, plans to expand abroad may suggest bulking up the international division.[32])

DEVELOP INSIDE CANDIDATES   After identifying future key positions, management turns to creating candidates for these jobs. "Creating" means providing the inside or outside candidates you identify with the developmental experiences they require to be viable candidates. Employers develop high-potential employees through internal training and cross-functional experiences, job rotation, external training, and global/regional assignments.[33]

ASSESS AND CHOOSE   Finally, succession planning requires assessing these candidates and selecting those who will actually fill the key positions.[34]

Improving Productivity Through HRIS

Succession and Talent Planning Systems

More large employers use software to facilitate succession planning and talent management. These systems "Capture and search for information about employee competencies, skills, certifications, and experience . . . [and] Assess employees on key areas of leadership potential, job performance, and risk of leaving; Target employees for future roles."[35] As the user of one such system said, "The [SumTotal] platform allows us to track and assess the talent pool and promote people within the company. Our latest metrics show that 75% of key openings are fulfilled by internal candidates. The succession module helps us to identify who the next senior managers could be and build development plans to help them achieve their potential."[36]

Succession planning is an integral part of talent management. For example, when a new president took over at Dole Food Co., Inc., Dole was highly decentralized. The new president's strategy involved improving financial performance by reducing redundancies and centralizing certain activities, including succession planning.[37]

Web technology helped Dole do this. It contracted with application system providers (ASPs) to handle things like payroll management. For succession management, Dole chose software from Pilat NAI, which keeps all the data on its own servers for a monthly fee. Dole's managers access the program via the Web using a password. They fill out online résumés for themselves, including career interests, and note special considerations such as geographic restrictions.

The managers also assess themselves on four competencies. Once the manager provides his or her input, the program notifies that manager's boss. The latter then assesses his or her subordinate and indicates whether the person should be promoted. This assessment and the online résumés then go automatically to the division head and the divisional HR director. Dole's senior vice president for human resources then uses the information to create career development plans for each manager, including seminars and other programs.[38]

5 List and discuss the main outside sources of candidates.

OUTSIDE SOURCES OF CANDIDATES

Firms can't always get all the employees they need from their current staff, and sometimes they just don't want to. We'll look at the sources firms use to find outside candidates next.

Recruiting via the Internet

For most employers and for most jobs, Internet-based recruiting is by far the recruiting source of choice.[39] For example, restaurant chain The Cheesecake Factory gets about a third of its management applicants via the Web. Most employers recruit through their own Web sites, or use job boards. Figure 5-7 highlights some top online

FIGURE 5-7 Some Top Online Recruiting Job Boards

Source: www.quintcareers.com/top_10_sites.html, accessed April 28, 2009. Used with permission of QuintCareers.com.
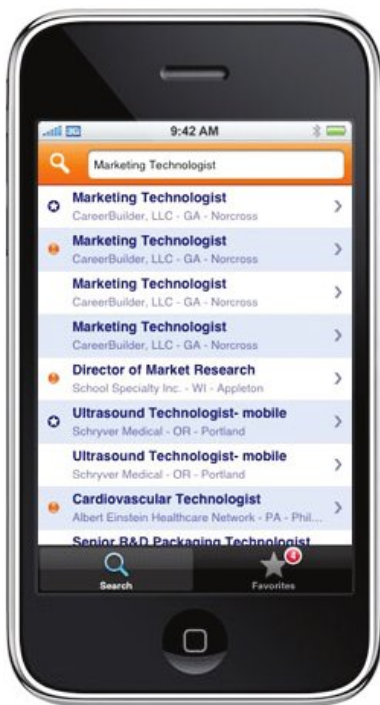

succession planning
The ongoing process of systematically identifying, assessing, and developing organizational leadership to enhance performance.

Source: www.careerbuilder.com/ MarketingWeb/iPhone/CBJobsAppli cation.aspx?cbRecursionCnt=1&cbsi d=7fd458dafd4a444fb192d9a24cee d771-291142537-wx-6&ns_siteid= ns_us_g_careerbuilder_ iphone, accessed March 23, 2009.

recruiting job boards. Job boards account for about 12% of recent hires. Other major sources include company Web site, referrals, plus others such as temp to hire, rehires, and employment agencies.

The CareerBuilder.com iPhone application on the left offers a unique way to search nearly 2 million jobs on CareerBuilder.com, the largest U.S. job site.[40] Users may search for jobs by keyword, read job descriptions and salaries, save jobs to a list of favorites, and e-mail job links to anyone on their contact list. The application also takes advantage of the iPhone's geo-location capabilities. Users may direct it to search only for jobs in the region where they are located. Finally, the application integrates Google Maps by displaying a map of the city each job is located in.

Recruiting for professionals and managers is shifting from online job boards to social networking sites such as Facebook and LinkedIn. For example, Science Applications International Corp. cut the job boards it uses from 15 to 6 or so. Instead, its recruiters are searching for candidates on professional social networks instead. The problem is that many applications received via job boards didn't meet the job's qualifications. As one recruiter said, "recruiters had to put in all this extra time to read applications but we didn't get benefit from it." Instead, this company now hires recruiters who specialize in digging through social Web sites and competitors' publications to find applicants who may not even be looking for jobs.[41]

OTHER ONLINE RECRUITING PRACTICES   Again, in moving away from major job boards such as careerbuilder.com, recruiters are also seeking passive candidates (people not actively looking for jobs) by using social networking sites such as LinkedIn to find potential candidates.[42] One Massachusetts staffing firm uses its Facebook and LinkedIn pages to announce openings. Other firms use Twitter to announce job openings to jobseekers who subscribe to their Twitter feeds.[43] ResumePal, from the career site JobFox (www.jobfox.com/), is a recent recruiting innovation. ResumePal is an online standard universal job application. Jobseekers submit it to participating employers, who can then use the standardized application's keywords to identify viable candidates more easily.[44] McDonald's Corp. posted a series of employee testimonials on social networking sites like Second Life as a way to attract applicants.[45] Other employers simply screen through job boards' résumé listings.[46]

Sites such as Linkedin facilitate developing personal relationships for networking and employee referrals.[47] Accountants Deloitte & Touche asked employees to make short videos describing their experiences with Deloitte. It then took the 14 best (of 400 submitted) and posted them on YouTube.[48] Monster has a video product that helps employers integrate streaming video into their job postings.[49] Facebook makes it easy to start a company networking site, which many employers use for recruiting purposes.[50] McDonald's posted employee testimonials on networking sites like Second Life as a way to attract applicants.[51]

TEXTING   Some employers use text messaging to build an applicant pool. For example, at one diversity-oriented conference in New Orleans, consultants Hewitt Associates displayed posters asking attendees to text message *hewdiversity* to a specific five digit number. Each person texting then became part of Hewitt's "mobile recruit-ing network," periodically receiving text messages regarding Hewitt openings.[52]

THE DOT-JOBS DOMAIN   The *dot-jobs* domain gives job seekers a one-click conduit for finding jobs at the employers who register at www.goto.jobs. For example, applicants seeking a job at Disneyland can go to www.Disneyland.jobs. This takes them to Disney's Disneyland recruiting Web site.

VIRTUAL JOB FAIRS   Virtual (fully online) job fairs are another option. For example, the magazine *PR Week* organized such a fair for about a dozen public relations employers. At a virtual job fair, online visitors see a very similar setup to a regular job fair. They can listen to presentations, visit booths, leave résumés and business cards, participate in live chats, and get contact information from recruiters,

HR managers, and even hiring managers.[53] As one writer said, "virtual career fairs are appealing because they're a way to get your foot in the door without having to walk out the door."[54] The fairs last about 5 hours. Attendee might find 30 or more employers recruiting. Specialist virtual fair Web sites include Milicruit (for former military personnel) and Unicruit (for college students).

PROS AND CONS   Web-based recruiting generates more responses quicker and for a longer time at less cost than just about any other method. But, it has two big potential problems.

First, fewer older people and some minorities use the Internet, so online application gathering may inadvertently exclude disproportionate numbers of older applicants (and certain minorities). To prove they've complied with EEO laws, employers should keep track of each applicant's race, sex, and ethnic group. The EEO says that, to be an "applicant," he or she must meet three conditions: he or she must express interest in employment; the employer must have taken steps to fill a specific job; and the individual must have followed the employer's standard application procedure.[55]

The second problem is Internet overload: Employers end up deluged with résumés. There are several ways to handle this. Realism helps. For example, The Cheesecake Factory posts detailed job duties listings, so those not interested need not apply. Another approach is to have job seekers complete a short online prescreening questionnaire. Then use these to identify those who may proceed in the hiring process.[56] Most employers also use applicant tracking systems, to which we now turn.

USING APPLICANT TRACKING   Web-based ads tend to generate so many applicants that most firms use applicant tracking systems to support their on- and offline recruiting efforts. **Applicant tracking systems** (from firms such as Taleo Corporation and iTrack Solutions) are online systems that help employers attract, gather, screen, compile, and manage applicants.[57] They also provide other services, including requisitions management (for monitoring the firm's open jobs), applicant data collection (for scanning applicants' data into the system), and reporting (to create various recruiting-related reports such as cost per hire and hire by source).[58] Most are from *application service providers* (ASPs). The latter are companies that provide employers with online services by enabling the employer's applicants or employees to use the ASP's servers as if they're using the employer's own. Thus, applicants who log on to take a test at the employer are actually taking the test at the ASP's site.[59] Major suppliers of e-recruiting services include Automatic Data Processing (ADP.com), HRSmart (hrsmart.com), Silkroad Technology (silkroad.com), and Monster (monster.com).[60]

SUTTER HEALTH EXAMPLE   For example, with 10,000 job openings per year, Sutter Health Corporation turned to online recruiting. But this actually complicated things.[61] Sutter Health had so many résumés coming in by e-mail and through its Web site (more than 300,000 per year) that the applications ended up in a pile, waiting for Sutter affiliates' HR departments to get to them.

Sutter Health's solution was to sign on with Taleo Corporation of San Francisco. Taleo is a recruiting applications service provider (ASP). It now does all the work of hosting Sutter Health's job site. Taleo doesn't just post Sutter Health job openings and collect its résumés; it also gives Sutter Health an automated way to evaluate, rank, and match IT and other job candidates with specific openings. For example, Taleo's system automatically screens incoming résumés, compares them with Sutter's job requirements, and flags high-priority applicants. This helped Sutter cut its recruiting process from weeks to days.

applicant tracking systems
Online systems that help employers attract, gather, screen, compile, and manage applicants.

FIGURE 5-8 Ineffective and Effective Web Ads

Ineffective Ad, Recycled from Magazine to the Web	Effective Web Ad (Space Not an Issue)
Process Engineer Pay: $65k–$85k/year	Do you want to help us make this a better world?
Immediate Need in Florida for a Wastewater Treatment Process Engineer. Must have a min. 4–7 years Industrial Wastewater exp. Reply KimGD@WatersCleanX.com	We are one of the top wastewater treatment companies in the world, with installations from Miami to London to Beijing. We are growing fast and looking for an experienced process engineer to join our team. If you have at least 4–7 years' experience designing processes for wastewater treatment facilities and a dedication to make this a better world, we would like to hear from you. Pay range depending on experience is $65,000–$85,000. Please reply in confidence to KimGD@WatersCleanX.com

IMPROVING ONLINE RECRUITING EFFECTIVENESS   Planning your online recruiting effort is crucial. Most Standard & Poor's 500 companies place employment information one click away from their home pages.[62] Applicants can submit their résumés online at almost all *Fortune* 500 firms' Web sites. Fewer companies give job seekers the option of completing online applications, although that's what most applicants prefer.[63]

One survey of 256 alumni from graduate business schools showed why many firms' Web-based recruiting turned them off. The objections included the following:

- Job openings lacked relevant information (such as job descriptions).
- It was often difficult to format résumés and post them in the form required.
- Many respondents expressed concerns about the privacy of the information.
- Poor graphics often made it difficult to use the Web site.
- Slow feedback from the employers (in terms of follow-up responses and receiving online applications) was annoying.[64]

Furthermore, the best Web ads don't just transpose newspaper ads to the Web. As one specialist put it, "getting recruiters out of the 'shrunken want ad mentality' is a big problem." Figure 5-8 is an example of recycling a print ad to the Web. The ineffective Web ad has needless abbreviations, and doesn't say much about why the job seeker should want that job.[65]

Now look at the effective Web ad in Figure 5-8. It uses compelling keywords such as "make this a better world." It provides good reasons to work for this company. It starts with an attention-grabbing heading and uses the extra space to provide more specific job information. Many employers often include the entire job description.[66] Ideally, an ad also should provide a way (such as a checklist of the job's human requirements) for potential applicants to gauge if the job is a good fit.[67]

Finally, online recruiting requires caution for applicants. Many job boards don't check the legitimacy of the "recruiters" who place ads. Many applicants submit personal details such as Social Security numbers, not realizing that ASPs are running the sites, rather than the firm to which they're applying.[68] U.S. laws generally do not prohibit job boards from sharing your data with other sources. One job board reportedly had personal information on more than 1 million subscribers stolen.[69]

Advertising

While Web-based recruiting is replacing help wanted ads, a glance at almost any paper or business or professional magazine will confirm that print ads are still popular. To use help wanted ads successfully, employers should address two issues: the advertising medium and the ad's construction.

THE MEDIA   The best medium—the local paper, the *Wall Street Journal*, the Web (or some other)—depends on the positions for which you're recruiting. For example, the local newspaper is often a good source for local blue-collar help, clerical employees, and lower-level administrative employees. On the other hand, if recruiting for workers with special skills, such as furniture finishers, you'd probably want to advertise in places with many furniture manufacturers, such as the Carolinas, even if your plant is in Tennessee. The point is to target your ads where they'll reach your prospective employees.

For specialized employees, you can advertise in trade and professional journals like *American Psychologist, Sales Management, Chemical Engineering,* and *Women's Wear Daily.* Help wanted ads in papers like the *Wall Street Journal* and the *International Herald Tribune* can be good sources of middle- or senior-management personnel. Most of these print outlets now include online ads with the purchase of print help wanted ads.

Technology lets companies be more creative about the media they use.[70] For example, Electronic Arts (EA), a video-game publisher, uses its products to help solicit applicants. EA includes information about its internship program on the back of its video game manuals. Thanks to nontraditional techniques like these, EA has a database of more than 200,000 potential job candidates. It uses tracking software to identify potential applicants with specific skills, and to facilitate ongoing e-mail communications with everyone in its database.

6 Develop a help wanted ad.

CONSTRUCTING (WRITING) THE AD   Experienced advertisers use the guide AIDA (attention, interest, desire, action) to construct ads. Of course, you must attract attention to the ad, or readers may just miss or ignore it. Figure 5-9 shows an ad from one classified section. Why does this ad attract attention? The phrase "next key player" certainly helps. Employers usually advertise key positions in display ads like this.

Next, develop interest in the job. You can create interest with lines such as "are you looking to make an impact?" or use other aspects of the job, such as its location.

Create desire by spotlighting words such as *travel* or *challenge*. As an example, having a graduate school nearby may appeal to engineers and professional people.

FIGURE 5-9 Help Wanted Ad That Draws Attention

Source: Giombetti Associates, Hampden, MA. Reprinted with permission.

Are You Our Next Key Player?

PLANT CONTROLLER   **Northern New Jersey**

Are you looking to make an impact? Can you be a strategic business partner and team player, versus a classic, "bean counter"? Our client, a growing **Northern New Jersey** manufacturer with two locations, needs a high-energy, self-initiating, technically competent Plant Controller. Your organizational skills and strong understanding of general, cost, and manufacturing accounting are a must. We are not looking for a delegator, this is a hands-on position. If you have a positive can-do attitude and have what it takes to drive our accounting function, read oh!

Responsibilities and Qualifications:
- Monthly closings, management reporting, product costing, and annual budget.
- Accurate inventory valuations, year-end physical inventory, and internal controls.
- 4-year Accounting degree, with 5–8 years experience in a manufacturing environment.
- Must be proficient in Microsoft Excel and have general computer skills and aptitude.
- Must be analytical and technically competent, with the leadership ability to influence people, situations, and circumstances.

If you have what it takes to be our next key player, tell us in your cover letter, *"Beyond the beans, what is the role of a Plant Controller?"* **Only cover** letters addressing that question will be considered. Please indicate your general salary requirements in your cover letter and email or fax your resume and cover letter to:

Ross Giombetti
Giombetti Associates
2 Allen Street, P.O. Box 720
Hampden, MA 01 036
Email: Rossgiombetti@giombettiassoc.com
Fax: (41 3) 566-2009

Finally, the ad should prompt action with a statement like "call today." (Of course, the ad should also comply with equal employment laws, avoiding features like "man wanted.")

More information is usually better than less. Job applicants view ads with more specific job information as more attractive and more credible.[71] If the job has big drawbacks, then (depending on your risk preferences) consider a realistic ad. When the New York City Administration for Children's Services was having problems with employee retention, it began using these ads: "Wanted: men and women willing to walk into strange buildings in dangerous neighborhoods, [and] be screamed at by unhinged individuals. . . ." Realism reduces applicants, but improves employee retention.[72]

Employment Agencies

There are three main types of employment agencies: (1) public agencies operated by federal, state, or local governments; (2) agencies associated with nonprofit organizations; and (3) privately owned agencies.

PUBLIC AND NONPROFIT AGENCIES

Every state has a public, state-run employment service agency. The U.S. Department of Labor supports these agencies, through grants and through other assistance such as a nationwide computerized job bank. The National Job Bank enables agency counselors to advise applicants about available jobs in other states as well.

Some employers have mixed experiences with public agencies. For one thing, applicants for unemployment insurance are required to register and to make themselves available for job interviews. Some of these people are not interested in returning to work, so employers can end up with applicants who have little desire for immediate employment. And fairly or not, employers probably view some of these local agencies as lethargic in their efforts to fill area employers' jobs.

Yet these agencies are actually quite useful. Beyond just filling jobs, counselors will visit an employer's work site, review the employer's job requirements, and even assist the employer in writing job descriptions. Most states have turned their local state employment service agencies into "one-stop" shops—neighborhood training/employment/educational services centers.[73] One user said of the Queens New York Career Center in Jamaica: "I love it: I've made this place like a second home."[74] At Oregon State's centers, job seekers can use "iMatch" skills assessment software, while employers can get up-to-date local economic news and use the center's online recruitment tools.[75] More employers should be taking advantage of these centers (formerly the "unemployment offices" in many cities).

Most (nonprofit) professional and technical societies, such as the Institute for Electrical and Electronic Engineers (IEEE), have units that help members find jobs. Many special public agencies place people who are in special categories, such as those who are disabled.

PRIVATE AGENCIES

Private employment agencies are important sources of clerical, white-collar, and managerial personnel. They charge fees (set by state law and posted in their offices) for each applicant they place. Most are "fee-paid" jobs, in which the employer pays the fee.

Why use an agency? Reasons include:

1. Your firm doesn't have its own human resources department and feels it can't do a good job recruiting and screening.
2. You must fill an opening quickly.
3. There is a perceived need to attract more minority or female applicants.
4. You want to reach currently employed individuals, who might feel more comfortable dealing with agencies than with competing companies.
5. You want to reduce the time you're devoting to recruiting.[76]

Yet using employment agencies requires avoiding the potential pitfalls. For example, the employment agency's screening may let poor applicants go directly to the supervisors responsible for hiring, who may in turn naively hire them. Conversely, improper screening at the agency could block potentially successful applicants.

To help avoid problems:

1. Give the agency an accurate and complete job description.

2. Make sure tests, application blanks, and interviews are part of the agency's selection process.

3. Periodically review EEOC data on candidates accepted or rejected by your firm, and by the agency.

4. Screen the agency. Check with other managers to find out which agencies have been the most effective at filling the sorts of positions you need filled. Review the Internet and classified ads to discover the agencies that handle the positions you seek to fill.

5. Supplement the agency's reference checking by checking at least the final candidate's references yourself.

Temp Agencies and Alternative Staffing

Employers increasingly supplement their permanent workforces by hiring contingent or temporary workers, often through temporary help employment agencies. Also known as *part-time* or *just-in-time workers*, the contingent workforce is big and growing. In 2010, about 26% of all jobs private-sector employers added were temporary positions, two to three times the comparable figures for the last two recessions. Several things contribute to the trend toward using more temporary employees. One is continuing weak economic confidence among employers. Another is the trend towards organizing around short-term projects. For example, Makino, which manufactures machine tools, now outsources the installation of large machines to contract firms, who in turn hire temps to do the installations. Flexibility is another concern, with more employers wanting to quickly reduce employment levels if the economic turnaround proves short-lived.[77]

The contingent workforce isn't limited to clerical or maintenance staff. It includes thousands of engineering, science, or management support occupations, such as temporary chief financial officers, human resource managers, and chief executive officers.

Employers can hire temp workers either through direct hires or through temporary staff agencies. Direct hiring involves simply hiring workers and placing them on the job. The employer usually pays these people directly, as it does all its employees, but classifies them separately, as casual, seasonal, or temporary employees, and often pays few if any benefits.[78] The other approach is to have a temp agency supply the employees. Here the agency handles all the recruiting, screening, and payroll administration for the temps. Thus, Nike hired Kelly Services to manage Nike's temp needs.

PROS AND CONS   Employers have long used "temps" to fill in for permanent employees who were out sick or on vacation. But today's desire for ever-higher productivity also contributes to temp workers' growing popularity. Productivity is measured in terms of output per hour paid for, and temps are generally paid only when they're working—not for days off, in other words. Many firms also use temporary hiring to give prospective employees a trial run before hiring them as regular employees.[79]

The benefits don't come without a price. Temps may be more productive, but generally cost employers 20% to 50% more than comparable permanent workers (per hour or per week), since the agency gets a fee. Furthermore, "people have a psychological reference point to their place of employment. Once you put them in the contingent category, you're saying they're expendable."[80]

When working with temporary agencies, ensure that basic policies and procedures are in place. For example, with temps, the time sheet is not just a verification of hours worked. Once the worker's supervisor signs it, it's usually an agreement to pay the

The numbers of temporary and freelance workers are increasing all over the world.

Source: Greg Balfour Evans/Alamy.

agency's fees. What is the policy if the client wants to hire one of the agency's temps as a permanent employee? How does the agency plan to recruit employees? Did you get a document from the agency stating that it is not discriminating when filling temp orders? Checking a temporary agency's references and its listing with the Better Business Bureau is advisable.[81]

WHAT SUPERVISORS SHOULD KNOW ABOUT TEMPORARY EMPLOYEES' CONCERNS   To make temporary relationships successful, managers supervising temps should understand these employees' main concerns. In one survey, six key concerns emerged. Temporary workers said they were:

1. Treated by employers in a dehumanizing and ultimately discouraging way.
2. Insecure about their employment and pessimistic about the future.
3. Worried about their lack of insurance and pension benefits.
4. Misled about their job assignments and in particular about whether temporary assignments were likely to become full-time.
5. "Underemployed" (particularly those trying to return to the full-time labor market).[82]

LEGAL GUIDELINES   Several years ago, federal agents rounded up about 250 illegal "contract" cleaning workers in 60 Walmart stores. The raid underscores the need to understand the status of the contract employees who work on your premises handling activities like security or after-hours store cleaning.[83] The fact that they actually work for another, temp-type company is no excuse. For purposes of most employment laws, with certain limited exceptions, employees of temporary staffing firms working in an employer's workplace will be considered to be employees both of the agency and of the employer.[84] The employer's liability basically comes down to the degree to which its supervisors control the temp employee's activities. For example, ask the staffing agency to handle training. Let it negotiate and set pay rates and vacation/time-off policies with the temp.

ALTERNATIVE STAFFING   Temporary employees are examples of **alternative staffing**—basically, the use of nontraditional recruitment sources. Other alternative staffing arrangements include "in-house temporary employees" (people employed directly by the company, but on an explicit short-term basis) and "contract technical employees" (highly skilled workers like engineers, who are supplied for long-term projects under contract from an outside technical services firm).

Offshoring and Outsourcing Jobs

Outsourcing and offshoring are perhaps the most extreme examples of alternative staffing. Rather than bringing people in to do the company's jobs, outsourcing and offshoring send the jobs out. *Outsourcing* means having outside vendors supply services (such as benefits management, market research, or manufacturing) that the company's own employees previously did in-house. *Offshoring* is a narrower term. It means having outside vendors or employees *abroad* supply services that the company's own employees previously did in-house.

Outsourcing and offshoring are both contentious. Particularly in challenging economic times, employees, unions, legislators, and even many business owners feel that "shipping jobs out" (particularly overseas) is ill-advised. That notwithstanding, employers are sending more jobs out, and not just blue-collar jobs. For example, GE's transportation division announced that it was shifting 17 mid-level drafting jobs from Pennsylvania to India.[85]

Sending out jobs, particularly overseas, presents employers with some special challenges. One is the potential for political tension in countries such as India. Others include the likelihood of cultural misunderstandings (such as between your home-based customers and the employees abroad); security and information privacy concerns; the need to deal with foreign contract, liability, and legal systems issues; and the fact that the offshore employees need special training (for instance, in using pseudonyms like "Jim" without discomfort). Rising overseas wages, higher oil prices, and quality issues are prompting more U.S. employers to bring their jobs back home.[86] The bottom line is that neither outsourcing nor offshoring always brings all the savings one would have hoped for, and both require careful consideration of human resource issues.

Executive Recruiters

Executive recruiters (also known as *headhunters*) are special employment agencies employers retain to seek out top-management talent for their clients. The percentage of your firm's positions filled by these services might be small. However, these jobs include key executive and technical positions. For executive positions, headhunters may be your only source of candidates. The employer always pays the fees.

There are two types of executive recruiters—contingent and retained. Members of the Association of Executive Search Consultants usually focus on executive positions paying $150,000 or more, and on "*retained* executive search." They are paid regardless of whether the employer hires the executive through the search firm's efforts. *Contingency-based recruiters* tend to handle junior- to middle-level management job searches in the $50,000 to $150,000 range. Whether retained or contingent, fees are beginning to drop from the usual 30% or more of the executive's first-year pay.[87] Top recruiters (all retained) include Heidrick and Struggles, Egon Zehnder International, Russell Reynolds, and Spencer Stuart.[88]

Executive recruiters are using more technology and becoming more specialized. The challenging part of recruiting has always been finding potential candidates—to find, say, "a sales manager with experience in chemical engineered products." Not surprisingly, Internet-based databases now dramatically speed up such searches. Executive recruiters are also becoming more specialized. The large ones are creating new businesses aimed at specialized functions (such as sales) or industries (such as oil products). So, it's advisable to look first for one that specializes in your field.

PROS AND CONS   Recruiters bring a lot to the table. They have many contacts and are especially adept at finding qualified employed candidates who aren't actively looking to change jobs. They can keep your firm's name confidential until late into

alternative staffing
The use of nontraditional recruitment sources.

the search process. The recruiter can save top management's time by finding and screening an applicant pool. The recruiter's fee might actually turn out to be small when you compare it to the executive time saved.

The big issue is ensuring that the recruiter really understands your needs and then delivers properly vetted candidates who fill the bill. As an employer, it is essential to explain completely what sort of candidate is required—and why. Therefore, be prepared for some in-depth dissecting of your request. Some recruiters also may be more interested in persuading you to hire a candidate than in finding one who will really do the job. Understand that one or two of the "final candidates" may actually just be fillers to make the recruiter's one "real" candidate look better.

GUIDELINES   In choosing a recruiter, guidelines include:[89]

1. Make sure the firm is capable of conducting a thorough search. Under their ethics code, a recruiter can't approach the executive talent of a former client for a period of 2 years after completing a search for that client. Since former clients are off limits for 2 years, the recruiter must search from a constantly diminishing pool.[90]
2. Meet the individual who will actually handle your assignment.
3. Make sure to ask how much the search firm charges. Get the agreement in writing.[91]
4. Make sure the recruiter and you see eye to eye on what sort of person you need for the position.
5. *Never* rely solely on the executive recruiter (or other search professional, such as employment agency) to do all the reference checking. Certainly, let them check the candidates' references, but get notes of these references in writing from the recruiter (if possible). And, in any event, make sure to check at least the final candidate's references yourself.

On-Demand Recruiting Services

On-demand recruiting services (ODRS) provide short-term specialized recruiting assistance to support specific projects without the expense of retaining traditional search firms. They are recruiters who are paid by the hour or project, instead of a percentage fee. For example, when the human resource manager for a biotech firm had to hire several dozen people with scientific degrees and experience in pharmaceuticals, she used an ODRS firm. A traditional recruiting firm might charge 20% to 30% of each hire's salary, a prohibitive amount for a small company. The ODRS firm charged by time, rather than per hire. It handled recruiting and prescreening, and left the client with a short list of qualified candidates.[92]

College Recruiting

College recruiting—sending an employer's representatives to college campuses to prescreen applicants and create an applicant pool from the graduating class—is an important source of management trainees and professional and technical employees. One study several years ago concluded, for instance, that new college graduates filled about 38% of all externally filled jobs requiring a college degree.[93]

The problem is that on-campus recruiting is expensive and time-consuming. Schedules must be set well in advance, company brochures printed, interview records kept, and much time spent on campus. And recruiters themselves are sometimes ineffective. Some recruiters are unprepared, show little interest in the candidate, and act superior. Many don't screen candidates effectively. Employers need to train recruiters in how to interview candidates, how to explain what the company has to offer, and how to put candidates at ease. And even more than usual, the recruiter needs to be personable and preferably have a history of attracting good candidates.[94] GE hires 800 to 1,000 students each year from about 40 schools, and uses teams of employees and interns to build GE's brand at each school. Similarly, IBM has 10 recruiting staff who focus on improving the results of IBM's on-campus recruiting efforts.[95]

ON-CAMPUS RECRUITING GOALS   The campus recruiter has two main goals. One is to determine if a candidate is worthy of further consideration. Usual traits to assess include communication skills, education, experience, and interpersonal skills. The other aim is to attract good candidates. A sincere and informal attitude, respect for the applicant, and prompt follow-up letters can help sell the employer to the interviewee. Employers who send effective recruiters to campus and build relationships with opinion leaders such as career counselors and professors have better recruiting results.[96]

Building close ties with a college's career center can help employers achieve these goals. Doing so provides recruiters with useful feedback regarding things like labor market conditions and the effectiveness of one's on- and offline recruiting ads.[97] Shell Oil reduced the list of schools its recruiters visit, using factors such as quality of academic program, number of students enrolled, and diversity of the student body.[98]

THE ON-SITE VISIT   Employers generally invite good candidates to the office or plant for an on-site visit. There are several ways to make this visit fruitful. The invitation should be warm and friendly but businesslike, and should give the person a choice of dates to visit. Have someone meet the applicant, preferably at the airport or at his or her hotel, and act as host. A package containing the applicant's schedule as well as other information regarding the company—such as annual reports and employee benefits—should be waiting for the applicant at the hotel.

Plan the interviews and adhere to the schedule. Avoid interruptions; give the candidate the undivided attention of each person with whom he or she interviews. Have another recently hired graduate host the candidate's lunch. Make any offer as soon as possible, preferably at the time of the visit. If this is not possible, tell the candidate when to expect a decision. Frequent follow-ups to "find out how the decision process is going" may help to tilt the applicant in your favor.

A study of 96 graduating students from a major Northeastern university reveals some other things for which to watch out. For example, 53% said "on-site visit opportunities to meet with people in positions similar to those applied for, or with higher-ranking persons" had a positive effect. Fifty-one percent mentioned, "Impressive hotel/dinner arrangements and having well-organized site arrangements." "Disorganized, unprepared interviewer behavior, or uninformed, useless answers" turned off 41%. Forty percent mentioned "unimpressive cheap hotels, disorganized arrangements, or inappropriate behavior of hosts" as negatives.[99]

INTERNSHIPS   Many college students get their jobs through college internships. Internships can be win–win situations. For students, it may mean being able to hone business skills, learn more about potential employers, and discover their career likes (and dislikes). And employers can use the interns to make useful contributions while evaluating them as possible full-time employees. A recent study found that about 60% of internships turned into job offers.[100]

Referrals and Walk-Ins

Employee referral campaigns are an important recruiting option. Here the employer posts announcements of openings and requests for referrals on its Web site, bulletin, and/or wallboards. It often offers prizes or cash awards for referrals that lead

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on-demand recruiting services (ODRS)
Services that provide short-term specialized recruiting to support specific projects without the expense of retaining traditional search firms.

college recruiting
Sending an employer's representatives to college campuses to prescreen applicants and create an applicant pool from the graduating class.

to hiring. For example, health care giant Kaiser Permanente says, "Our employee referral program encourages you to introduce your talented friends, family members, or former colleagues to career opportunities at Kaiser Permanente." Referring someone for one of its "award-eligible positions" can produces bonuses of $3,000 or more.[101] The Container Store uses a successful variant of the employee referral campaign. They train their employees to recruit new employees from among the firm's customers.

PROS AND CONS   The big advantage here is that referrals tend to generate "more applicants, more hires, and a higher yield ratio (hires/applicants)."[102] Current employees will usually provide accurate information about the job applicants they are referring, since they're putting their own reputations on the line. The new employees may also come with a more realistic picture of what the firm is like. A survey by the Society for Human Resource Management (SHRM) found that of 586 employer respondents, 69% said employee referral programs are more cost-effective than other recruiting practices and 80% specifically said they are more cost-effective than employment agencies. On average, referral programs cost around $400–$900 per hire in incentives and rewards.[103]

There are a few things to avoid. If morale is low, you probably should address that prior to asking for referrals. And if you don't hire someone, explain to your employee/referrer why you did not hire his or her candidate. And we saw that relying on referrals might be discriminatory.

WALK-INS   Particularly for hourly workers, walk-ins—direct applications made at your office—are a big source of applicants. From a practical point of view, simply posting a "Help Wanted" sign outside the door may be the most cost-effective way of attracting good local applicants. Treat walk-ins courteously and diplomatically, for both the employer's community reputation and the applicant's self-esteem. Many employers give every walk-in a brief interview, even if it is only to get information on the applicant "in case a position should be open in the future." Particularly in challenging times, you'll also receive many unsolicited application letters from professional and white-collar applicants. These can be good sources of leads. Good business practice requires answering all letters of inquiry from applicants promptly and courteously.

Telecommuters

Telecommuters are another option. For example, JetBlue Airways uses at-home agents to handle its reservation needs. These JetBlue employee "crewmembers" live in the Salt Lake City area and work out of their homes. They use JetBlue-supplied computers and technology, and receive JetBlue training.[104]

Military Personnel

Returning and discharged U.S. military personnel provide an excellent source of trained recruits. Several military branches have programs to facilitate soldiers finding jobs. For example, the U.S. Army's Partnership for Youth Success enables someone entering the Army to select a post-army corporate partner for an employment interview as a way to help soldiers find a job after leaving the Army.[105]

Recruiting Source Use and Effectiveness

Research reveals several guidelines employers can use to improve their recruiting efforts' effectiveness (see Table 5-1). For example, referrals from current employees yield applicants who are less likely to leave and more likely to perform better.[106]

TABLE 5-1 Recruitment: Practical Applications for Managers

Recruitment Research Finding[a]	Practical Applications for Managers
The recruitment source affects the characteristics of applicants you attract.	Use sources such as referrals from current employees that yield applicants more likely to be better performers.
Recruitment materials have a more positive impact if they contain more specific information.	Provide applicants with information on aspects of the job that are important to them, such as salary, location, and diversity.
Organizational image influences applicants' initial reactions.	Ensure all communications regarding an organization provide a positive message regarding the attractiveness of the organization as a place to work.
Applicants with a greater number of job opportunities are more attentive to early recruitment activities.	Ensure initial recruitment activities (e.g., Web site, brochure, on-campus recruiting) are attractive to candidates.
Realistic job previews that highlight both the advantages and the disadvantages of the job reduce subsequent turnover.	Provide applicants with a realistic picture of the job and organization, not just the positives.
Applicants will infer (perhaps erroneous) information about the job and company if the information is not clearly provided by the company.	Provide clear, specific, and complete information in recruitment materials so that applicants do not make erroneous inferences about the job or the employer.
Recruiter warmth has a large and positive effect on applicants' decisions to accept a job.	Choose individuals who have contact with applicants for their interpersonal skills.
Recruitment source also has a significant effect on reducing turnover.	Individuals recruited through personal recruitment sources such as employee referral programs are less likely to terminate their employment early.

[a]Selected research principles from M. S. Taylor and & C. J. Collins (2000), Strategic Recruitment. In C. L. Cooper & E. A. Locke. (Eds.) *I/O Psychology: Practice and Theory Book*. Oxford: Blackwell.

Sources: Adapted from Ann Marie Ryan and Nancy Tippins, "Attracting and Selecting: What Psychological Research Tells Us," *Human Resource Management* 43, no. 4 (Winter 2004), p. 311; and Ingo Weller et al., "Level and Time Effects of Recruitment Sources on Early Voluntary Turnover," *Journal of Applied Psychology* 94, no. 5 (2009), pp. 1146–1162 (1157). Reprinted by permission of Society for Human Resource Management via Copyright Clearance Center.

Evidenced-Based HR: Measuring Recruiting Effectiveness

Even small employers may spend tens of thousands of dollars per year recruiting applicants, yet few firms assess their recruitment efforts' effectiveness. Is it more cost-effective for us to advertise for applicants on the Web or in Sunday's paper? Should we use this employment agency or that one? One survey found that only about 44% of the 279 firms surveyed made formal attempts to evaluate their recruitment efforts.[107] Such inattention flies in the face of common sense.[108]

In terms of what to measure, one question is "How many applicants did we generate through each of our recruitment sources?"[109] Possible recruiting metrics include new hire job performance, new hire failure rate, new hire turnover, training success, and manager's satisfaction.[110]

The problem is that more applicants is not always better. The employer needs qualified, hirable applicants, not just applicants. An Internet ad may generate thousands of applicants, many from so far away that there's no chance they're viable. Even with computerized prescreening and tracking software, there are still more applicants to correspond with and screen.[111]

The applicant tracking system should help compare recruiting sources, but about 30% of them lack the necessary tools to effectively pinpoint source of hire.[112] And realistically, the manager looking to hire five engineers probably won't be twice as selective with 20,000 applicants as with 10,000. So, it is not just quantity but quality. It's therefore wise to compare your recruiting sources with measures of how employees from these sources did after about a year on the job. The accompanying HR as a Profit Center illustrates the role human resources can play.

HR AS A PROFIT CENTER

GE Medical Recruitment Process Outsourcing (RPO) Example

GE Medical hires about 500 technical workers a year to make sophisticated medical devices such as CT scanners. GE Medical must compete for talent with the likes of Microsoft. However, it has cut its hiring costs by 17%, reduced time to fill the positions by 20% to 30%, and cut in half the percentage of new hires who don't work out.[113]

GE Medical's HR team accomplished this in part by applying some of its purchasing techniques to its dealings with recruiters. For example, it called a meeting and told 20 recruiters that it would work with only the 10 best. To measure "best," the company created measurements inspired by manufacturing techniques, such as "percentage of résumés that result in interviews" and "percentage of interviews that lead to offers." Similarly, GE Medical discovered that current employees are very effective as references. For instance, GE Medical interviews just 1% of applicants whose résumés it receives, while 10% of employee referrals result in actual hires. So GE Medical took steps to double the number of employee referrals. It simplified the referral forms, eliminated bureaucratic submission procedures, and added a small reward like a Sears gift certificate for referring a qualified candidate. GE also upped the incentive—$2,000 if someone referred is hired, and $3,000 if he or she is a software engineer. GE is also moving to use recruitment process outsourcers. These "RPOs" handle tasks such as setting up interviews, making flight and hotel reservations and providing weekly reports on all open positions.[113].

Improving Productivity Through HRIS

An Integrated Approach to Recruiting

Ideally, an employer's computerized recruitment system should include several elements: a *requisition management system*, which facilitates requisition, routing, approval, and posting of job openings; a *recruiting solution*, including job advertisement, recruitment marketing, applicant tracking, and online recruitment vendor management, to increase and improve applicant pool quality; *screening services*, such as skills and behavioral assessment services; and *hiring management* software to capture and manage candidate information.[114]

RECRUITING A MORE DIVERSE WORKFORCE

7 Explain how to recruit a more diverse workforce.

As we explained in Chapter 2, recruiting a diverse workforce isn't just socially responsible. Given the rapid increase in minority, older worker, and women candidates, it is a necessity. The recruiting tools we have described to this point are certainly useful for minority and other applicants, too. However, in general, recruiting a more diverse workforce requires several special steps, to which we now turn.[115]

Single Parents

In 2010, there were almost 10 million single parent families with children under 18 maintained by the mother, about two-thirds of whom were employed. There were about 1.25 million single parent families with children under 18 maintained by the father, and three-fourths of those fathers were employed. Being a single parent isn't easy, and recruiting and keeping them requires understanding the problems they face in balancing work and family life.[116] In one survey,

> Many described falling into bed exhausted at midnight without even minimal time for themselves. . . . They often needed personal sick time or excused days off to care for sick children. As one mother noted, "I don't have enough sick days to get sick."[117]

Given such concerns, the first step in attracting (and keeping) single parents is to make the workplace as user friendly for them as practical.[118] Many firms have family friendly programs but these may not be extensive enough for single parents. For example, *flextime* programs provide employees some flexibility (such as 1-hour windows

at the beginning or end of the day) around which to build their work-days. The problem is that for many single parents this limited flexibility may not be enough in the face of the conflicting work–home pressures that many face. CNN even offered a "Work/Life Balance Calculator" (www.cnn.com/2008/LIVING/worklife/06/04/balance.calculator/) to assess how far out of balance one's life may be.[119]

Flexible work schedules and child-care benefits are thus just two big single-parent magnets. In addition, surveys suggest that a supportive attitude on the supervisor's part can go far toward making the single parent's work–home balancing act more bearable.

Source: Mel Yates/Getty Images USA, Inc.

Older Workers

When it comes to hiring older workers, employers don't have much choice.[120] Over the next few years,

Not just single parents, but also their children may occasionally need some extra support.

the fastest-growing labor force segment will be those from 45 to 64 years old. Those age 25 to 34 will decline by almost 3 million, reflecting fewer births in the late 1960s and early 1970s. On the positive side, a survey by AARP and SHRM concluded that older workers tend to have lower absenteeism rates, more reliability, and better work habits than younger workers.[121] Firms like Home Depot capitalize on this by hiring older employees, who "serve as a powerful draw to baby boomer shoppers by mirroring their knowledge and perspective."[122]

It therefore makes sense for employers to encourage older workers to stay (or to come to work at the company). Doing so involves several things. The big one is probably to provide opportunities for flexible (and often abbreviated) work schedules. One survey found that flexibility was the main concern for 71% of baby boomers, with those who continue working preferring to do so part time.[123] At one company, workers over 65 can progressively shorten their work schedules; another company uses "mini shifts" to accommodate those interested in working less than full time. Other suggestions include the following:

- Phased retirement that allows workers to ease out of the workforce.
- Portable jobs for "snowbirds" who wish to live in warmer climates in the winter.
- Part-time projects for retirees.
- Full benefits for part-timers.[124]

As always in recruiting, projecting the right image is essential. For example, one study found that writing the ad so that it sent the message "we're older-worker friendly" was important. The most effective ads emphasized schedule flexibility, and accentuated the firm's equal opportunity employment statement. This was much more effective than adding statements alluding to giving retirees opportunities to transfer their knowledge to the new work setting.[125]

Recruiting Minorities

The same prescriptions that apply to recruiting older workers apply to recruiting minorities. In practice, this requires a three-part effort: Understand the recruitment barriers, formulate the required recruitment plans, and institute the specific day-to-day programs.[126]

UNDERSTAND   First, understand the barriers that prevent minorities from applying. For example, many minority applicants don't meet the educational or experience standards for the job, so many companies offer remedial training in basic arithmetic and writing. For others, lack of role models is a problem. For example, in one retail chain, it was a lack of role models (plus what the one manager called a "rather macho culture") that stopped women from applying. Sometimes (as we saw) it's a lack of schedule flexibility, given the responsibility for caring and schooling of the children.

PLAN   After recognizing the potential impediments, you can turn to formulating plans for attracting and retaining minorities and women. This may include, for instance, developing flexible work options, redesigning jobs, and offering flexible benefits plans.

IMPLEMENT   Finally, translate these personnel plans into recruitment programs. Specifically, decide what the ads will say, and what recruiting sources you will use. Many job seekers check with friends or relatives as a strategy for looking for jobs, so encouraging your minority employees to assist in your recruitment efforts makes sense. Diversity recruitment specialists include www.diversity.com, www.2trabajo.com, and http://recruitersnetwork.com/resources/diversity.htm.

Other firms collaborate with specialist professional organizations. These include the National Black MBA Association (www.nbmbaa.org/home.aspx?PageID=637&), the National Society of Hispanic MBAs (www.nshmba.org/) and the Organization of Chinese Americans (http://ocanational.org/).

Welfare-to-Work

Some companies report difficulty in hiring and assimilating people previously on welfare. Applicants sometimes lack basic work skills, such as reporting for work on time, working in teams, and taking orders. The key to a welfare-to-work program's success seems to be the employer's pretraining program. Here, participants get counseling and basic skills training over several weeks.[127]

The Disabled

The EEOC estimates that nearly 70% of the disabled are jobless, but it certainly doesn't have to be that way.[128] The research is quite persuasive regarding the fact that in terms of virtually all work criteria, employees with disabilities are capable workers. Thousands of employers in the United States and elsewhere have found that disabled employees provide an excellent and largely untapped source of competent, efficient labor for jobs ranging from information technology to creative advertising to receptionist.

Employers can do several things to tap this huge potential workforce. The U.S. Department of Labor's Office of Disability Employment Policy offers several programs, including one that helps link disabled college undergraduates who are looking for summer internships with potential employers.[129] All states have local agencies (such as "Corporate Connections" in Tennessee) that provide placement services and other recruitment and training tools and information for employers seeking to hire the disabled. Employers also must use common sense. For example, employers who only post job openings online may miss potential employees who are visually impaired.[130]

DEVELOPING AND USING APPLICATION FORMS
Purpose of Application Forms

With a pool of applicants, the prescreening process can begin. The **application form** is usually the first step in this process (some firms first require a brief, prescreening interview or online test).

A filled-in application provides four types of information. First, you can make judgments on *substantive matters*, such as whether the applicant has the education

FIGURE 5-10 FBI Employment Application

Source: www.fbijobs.gov/ employment/fd646c.pdf, accessed April 28, 2009.

FIELD OFFICE USE ONLY

FEDERAL BUREAU OF INVESTIGATION

Preliminary Application for Honors Internship Program (Please Type or Print in Ink)

Date: _____

HP

Div: _____   Program: _____

I. PERSONAL HISTORY

Name in Full (Last, First, Middle, Maiden)	List College(s) attended, Major, Degree (if applicable), Grade Point Average

Birth Date (Month, Day, Year) Birth Place:	Social Security Number: (Optional)

Current Address

Home Phone _____

Street   Apt. No.   Area Code   Number

Work Phone _____

City   State   Zip Code   Area Code   Number

Are you: Licensed Driver ☐ Yes ☐ No   U. S. Citizen ☐ Yes ☐ No

Have you served on active duty in the Armed Forces of the United States? ☐ Yes ☐ No	Branch of military service and dates of active duty:	Type of Discharge

How did you learn or become interested in the FBI Honors Internship Program?

Do you have a foreign language background? ☐ Yes ☐ No   List proficiency for each language on reverse side.

Have you ever been arrested or charged with any violation including traffic, but excluding parking tickets? ☐ Yes ☐ No If so, list all such matters even if found not guilty, not formally charged, no court appearance, or matter settled by payment of fine or forfeiture of collateral. Include date, place, charge, disposition, details, and police agency on reverse side.

II. EMPLOYMENT HISTORY

Identify your most recent three years FULL-TIME work experience, after high school (excluding summer, part-time and temporary employment).

From	To	Description of Work	Name/Location of Employer

III. PERSONAL DECLARATIONS

Persons with a disability who require an accommodation to complete the application process are required to notify the FBI of their need for the accommodation.

Have you used marijuana during the last three years or more than 15 times? ☐ Yes ☐ No

Have you used any illegal drug(s) or combination of illegal drugs, other than marijuana, more than 5 times or during the last 10 years? ☐ Yes ☐ No

All Information provided by applicants concerning their drug history will be subject to verification by a preemployment polygraph examination.

Do you understand all prospective FBI employees will be required to submit to an urinalysis for drug abuse prior to employment? ☐ Yes ☐ No

I am aware that willfully withholding information or making false statements on this application constitutes a violation of Section 1001, Title 18, U.S. Code and if appointed, will be the basis for dismissal from the Federal Bureau of Investigation. I agree to these conditions and I hereby certify that all statements made by me on this application are true and complete, to the best of my knowledge.

_____

Signature of Applicant as usually written. (**Do Not Use Nickname**)

The Federal Bureau of Investigation is an equal opportunity employer.

and experience to do the job. Second, you can draw conclusions about the applicant's *previous progress* and growth, especially important for management candidates. Third, you can draw tentative conclusions about the applicant's *stability* based on previous work record (although years of downsizing suggest the need for caution here). Fourth, you may be able to use the data in the application to *predict* which candidates will succeed on the job and which will not.

Most employers need several application forms. For technical and managerial personnel, the form may require detailed answers to questions about education and training. The form for hourly factory workers might focus on tools and equipment. Figure 5-10 presents one employer's approach to collecting application form information—the employment application for the FBI. In practice, most employers encourage online applications.

application form
The form that provides information on education, prior work record, and skills.

Application Guidelines

Managers should keep several practical guidelines in mind. In the "Employment History" section, request detailed information on each prior employer, including the name of the supervisor and his or her e-mail address and telephone number; this is essential for reference checking. Also, in signing the application, the applicant should certify his or her understanding that falsified statements may be cause for dismissal, that investigation of credit and employment and driving record is authorized, that a medical examination may be required, that drug screening tests may be required, and that employment is for no definite period.

APPLICANT EXAGGERATION   Job applicants often exaggerate their qualifications. Estimates of how many applicants exaggerate range from 40% to 70%.[131] The most common exaggerations concern education and job experience. A majority of graduating seniors reportedly believe that employers expect a degree of exaggeration on resumes. Much of this exaggeration occurs on resumes, but may occur on application forms too. Therefore, always ensure applicants complete the form and sign a statement on it indicating that the information is true. The court will almost always support a discharge for falsifying information when applying for work.[132] Furthermore, doing a less-than-complete job of filling in the form may reflect poor work habits. Some applicants simply scribble "see résumé attached" on the application. This is not acceptable. You need the signed, completed form.

Application Forms and EEO Law

Carefully review application forms to ensure that they comply with equal employment laws. Questions to be aware of include:

Education. A question on the dates of attendance and graduation from various schools is one potential violation, insofar as it may reflect the applicant's age.

Arrest record. The courts have usually held that employers violate Title VII by disqualifying applicants from employment because of an arrest. This item has an adverse impact on minorities, and employers usually can't show it's required as a business necessity.

Notify in case of emergency. It is generally legal to require the name, address, and phone number of a person to notify in case of emergency. However, asking the relationship of this person could indicate the applicant's marital status or lineage.

Membership in organizations. Some forms ask the applicant to list memberships in clubs, organizations, or societies. Employers should include instructions not to include organizations that would reveal race, religion, physical handicaps, marital status, or ancestry.

Physical handicaps. It is usually illegal to require the listing of an applicant's physical handicaps or past illnesses unless the application blank specifically asks only for those that "may interfere with your job performance." Similarly, it is generally illegal to ask whether the applicant has ever received workers' compensation.

Marital status. In general, the application should not ask whether an applicant is single, married, divorced, separated, or living with anyone, or the names, occupations, and ages of the applicant's spouse or children.

Housing. Asking whether an applicant *owns, rents,* or *leases* a house may also be discriminatory. It can adversely affect minority groups and is difficult to justify on business necessity.

VIDEO RÉSUMÉS   More candidates are submitting video résumés, a practice replete with benefits and threats. About half of responding employers in one survey thought video résumés might give employers a better feel for the candidate. The danger is that a video résumé makes it more likely that rejected candidates may claim discrimination.[133] To facilitate using video résumés, several Web sites compile for applicants, usually for a fee, multimedia résumés.[134]

Using Application Forms to Predict Job Performance

Finally, employers can use analyses of application information ("biodata") to *predict* employee tenure and performance. In one study, the researchers found that applicants who had longer tenure with previous employers were less likely to quit, and also had higher performance within 6 months after hire.[135] Examples of biodata items might include "quit a job without giving notice," "graduated from college," and "traveled considerably growing up."[136]

Choose biodata items with three things in mind. First, of course, equal employment law limits the items you'll want to use (don't use age, race, or gender, for instance). And, noninvasive items are best. In one study, subjects perceived items such as "dollar sales achieved" and "grade point average in math" as legitimate, and not invasive. Other items such as "birth order" and "frequent dates in high school" were more invasive, and unacceptable. Finally, consider that some applicants will fake biodata answers in an effort to impress the employer.[137]

Mandatory Arbitration

Many employers, aware of the high costs of employment litigation, require applicants to agree in writing to mandatory arbitration should a dispute arise. The practice is a matter of debate.

Different federal courts have taken different positions on the enforceability of these "mandatory alternative dispute resolution" clauses. The basic situation now is that they are generally enforceable, with two big caveats.

First, it must be a fair process.[138] For example, the agreement should be a signed and dated separate agreement. Use simple wording. Provide for reconsideration and judicial appeal if there is an error of law.[139] The employer must absorb most of the cost of the arbitration process. The arbitration process should be reasonably swift. The employee, if he or she prevails, should be eligible to receive the full remedies that he or she would have had if he or she had had access to the courts.

Second, mandatory arbitration clauses turn some candidates off. In one study, 389 MBA students read simulated employment brochures. Mandatory employment arbitration had a significantly negative impact on the attractiveness of the company as a place to work.[140]

REVIEW

MyManagement**Lab** Now that you have finished this chapter, go back to **www.mymanagementlab.com** to continue practicing and applying the concepts you've learned.

CHAPTER SECTION SUMMARIES

1. The **recruitment and selection process** entails five main steps: decide what positions to fill; build a pool of candidates for these jobs; have candidates complete application forms; use selection tools; and decide to whom to make an offer, in part by having the supervisor and others interview the candidates.

2. Recruitment and selection starts with **workforce planning and forecasting**. Workforce planning is the process of deciding what positions the firm will have to fill, and how to fill them. This often starts by forecasting personnel needs, perhaps using trend analysis, ratio analysis, scatter plots, or computerized software packages. The other side of the equation is forecasting the supply of inside candidates. Here employers use manual systems and replacement charts, and computerized skills inventories. Forecasting the supply of outside candidates is important, particularly when entering periods of economic expansion where unemployment is low and good candidates are more difficult to come by.

3. All managers need to understand why **effective recruiting is important**. Without enough candidates, employers cannot effectively screen the candidates or hire the best.

Some employers use a recruiting yield pyramid to estimate how many applicants they need to generate in order to fill predicted job openings.

4. Filling open positions with **internal sources of candidates** has several advantages. For example, you're probably already more familiar with their strengths and weaknesses, and they require less orientation. Finding internal candidates often utilizes job posting. For filling the company's projected top-level positions, succession planning—the ongoing process of systematically identifying, assessing, and developing organizational leadership to enhance performance—is the process of choice.

5. Employers use a variety of **outside sources of candidates** when recruiting applicants.

   - Of these, recruiting via the Internet using job boards such as Monster.com represents the leading source. It is quick and cost-effective. One downside is too many applicants from too far away, but employers use applicant tracking software to screen online applicants.
   - Other sources include advertising and employment agencies (including public and nonprofit agencies, and private agencies).
   - Employers increasingly turn to temporary agencies and other alternative staffing methods to hire "alternative" types of employees, such as contract employees for special projects.
   - Executive recruiters, a special type of employment agency, are invaluable for finding and helping the employer hire top-level professionals and executives. However, the employer needs to ensure that the recruiter is conducting a thorough search and carefully checking references.
   - Other outside sources include college recruiting, referrals and walk-ins, and military personnel.

6. Understanding how to **recruit a more diverse workforce** is important. Whether the target is the single parent, older workers, or minorities, the basic rule is to understand their special needs and to create a set of policies and practices that create a more hospitable environment in which they can work.

7. The recruitment process inevitably includes **developing and using application forms** to collect essential background information about the applicant. The application should enable you to make judgments on substantial matters such as the person's education and to identify the person's job references and supervisors. Of course, it's important to make sure the application complies with equal employment laws, for instance with respect to questions regarding physical handicaps.

DISCUSSION QUESTIONS

1. What are the pros and cons of five sources of job candidates?
2. What are the four main types of information that application forms provide?
3. How, specifically, do equal employment laws apply to personnel recruiting activities?
4. What should employers keep in mind when using Internet sites to find job candidates?
5. What are the five main things you would do to recruit and retain a more diverse workforce?

INDIVIDUAL AND GROUP ACTIVITIES

1. Bring to class several classified and display ads from the Sunday help wanted ads. Analyze the effectiveness of these ads using the guidelines discussed in this chapter.
2. Working individually or in groups, develop a 5-year forecast of occupational market conditions for five occupations such as accountant, nurse, and engineer.
3. Working individually or in groups, visit the local office of your state employment agency (or check out their site online). Come back to class prepared to discuss the following questions: What types of jobs seem to be available through this agency, predominantly? To what extent do you think this particular agency would be a good source of professional, technical, and/or managerial applicants? What sorts of paperwork are applicants to the state agency required to complete before their applications are processed by the agency? What other services does the office provide? What other opinions did you form about the state agency?
4. Working individually or in groups, find at least five employment ads, either on the Internet or in a local newspaper, that suggest that the company is family friendly and should appeal to women, minorities, older workers, and single parents. Discuss what they're doing to be family friendly.
5. Working individually or in groups, interview a manager between the ages of 25 and 35 at a local business who manages employees age 40 or older. Ask the manager to describe three or four of his or her most challenging experiences managing older employees.
6. The HRCI "Test Specifications" appendix at the end of this book (pages 633–640) lists the knowledge someone studying for the HRCI certification exam needs to have in each area of human resource management (such as in Strategic Management, Workforce Planning, and Human Resource Development). In groups of four to five students, do four things: (1) review that appendix now; (2) identify the material in this chapter that relates to the required knowledge the appendix lists; (3) write four multiple-choice exam questions on this material that you believe would be suitable for inclusion in the HRCI exam; and (4) if time permits, have someone from your team post your team's questions in front of the class, so the students in other teams can take each others' exam questions.

EXPERIENTIAL EXERCISE

The Nursing Shortage

As of August 2011, U.S. unemployment was still disappointingly high, and employers were still holding back on their hiring. However, while many people were unemployed, that was not the case with nurse professionals. Virtually every hospital was aggressively recruiting nurses. Many were turning to foreign-trained nurses, for example, by recruiting nurses in the Philippines. Experts expected nurses to be in very short supply for years to come.

Purpose: The purpose of this exercise is to give you experience in creating a recruitment program.

Required Understanding: You should be thoroughly familiar with the contents of this chapter, and with the nurse recruitment program of a hospital such as Lenox Hill Hospital in New York (see http://lenoxhillhospital.org/careers_default.aspx).

How to Set Up the Exercise/Instructions: Set up groups of four to five students for this exercise. The groups should work separately and should not converse with each other. Each group should address the following tasks:

1. Based on information available on the hospital's Web site, create a hard-copy ad for the hospital to place in the Sunday edition of the *New York Times*. Which (geographic) editions of the *Times* would you use, and why?
2. Analyze the hospital's current online nurses' ad. How would you improve on it?
3. Prepare in outline form a complete nurses' recruiting program for this hospital, including all recruiting sources your group would use.

APPLICATION CASE

FINDING PEOPLE WHO ARE PASSIONATE ABOUT WHAT THEY DO

Trilogy Enterprises Inc. of Austin, Texas, is a fast-growing software company, and provides software solutions to giant global firms for improving sales and performance. It prides itself on its unique and unorthodox culture. Many of its approaches to business practice are unusual, but in Trilogy's fast-changing and highly competitive environment, they seem to work.

There is no dress code and employees make their own hours, often very long. They tend to socialize together (the average age is 26), both in the office's well-stocked kitchen and on company-sponsored events and trips to places like local dance clubs and retreats in Las Vegas and Hawaii. An in-house jargon has developed, and the shared history of the firm has taken on the status of legend. Responsibility is heavy and comes early, with a "just do it now" attitude that dispenses with long apprenticeships. New recruits are given a few weeks of intensive training, known as "Trilogy University" and described by participants as "more like boot camp than business school." Information is delivered as if with "a fire hose," and new employees are expected to commit their expertise and vitality to everything they do. Jeff Daniel, director of college recruiting, admits the intense and unconventional firm is not the employer for everybody. "But it's definitely an environment where people who are passionate about what they do can thrive."

The firm employs about 700 such passionate people. Trilogy's managers know the rapid growth they seek depends on having a staff of the best people they can find, quickly trained and given broad responsibility and freedom as soon as possible. CEO Joe Liemandt says, "At a software company, people are everything. You can't build the next great software company, which is what we're trying to do here, unless you're totally committed to that. Of course, the leaders at every company say, 'People are everything.' But they don't act on it."

Trilogy makes finding the right people (it calls them "great people") a company-wide mission. Recruiters actively pursue the freshest, if least experienced, people in the job market, scouring college career fairs and computer science departments for talented overachievers with ambition and entrepreneurial instincts. Top managers conduct the first rounds of interviews, letting prospects know they will be pushed to achieve but will be well rewarded. Employees take top recruits and their significant others out on the town when they fly into Austin for the standard, 3-day preliminary visit. A typical day might begin with grueling interviews but end with mountain biking, rollerblading, or laser tag. Executives have been known to fly out to meet and woo hot prospects who couldn't make the trip.

One year, Trilogy reviewed 15,000 résumés, conducted 4,000 on-campus interviews, flew 850 prospects in for interviews, and hired 262 college graduates, who account for over a third of its current employees. The cost per hire was $13,000; Jeff Daniel believes it was worth every penny.

Questions

1. Identify some of the established recruiting techniques that apparently underlie Trilogy's unconventional approach to attracting talent.
2. What particular elements of Trilogy's culture most likely appeal to the kind of employees it seeks? How does it convey those elements to job prospects?
3. Would Trilogy be an appealing employer for you? Why or why not? If not, what would it take for you to accept a job offer from Trilogy?
4. What suggestions would you make to Trilogy for improving its recruiting processes?

Sources: Chuck Salter, "Insanity, Inc.," *Fast Company*, January 1999, pp. 101–108; and www.trilogy.com/sections/careers/work, accessed August 24, 2007.

CONTINUING CASE

CARTER CLEANING COMPANY

Getting Better Applicants

If you were to ask Jennifer and her father what the main problem was in running their firm, their answer would be quick and short: hiring good people. Originally begun as a string of coin-operated laundromats requiring virtually no skilled help, the chain grew to six stores, each heavily dependent on skilled managers, cleaner/spotters, and pressers. Employees generally have no more than a high school education (often less), and the market for them is very competitive. Over a typical weekend, literally dozens of want ads for experienced pressers or cleaner/spotters can be found in area newspapers. All these people usually are paid around $15 per hour, and they change jobs frequently. Jennifer and her father thus face the continuing task of recruiting and hiring qualified workers out of a pool of individuals they feel are almost nomadic in their propensity to move from area to area and job to job. Turnover in their stores (as in the stores of many of their competitors) often approaches 400%. "Don't talk to me about human resources planning and trend analysis," says Jennifer. "We're fighting an economic war and I'm happy just to be able to round up enough live applicants to be able to keep my trenches fully manned."

In light of this problem, Jennifer's father asked her to answer the following questions:

Questions

1. First, how would you recommend we go about reducing the turnover in our stores?
2. Provide a detailed list of recommendations concerning how we should go about increasing our pool of acceptable job applicants so we no longer face the need to hire almost anyone who walks in the door. (Your recommendations regarding the latter should include completely worded online and hard-copy advertisements and recommendations regarding any other recruiting strategies you would suggest we use.)

TRANSLATING STRATEGY INTO HR POLICIES & PRACTICES CASE

THE HOTEL PARIS CASE

The New Recruitment Process

The Hotel Paris's competitive strategy is "To use superior guest service to differentiate the Hotel Paris properties, and to thereby increase the length of stay and return rate of guests, and thus boost revenues and profitability." HR manager Lisa Cruz must now formulate functional policies and activities that support this competitive strategy by eliciting the required employee behaviors and competencies.

As a longtime HR professional, Lisa Cruz was well aware of the importance of effective employee recruitment. If the Hotel Paris didn't get enough applicants, it could not be selective about who to hire. And, if it could not be selective about who to hire, it wasn't likely that the hotels would enjoy the customer-oriented employee behaviors that the company's strategy relied on. She was therefore disappointed to discover that the Hotel Paris was paying virtually no attention to the job of recruiting prospective employees. Individual hotel managers slapped together help wanted ads when they had positions to fill, and no one in the chain had any measurable idea of how many recruits these ads were producing, or which recruiting approaches worked the best (or worked at all). Lisa knew that it was time to step back and get control of the Hotel Paris's recruitment function.

As they reviewed the details of the Hotel Paris's current recruitment practices, Lisa Cruz and the firm's CFO became increasingly concerned. What they found, basically, was that the recruitment function was unmanaged, totally. The previous HR director had simply allowed the responsibility for recruiting to remain with each separate hotel, and the hotel managers, not being human resources professionals, usually took the path of least resistance when a job became available, such as by placing help wanted ads in their local papers. There was no sense of direction from the Hotel Paris's headquarters regarding what sorts of applicants the company preferred, what media and alternative sources of recruits its managers should use, no online recruiting, and no measurement at all of recruitment process effectiveness. The company ignored recruitment-source metrics that other firms used effectively, such as number of qualified applicants per position, percentage of jobs filled from within, the offer-to-acceptance ratio, acceptance by recruiting source, turnover by recruiting source, and selection test results by recruiting source.

It was safe to say that achieving the Hotel Paris's strategic aims depended on the quality of the people that it attracted to and then selected for employment at the firm. "What we want are employees who will put our guests first, who will use initiative to see that our guests are satisfied, and who will work tirelessly to provide our guests with services that exceed their expectations" said the CFO. Lisa and the CFO both knew this process had to start with better recruiting. The CFO gave her the green light to design a new recruitment process.

Questions

1. Given the hotel's stated employee preferences, what recruiting sources would you suggest they use, and why?
2. What would a Hotel Paris help wanted ad look like?
3. How would you suggest they measure the effectiveness of their recruiting efforts?

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