

Planning for and Recruiting Human Resources

WHAT DO I NEED TO KNOW?

After reading this chapter, you should be able to:

- LO1** Discuss how to align workforce planning with the organization's strategy.
- LO2** Examine methods organizations use to deal with a labour surplus or shortage.
- LO3** Explain the importance of recruiting and describe approaches to attract talent.
- LO4** Compare and contrast recruitment sources.
- LO5** Describe the recruiter's role.



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Ride-sharing companies like Uber and Lyft seamlessly match labour demand (for rides) with labour supply (available drivers). Uber's ride-sharing rival Lyft is now also operating in Canada—competing actively for Uber's riders and drivers.

Balancing Labour Demand and Supply: Uber and Lyft

When they discuss their business model, representatives for Uber tend to focus on the technology e.g. the app that links riders with drivers and, hence, quickly and seamlessly connects a specific demand for labour with a specific supply of labour. Beyond the technology though, a big part of Uber's success can be attributed to the fact that most of the labour employed is low paid, has no job security, and is provided no benefits. Although many Uber drivers enjoy the flexibility that this work provides, they may actually receive less than minimum wage, when expenses and vehicle depreciation are taken into account. The company can do this if the drivers are classified as "independent contractors" rather than "traditional employees."

Despite facing negative publicity due to corporate scandals, regulatory issues, and its reported "fairly toxic" corporate culture, Uber's share of the ride-sharing market in North America is approximately three times that of its number one rival, Lyft. The battle between these competitors is not only for riders but also for drivers. Lyft recently chose Toronto as its first international city and has been actively working to attract drivers from Uber with policies that "treat people better—whether that's drivers, riders, or regulators." For example, Lyft offered a 25 percent bonus to its first 3,000 drivers on all rides for the first three months and \$200 bonuses for providing new driver referrals. Lyft was also the first ride-sharing company to introduce tipping, a policy valued by drivers.¹

Introduction

As this example shows, when demand for a service rises (or falls), organizations will need more (or fewer) people to perform the work. When the labour market changes—as when more people pursue postsecondary education or seek greater flexibility—or when a sizeable share of the population retires—the supply of qualified workers may grow, shrink, or change in nature. Organizations are having difficulty filling some STEM (science, technology, engineering, and math)-related jobs such as data scientists, because the demand for people with skills in the discipline of analytics outstrips the supply. For example, Cameron Dow, President of SAS Canada, notes a projected need for 100,000 information-related employees to fill jobs in the Canadian economy.²

To prepare for and respond to these challenges, organizations engage in *workforce planning*—defined in Chapter 1 as identifying the numbers and types of employees the organization will require to meet its objectives.

This chapter describes why and how organizations carry out workforce planning and how organizations identify and attract talent. In the first part of the chapter, we lay out the steps that go into developing and implementing a

workforce plan. Throughout each section, we focus especially on recent developments and practices, including downsizing, employing temporary workers, and outsourcing. The remainder of the chapter explores the process of recruiting. We discuss the importance of employer branding to attract talent, the process by which organizations look for people to fill job openings, and consider sources of job candidates. Finally, we discuss the role of recruiters.

Workforce Planning—Why, What, and How?

To meet business objectives and gain an advantage over competitors, organizations should carry out *workforce planning*. To do this, organizations need a clear idea of the strengths and weaknesses of their existing internal labour force. They also must know what they want to be doing in the future—what size they want the organization to be, what products and services it should be producing, and so on. This knowledge helps to define the number and kinds of employees they will need. Workforce planning compares the present state of the organization with its goals for the future, then identifies what changes it must make in its human resources to meet those goals. The changes may include downsizing, training existing employees in new skills, or hiring new employees. The overall goal of workforce planning is to ensure the organization has the right people with the right skills in the right places at the right time.

These activities give a general view of workforce planning and take place in the process shown in Figure 4.1. Workforce planning consists of three stages: forecasting; goal setting and strategic planning; and program implementation and evaluation.

Forecasting

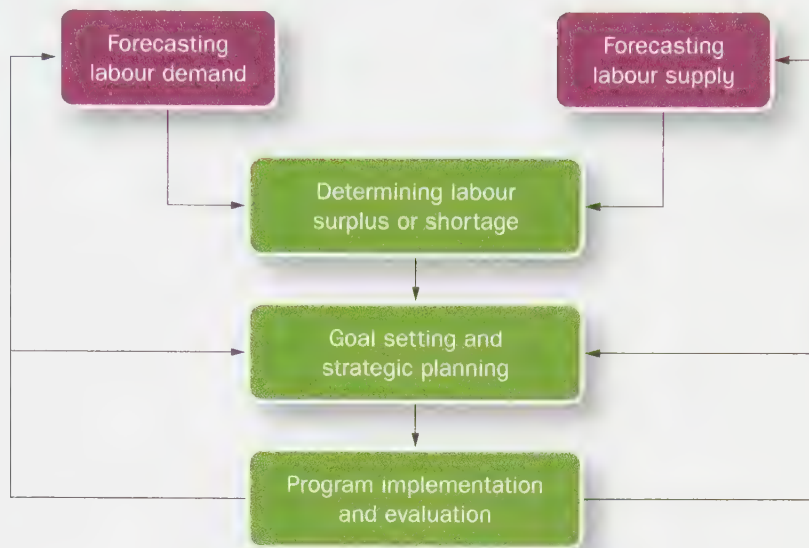
The first step in workforce planning is **forecasting**, as shown in the top portion of Figure 4.1. In forecasting, the HR professional tries to determine the *supply* of and *demand* for various types of human resources. The primary goal is to predict which areas of the organization will experience labour shortages or surpluses.

Forecasting supply and demand can use statistical methods or human judgment. Statistical methods capture historic trends in a company's demand for labour. Under the right conditions, these methods predict demand and supply more precisely than a human forecaster can using subjective judgment. But many important events in the labour market have no precedent and require reliance on the judgments of experts to make decisions and guide changes to statistical models.

forecasting The attempts to determine the supply of and demand for various types of human resources to predict areas within the organization where there will be labour shortages or surpluses.

FIGURE 4.1

Overview of the Workforce Planning Process



Forecasting Labour Demand

Usually, an organization forecasts demand for specific job categories or skill areas. After identifying the relevant job categories or skills, the planner investigates the likely demand for each. The planner must forecast whether the need for people with the necessary skills and experience will increase or decrease. There are several ways of making such forecasts.

At the most sophisticated level, an organization might use **trend analysis**, constructing and applying statistical models that predict labour demand for the next time period, given relatively objective statistics from the previous time period. These statistics are called **leading indicators**—objective measures that accurately predict future labour demand. They might include measures of the economy (such as sales or inventory levels), actions of competitors, changes in technology, and trends in the composition of the workforce and overall population. Recently, for example, low-interest rates on loans, relatively stable prices for fuel, and a long stretch of slow, steady growth in hiring have together made it a good time for many households to buy a vehicle. Rising demand for vehicle purchases has triggered more hiring by dealerships. But the same low oil prices leading to lower fuel prices have meant low payoffs for traditional

trend analysis

Constructing and applying statistical models that predict labour demand for the next year, given relatively objective statistics from the previous year.

leading indicators

Objective measures that accurately predict future labour demand.

oil-drilling projects. Therefore, in that industry, demand for labour has fallen.³

Statistical planning models are useful when there is a long, stable history that can be used to reliably detect relationships among variables. However, these models almost always have to be complemented with subjective judgments of experts.

Forecasting Labour Supply

Once a company has forecast the demand for labour, it needs to understand the firm's available labour supply. Determining the internal labour supply calls for a



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As the average age of many workers in skilled trades increases, the growing demand for workers in many trades is expected to outstrip supply. There is a potential for employers in some areas to experience a labour shortage because of this. What should HR do to avoid shortages of labour?

detailed analysis of how many people are currently in various job categories or have specific skills within the organization. The planner then modifies this analysis to reflect changes expected in the future as a result of retirements, promotions, transfers, voluntary turnover, and terminations.

One type of statistical procedure that can be used for this purpose is the analysis of a **transitional matrix**, which is a chart that lists job categories held in one period and shows the proportion of employees in each of those job categories in a future period. It answers two questions: “Where did people who were in each job category go?” and “Where did people now in each job category come from?” Table 4.1 is an example of a transitional matrix.

transitional matrix

A chart that lists job categories held in one period and shows the proportion of employees in each of those job categories in a future period.

This example lists job categories for an auto parts manufacturer. The jobs listed at the left were held in 2017; the numbers across show what happened to the people in 2019. The numbers represent proportions. For example, 0.95 means 95 percent of the people represented by a row in the matrix. The column headings under 2017 refer to the row numbers. The first row is sales manager, so the numbers under column (1) represent people who became sales managers. Reading across the first row, we see that 95 percent of the people who were sales managers in 2017 are still sales managers in 2019. The other 5 percent correspond to column (8), “Not in organization,” meaning that 5 percent of people who are not still sales managers have left the organization. In the second row are sales representatives. Of those who were sales reps in 2017, 5 percent

were promoted to sales manager, 60 percent are still sales reps, and 35 percent have left the organization. In row (3) half (50 percent) of sales apprentices are still in that job, but 20 percent are now sales reps, and 30 percent have left the organization. This pattern of jobs shows a career path from sales apprentice to sales representative to sales manager. Of course, not everyone is promoted, and some of the people leave instead.

Reading down the columns provides another kind of information: the sources of employees holding the positions in 2019. In the first column, we see that most sales managers (95 percent) held that same job two years earlier. The other 5 percent were promoted from sales representative positions. Skipping over to column (3), half the sales apprentices on the payroll in 2019 held the same job two years before, and the other half were hired from outside the organization. This suggests that the organization fills sales manager positions through promotions, so planning for this job would focus on preparing sales representatives. In contrast, planning to meet the organization’s needs for sales apprentices would emphasize recruitment and selection of new employees.

Matrices like this are extremely useful for charting historical trends in the company’s supply of labour. More important, if conditions remain somewhat constant, they can also be used to plan for the future. For example, if we believe we are going to have a surplus of labour in the production assembler job category in the next two years, we can plan to avoid layoffs. Still, historical data may not always reliably indicate future trends. Planners need to combine statistical forecasts of labour supply with expert judgments. For example, managers in the organization may see that a new training program

TABLE 4.1

Hypothetical Transitional Matrix for an Auto Parts Manufacturer

2017	2019							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Sales manager	0.95							0.05
2. Sales representative	0.05	0.60						0.35
3. Sales apprentice		0.20	0.50					0.30
4. Assistant plant manager				0.90	0.05			0.05
5. Production manager				0.10	0.75			0.15
6. Production assembler					0.10	0.80		0.10
7. Clerical							0.70	0.30
8. Not in organization	0.00	0.20	0.50	0.00	0.10	0.20	0.30	

will likely increase the number of employees qualified for new openings. Forecasts of labour supply also should take into account the organization's pool of skills. Many organizations include inventories of employees' skills in an HR database. When the organization forecasts that it will need new skills in the future, planners can consult the database to see how many existing employees have those skills.

Besides looking at the labour supply within the organization, the planner should examine trends in the external labour market. The planner should keep abreast of labour market forecasts, including the size of the labour market, the employment rate, and the kinds of people who will be in the labour market. For example, we saw in Chapter 1 that the labour market is aging and that immigration is an important source of new workers. Relevant sources of data on the external labour market are available from Statistics Canada. Details and news (releases from *The Daily*) are available at the Statistics Canada site.

Determining Labour Surplus or Shortage

By analyzing the gap between forecasts of labour demand and supply, the planner can determine whether there will be a shortage or surplus of labour for each job category. Determining expected shortages and surpluses allows the organization to plan how to address these challenges. HR professionals can increase the value of this planning by developing competency in applying data and analytic techniques. For example, when an organization is deciding to expand or move to a new location, software can analyze data such as job requirements, local graduation rates, pay levels, and more to estimate the likelihood that the company can readily find and afford the necessary talent in a given location.⁴

LO2 Goal Setting and Strategic Planning

The second step in workforce planning is goal setting and strategic planning, as shown in the middle of Figure 4.1. The purpose of setting specific numerical goals is to focus attention on the issue and provide a basis for measuring the organization's success in addressing labour shortages and surpluses. The goals should come directly from the analysis of labour supply and demand. They should include a specific figure indicating what should happen with the job category or skill area and a specific timetable for when the results should be achieved.

For each goal, the organization must choose one or more human resource strategies. A variety of strategies are available for handling expected shortages and surpluses of labour. Table 4.2 shows major options for reducing an expected labour surplus, and Table 4.3 provides options for avoiding an expected labour shortage.

TABLE 4.2

HR Strategies for Addressing an Expected Labour Surplus

Options for Reducing a Surplus		
Option	Speed of Results	Amount of Suffering Caused
Downsizing	Fast	High
Pay reductions	Fast	High
Demotions	Fast	High
Transfers	Fast	Moderate
Reducing hours	Fast	Moderate
Hiring freeze	Slow	Low
Attrition	Slow	Low
Early retirement	Slow	Low
Retraining	Slow	Low

TABLE 4.3

Options for Addressing an Expected Labour Shortage

Option	Speed of Results	Ability to Change Later
Overtime	Fast	High
Temporary employees	Fast	High
Outsourcing	Fast	High
Retained transfers	Slow	High
Turnover reductions	Slow	Moderate
New external hires	Slow	Low
Technological innovation	Slow	Low

This planning stage is critical. The options differ widely in their expense, speed, and effectiveness. Options for reducing a labour surplus cause differing amounts of human suffering. The options for avoiding a labour shortage differ in terms of how easily the organization can undo the change if it no longer faces a labour shortage. For example, an organization probably would not want to handle every expected labour shortage by hiring new

employees. The process is relatively slow and involves expenses to find and train new employees. Also, if the shortage becomes a surplus, the organization will have to consider laying off some of the employees. Layoffs involve another set of expenses, such as severance pay, and they are costly in terms of human suffering.

Another consideration in choosing an HR strategy is whether the employees needed will contribute directly to the organization's success. Organizations are most likely to benefit from hiring and retaining as employees who provide a **core competency**—that is, a set of knowledge and skills that provide a competitive advantage.

core competency

A set of knowledge and skills that provide a competitive advantage

Organizations try to anticipate labour surpluses far enough ahead that they can freeze hiring and let *attrition* (people leaving on their own) reduce the labour force. Unfortunately for many workers, organizations often stay competitive in a fast-changing environment by responding to a labour surplus with downsizing, which delivers fast results. The impact is painful for those who lost jobs, as well as those left behind to carry on without them. To handle a labour shortage, organizations typically hire temporary employees or use outsourcing. Because downsizing, using temporary employees, and outsourcing are most common, we will look at each of these in greater detail in the following sections.

Downsizing

As discussed in Chapter 1, **downsizing** is the planned elimination of large numbers of employees with the goal of enhancing the organization's competitiveness. The primary reason organizations engage in downsizing is to promote future competitiveness. According to surveys, they do this by meeting four objectives:

downsizing The planned elimination of large numbers of employees with the goal of enhancing the organization's competitiveness.

1. **Reducing costs**—Labour is a large part of a company's total costs, so downsizing is often a top-of-mind place to start cutting costs.
2. **Replacing labour with technology**—Closing outdated factories, automating, or introducing other technological changes reduces the need for labour. Often, the labour savings outweigh the cost of the new technology.
3. **Mergers and acquisitions**—When organizations combine, they often need less administrative overhead, so they lay off managers and some professional staff members.
4. **Moving to more economical locations**—In recent years, many Canadian firms have shifted jobs to other countries, including Mexico, India, and China, where wages are usually lower.

Although downsizing has an immediate effect on costs, much of the evidence suggests that it hurts long-term organizational effectiveness. This is especially true for certain kinds of companies, such as those that emphasize research and development and where employees have extensive contact with customers.⁵ The negative effect of downsizing was especially high among firms that engaged in high-involvement work practices, such as the use of teams and performance-related pay incentives. As a result, the more a company tries to compete through its human resources, the more layoffs hurt productivity.⁶

Why do so many downsizing efforts fail to meet expectations? There seem to be several reasons. First, although the initial cost savings give a temporary boost to profits, the long-term effects of an improperly managed downsizing effort can be negative. Downsizing leads to a loss of talent, and it often disrupts the social networks through which people are creative and flexible.⁷

In some organizations, the introduction of new technologies (including robotics) reduces the need for a large number of employees. This places the focus of competition on who can produce the best robots, and when it comes to this battle, Japanese manufacturers seem to be far ahead of their rivals. Japanese companies such as Fanuc and Kawasaki Heavy Industries produce over 50 percent of the world's working robots.⁸

Unless the downsizing is managed well, employees feel confused, demoralized, and even less willing to stay with the organization. Especially in an age of blogs and text messaging, the once-private practice of laying off employees is becoming increasingly transparent, and any organizational mistake that gets made in the process is likely to become highly public.⁹ Organizations may not take (or even know) the steps that can counter these reactions—for example, demonstrating how they are treating employees fairly, building confidence in the company's plans for a stronger future, and showing the organization's commitment to behaving responsibly with regard to all its stakeholders, including employees, customers, and the community.¹⁰

Also, many companies wind up rehiring. Downsizing campaigns often eliminate people who turn out to be irreplaceable. In one survey, 80 percent of the firms that had downsized wound up replacing some of the very people they had laid off. However, recent trends in employment suggests that companies will not rehire employees for many of the jobs eliminated when they restructured, introduced automation, or moved work to lower-cost regions.¹¹

Finally, downsizing efforts often fail because employees who survive the purge become self-absorbed and afraid to take risks. Motivation drops, because any hope of future promotions—or any future—with the company dies. Many employees start looking for other employment opportunities. The negative publicity associated with a downsizing

campaign can also hurt the company's image in the labour market, so it is harder to recruit employees later.

Many problems with downsizing can be reduced with better planning. Instead of slashing jobs across the board, successful downsizing makes strategic cuts that improve the company's competitive position, and management addresses the problem of employees becoming demoralized.

Reducing Hours

Given the limitations of downsizing, many organizations are more carefully considering other avenues for eliminating a labour surplus (shown in Table 4.2). One alternative seen as a way to spread the burden more fairly is cutting work hours, generally with a corresponding reduction in pay. Besides the thought that this is a more equitable way to weather a slump in demand, companies choose a reduction in work hours because it is less costly than layoffs requiring severance pay, and it is easier to restore the work hours than to hire new employees after a downsizing effort.

Early- and Phased-Retirement Programs

Another popular way to reduce a labour surplus is with an early- or phased-retirement program. As we discussed in Chapter 1, the average age of the Canadian workforce is increasing. But even though many Baby Boomers are reaching traditional retirement age, indications are that this group has no intention of leaving the workforce soon.¹² Reasons include improved health and well-being, jobs becoming less physically demanding, insufficient savings, high levels of debt, lack of pensions, and enjoyment of work (especially in higher-paying occupations). Many workers fear their retirement savings and pension plans supplemented by the Canada/Quebec Pension Plan (CPP/QPP) and Old Age Security (OAS) pension will still not be enough to cover their expenses. Finally, protection from discrimination and eliminating mandatory retirement has limited organizations' ability to force older workers to retire. However, under the pressures associated with an aging labour force, many employers try to encourage older workers to leave voluntarily by offering a variety of early-retirement incentives. The more lucrative of these programs succeed by some measures. Research suggests that these programs encourage lower-performing older workers to retire.¹³ Sometimes they work so well that too many workers retire.

Many organizations are moving from early-retirement programs to *phased-retirement programs*. In a phased-retirement program, the organization can continue to enjoy the experience of older workers while reducing the number of hours these employees work, as well as the cost of those employees. This option also can also provide younger employees with access to experienced mentors while offering older employees the psychological and financial benefits of a gradual transition to retirement.

Temporary Workers and Independent Contractors

While downsizing has been a popular way to reduce a labour surplus, the most widespread methods for eliminating a labour shortage are hiring temporary workers, independent contractors, and outsourcing work. Employers may arrange to hire a temporary worker through an agency that specializes in linking employers with people who have the necessary skills. The employer pays the agency that, in turn, pays the temporary worker. Employers may also contract directly with individuals, often professionals, to provide a particular service. Temporary and contract employment is popular with employers because it gives them the flexibility they need to operate efficiently when demand for their products changes rapidly.

In addition to flexibility, hiring temporary workers offers several other advantages:

- The use of temporary workers often lowers costs by freeing the firm from many administrative tasks and financial burdens associated with being the "employer of record." For example, the cost of employee benefits such as paid time off, pension plans, life insurance, and medical and dental coverage are significant expenses provided for many permanent employees.
- Small companies that cannot afford their own assessment programs often get employees who have been screened by a staffing agency.
- Many staffing agencies train employees before sending them to employers, which reduces training costs and eases the transition for both the temporary worker and the company.
- Because the temporary worker has little experience in the host firm, the person brings an objective perspective to the organization's problems and procedures that is sometimes valuable.

Besides using a staffing agency, a company can obtain workers for limited assignments by entering into contracts with them. If the person providing the services is an independent contractor, rather than an employee, the company does not pay employee benefits, such as health insurance and vacations. As with using temporary employees, the savings can be significant, even if the contractor works at a higher rate of pay.

It is useful to distinguish between temporary workers, who are part of a large employment agency and are more or less rented by the primary employer, and independent contract workers, who are more or less freelancers and not part of any organization. *Independent contractors* are unattached individuals who agree to do specific tasks for specific time periods as part of a written contract between the worker and the employer. Rather than shifting the burden to be the "employer of record" from the employer to a staffing agency, in this case, virtually all the burden

associated with this distinction falls directly on the worker. In Canada, there are approximately 1.9 million people identified as self-employed and without having employees of their own, and an additional 2.3 million people classified as temporary employees.¹⁴

The unprecedented increase in the use of contract workers signals a shift in the supply of labour and has been termed the *gig economy*, fuelled in part by the ability of mobile apps to link employers to workers without the need to go through any other intermediary. Despite the demonstrated success associated with this business model achieved by companies like Uber Technologies Inc., ongoing legal disputes include class action lawsuits claiming that Uber drivers have been misclassified as independent contractors. This dispute has also reached Canada in the form of a proposed class-action lawsuit claiming that anyone who has driven for Uber in Ontario was actually an employee entitled to minimum wage, overtime, and vacation pay.¹⁵

As illustrated in this example, this strategy carries risks. If the person providing the service is a contractor and not an employee, the company is not supposed to directly supervise the worker. The company can tell the contractor what criteria the finished assignment should meet, but not, for example, where or what hours to work. This distinction is significant, because if the company treats the independent contractor as an employee, the company has certain legal obligations related to overtime pay and withholding income taxes. For example, an Ontario lawsuit claimed that Uber has control over its drivers because they must use Uber's app, they are paid by Uber directly at specified periods of time, they are subject to required inspections, and Uber "sets pay rates, methods, and work volumes."¹⁶

When an organization wants to consider using independent contractors, human resources professionals can help by alerting the company to the need to verify that the arrangement will meet legal requirements. A good place to start is with the advice provided at Canada Revenue Agency. In addition, the organization may need to obtain legal or financial services advice.

Outsourcing and Immigration

Instead of using a temporary employee to fill a single job, an organization might want a broader set of services. As discussed in Chapter 1, contracting with another organization to perform a broad set of services is called *outsourcing*. Organizations use outsourcing as a way to operate more efficiently and save money. They choose outsourcing firms that promise to deliver the same or better quality at a lower cost. One reason they can do this is that the outside company specializes in the services and can benefit from economies of scale (the economic principle that producing something in large volume tends to cost less for each additional unit than producing in small volume). This efficiency is often the attraction for



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Tim Hortons has faced criticism over employment practices related to temporary foreign workers.

outsourcing human resource functions such as payroll. Costs are also lower when the outsourcing firm is located in a part of the world where wages are relatively low. For example, countries such as China, India, Jamaica, and Ireland have been creating an abundant supply of labour.

The first uses of outsourcing emphasized manufacturing and routine tasks. However, technological advances in computer networks and transmission have sped up the outsourcing process and have helped it spread beyond manufacturing areas and low-skilled jobs. For example, DuPont moved legal services associated with its \$100 million asbestos case litigation to a team of lawyers working in the Philippines. The work is a combination of routine document handling and legal judgments such as determining the relevance of a document to the case. Salaries for legal professionals in the Philippines are about one-fifth the cost of their North American counterparts.¹⁷

Outsourcing may be a necessary way to operate as efficiently as competitors, but it does pose challenges. Quality-control problems, security violations, and poor customer service have sometimes wiped out the cost savings attributed to lower wages. To ensure success with an outsourcing strategy, companies should follow these guidelines:

- Learn about what the provider can do for the company, not just the costs. Make sure the company has the necessary skills, including an environment that can meet standards for clear communication, on-time shipping, contract enforcement, fair labour practices, and environmental protection.¹⁸ Some companies are keeping outsourcing inside Canada in order to meet this full set of requirements.
- Do not offshore any work that is proprietary or requires tight security.¹⁹
- Start small and monitor the work closely, especially in the beginning, when problems are most likely.

Boeing offers a cautionary tale with its ambitious plan to have a worldwide network of suppliers build all the components for its *787 Dreamliner*. The project eventually fell three years behind schedule and went billions of dollars over budget as various subcontractors fell behind and failed to meet exacting quality standards. Along the way, Boeing went so far as to acquire some of the suppliers to gain more control over the production process.²⁰

- Look for opportunities to outsource work in areas that promote growth, for example, by partnering with experts who can help the organization tap new markets.²¹

Companies also increasingly outsource many of their HRM tasks to outside vendors that specialize in efficiently performing many of the more routine administrative tasks associated with this function. Cost savings in this area are easily obtained because rather than purchase and maintain their own specialized hardware and software, as well as specialized staff to support such systems, companies can time-share the facilities and expertise of a firm that focuses on this technology.

Another way organizations fill a labour shortage is by bringing foreign workers into the country. Immigration has always been a vital part of the Canadian economy, and many foreign workers are willing to leave their home countries and pursue work and life in Canada. For example, Canada's Temporary Foreign Worker (TFW) program allows Canadian employers to hire foreign workers to fill temporary jobs when qualified Canadians are not available.²²

Tim Hortons and McDonald's have faced criticism about employment of temporary foreign workers at some of their Canadian franchises. In Victoria, British Columbia, Canadian employees alleged that foreign workers were "given priority status and in some cases took their jobs." Allegations from foreign temporary workers have also been made, including violation of Employment Standards requirements. For example, a foreign temporary worker from the Philippines working at a franchise in Fernie, British Columbia, claimed that he received paycheques including overtime pay but was required to pay back the franchise owner in cash. Other foreign temporary workers said they believed they would be sent back to their home country to live in poverty if they complained.²³

Despite the types of issues discussed in the preceding examples, the number of temporary foreign workers staying in Canada has increased dramatically in recent years. Temporary foreign workers have become a significant source of permanent residents admitted to Canada. For example, Statistics Canada recently reported that 21 percent of temporary foreign workers who arrived in Canada from 2005 to 2009 had become permanent residents by the end of 2014.²⁴

Overtime and Expanded Hours

Organizations facing a labour shortage may be reluctant to hire employees, even temporary workers, or to commit to an outsourcing arrangement. Especially if the organization expects the shortage to be temporary, it may prefer an arrangement that is simpler and less costly. Under some conditions, these organizations may try to garner more hours from the existing labour force, asking them to go from part-time to full-time or to work overtime.

A major downside of overtime is that the employer must pay non-management employees additional pay above and beyond their normal wages for work done as overtime. Even so, employers see overtime pay as preferable to the costs of hiring and training new employees. The preference is especially strong if the organization doubts that the current higher level of demand for its products will last long.

For a short time at least, many workers appreciate the added compensation for working overtime. Over extended periods, however, employees may experience negative physical and mental health outcomes resulting in organizational problems. Overtime is best suited for short-term labour shortages. For example, Sandi Mowat, president of the Manitoba Nurses Union, spoke at the Canadian Nursing Association biennium about the use of excessive overtime in Manitoba due to inadequate staffing, citing health and well-being concern for her members as well as patient care quality and safety.²⁵

Implementing and Evaluating the Workforce Plan

For HR strategies selected, the final stage of workforce planning involves implementing the strategies and evaluating the outcomes. This stage is represented by the bottom part of Figure 4.1. When implementing the HR strategy, the organization must hold an individual accountable for achieving the goals. That person also must have the authority and resources needed to accomplish those goals. It is also important that this person issue regular progress reports, so the organization can be sure that all activities occur on schedule and that the early results are as expected.

Implementation that ties planning and recruiting to the organization's strategy and to its efforts to develop employees becomes a complete program of talent management. Today's computer systems have made talent management more practical. For example, companies can tap into databases and use analytic tools to keep track of which skills and knowledge they need, which needs have already been filled, which employees are developing experiences to help them meet future needs, and which sources of talent have met talent needs most efficiently.

In evaluating the results, the most obvious step is checking whether the organization has succeeded in avoiding labour shortages or surpluses. Along with

measuring these numbers, the evaluation should identify which parts of the planning process contributed to success or failure. For example, consider a company where meeting human resource needs requires that employees continually learn new skills. If there is a gap between needed skills and current skill levels, the evaluation should consider whether the problem lies with failure to forecast the needed skills or with implementation. For example, are employees signing up for training, and is the right kind of training available?

Applying Workforce Planning to Employment Equity

As discussed in Chapter 2, many organizations have a human resource strategy that includes employment equity to support diversity goals. Meeting diversity and employment equity goals requires that employers carry out an additional level of workforce planning aimed at those goals. In other words, besides looking at its overall workforce and needs, the organization looks at the representation of specific groups in its labour force; for example, the proportion of women and visible minorities.

Employment equity plans forecast and monitor the proportion of employees who are members of various protected groups (women, Aboriginal peoples, people with disabilities, and members of a visible minority group). The planning looks at the representation of these employees in the organization's job categories and career tracks. The planner can compare the proportion of employees who are in each group with the proportion each group represents in the labour market. For example, the organization might note that in a labour market that consists of 20 percent visible

minorities, 60 percent of its customer service employees are members of "visible minorities". This type of comparison is called a **workforce utilization review**. The organization can use this process to determine whether there is any specific group whose proportion in the relevant labour market differs substantially from the proportion in the job category.

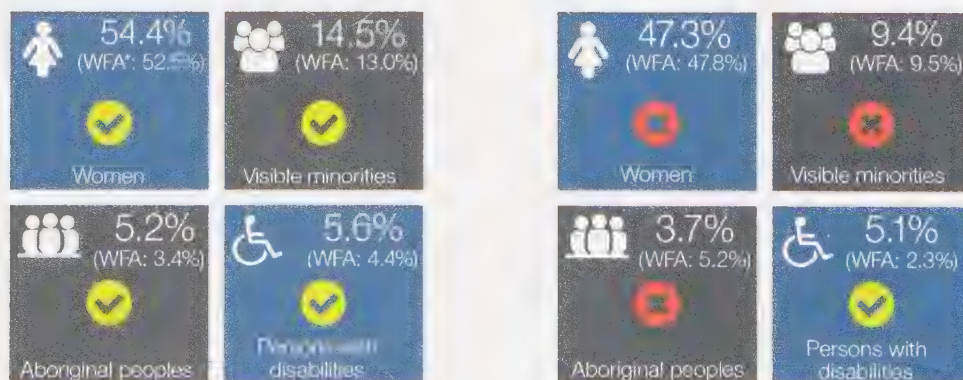
workforce utilization review
A comparison of the proportion of employees in protected groups with the proportion that each group represents in the relevant labour market.

If the workforce utilization review indicates that some group—for example, if Indigenous people ("Aboriginal peoples" is the legal language of the Employment Equity Act) make up 10 percent of the relevant labour market for a job category but that this same group constitutes only 2.5 percent of the employees actually in the job category at the organization, this is evidence of *underutilization*. That situation could result from problems in selection or from problems in internal movement (promotions or other movement along a career path). One way to diagnose the situation would be to use transitional matrices, such as that shown in Table 4.1 earlier in this chapter. Figure 4.2 compares participation of the employment equity groups with workforce availability (WFA) for one of Canada's largest employers, the Federal Public Service of Canada.

The steps in a workforce utilization review are identical to the steps in the workforce planning process shown in Figure 4.1. The organization must assess current utilization patterns, then forecast how these are likely to change in the near future. If these analyses suggest the organization is underutilizing certain groups and if forecasts suggest this

FIGURE 4.2

Employment Equity Portrait in the Federal Public Service of Canada, Overall (4 boxes on the left) and for the Executive Category (4 boxes on the right)



*WFA: workforce availability as of March 31, 2015, based on 2011 Census data.
Data in this figure represent the core public administration as of March 31, 2016.

Source: "Progress Update: Joint Union/Management Task Force on Diversity and Inclusion in the Public Service," Government of Canada (2017), accessed <https://www.canada.ca> February 13, 2018.

pattern is likely to continue, the organization may need to set goals and timetables for changing. The planning process may identify new strategies for recruitment or selection. The organization carries out these HR strategies and evaluates their success.

Succession Planning: A Type of Workforce Planning

Succession planning refers to the process of identifying and tracking high-potential employees who are capable of moving into different positions in the company resulting from planned or unplanned job openings due to turnover, promotion, or business growth. Succession planning is often discussed when considering a company's managers or top leaders, but it is an important consideration for any job. Succession planning helps organizations in several ways.²⁶

- Requires senior management to systematically review leadership talent in the company;
- Ensures that top-level leadership talent is available;
- Provides a set of development experiences that leaders must complete to be considered for top management positions, helping to avoid premature promotion of managers who are not ready for upper management ranks;
- Helps attract and retain talented employees by providing development opportunities if leadership advancement is their career goal.

Succession planning focuses on **high-potential employees**, that is, employees the organization believes can succeed in higher-level positions such as general manager of a business unit, director of a function (such as marketing or finance), or chief executive officer.²⁷ Succession planning is usually closely linked to a development program, which may include education, executive mentoring and coaching, and rotation through job assignments. This will be discussed in more detail in Chapter 6.

Despite the importance of succession planning, many companies do not do it well. A survey of company directors showed that fewer than half believed they were spending enough time on succession planning and 18 percent did not agree that their company had adequate *bench strength* in its talent pool.²⁸ Bench strength refers to having a pool of talented employees who are ready when needed to take on the next level.

succession planning The process of identifying and tracking high-potential employees who will be able to fill top management positions or other key positions when they become vacant.

high-potential employees Employees the organization believes can succeed in higher-level positions.

The **HR How-To** identifies the process used to develop a succession plan.

Recruiting Human Resources

As the first part of this chapter shows, it is difficult to always predict exactly how many (if any) new employees the organization will need to hire in a given year in a given job category. The role of recruitment is to build a supply of potential new hires that the organization can draw on as the need arises. In human resource management, **recruiting** consists of any practice or activity carried on by the organization with the primary purpose of identifying and attracting potential employees.²⁹ It thus creates a buffer between workforce planning and the actual selection of new employees (the topic of the next chapter). The goals of recruiting (encouraging qualified people to apply for jobs) and selection (deciding which candidates will be the highest performers) are different enough that they are most effective when performed separately, rather than combined as in a job interview that also involves selling candidates on the company.³⁰

recruiting Any activity carried on by the organization with the primary purpose of identifying and attracting potential employees.

Because of differences in companies' strategies, they may assign different degrees of importance to recruiting.³¹ For example, at Netflix, recruiters are considered "vital contributors to building the business, and hiring managers need to treat them as business partners."³²

As shown in Figure 4.3, all organizations have to make decisions in three areas of recruiting: (1) human resource policies, which affect the kinds of jobs the organization has to offer; (2) recruitment sources used to attract applicants, which affects who applies; and (3) the characteristics and behaviours of the recruiter. These, in turn, influence both the nature of the vacancies and the nature of the people applying for jobs in a way that shapes job choice decisions. Ultimately, an applicant's decision to accept a job offer—and the organization's decision to make the offer—depend on the match between characteristics of the vacancy and the applicant.

The remainder of this chapter explores these three aspects of recruiting: human resource policies, recruitment sources, and recruiter traits and behaviours.

Human Resource Policies

An organization's *human resource policies* are its decisions about how it will carry out human resource management, including how it will fill job openings. These policies influence the nature of the positions that are vacant. According to the research on recruitment, characteristics

HR How-To



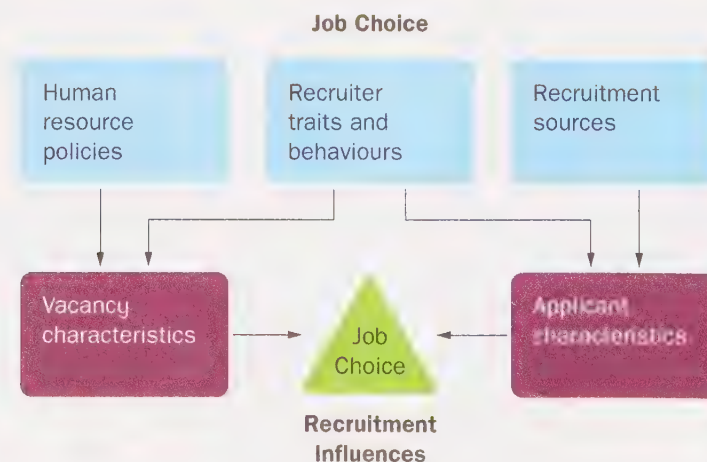
The Process of Developing a Succession Plan

1. **Identify what positions are included in the plan.** Will the succession plan include all management positions or only certain levels of management?
2. **Identify the employees who are included in the plan.** Will only high-potential employees be included?
3. **Develop standards to evaluate positions.** Will the emphasis be on competencies or on the experiences an individual needs to have before moving into the position?
4. **Determine how employee potential will be measured.** Will employees' performance in their current jobs as well as ratings of potential be used? Will employees' position interests and career goals be considered?
5. **Develop the succession planning review.** Typically, succession planning reviews initially involve employees' managers and human resources professionals. A talent review could also include an overall assessment of leadership talent in the company, an identification of high-potential employees based on their performance and potential, and a discussion of plans to keep key people from leaving the company.
6. **Link the succession planning system with other human resource systems.** Which human resource systems require integration; for example, training, learning, and development; total rewards; performance management; and/or talent acquisition systems?
7. **Determine what feedback is provided to employees.** How much detail will be shared with employees?
8. **Measure the effectiveness of the succession plan.** What is the organization's bench strength—calculated as the ratio of successors (ready to take on the next level) to the total number of incumbents at the next level?

Sources: Based on A. Cremo & T. Bux, "Creating a Vibrant Organizational Leadership Pipeline," *TD* (July 2016): 76–77; N. Davis and W. Pina-Ramirez, "Essential Continuity," *T+D*, March 2015, pp. 45–47; D. Sims, "Five Ways to Increase Success in Succession Planning," *T+D*, August 2014, pp. 60–63; W. Rothwell, "The Future of Succession Planning," *T+D*, September 2010, pp. 51–54; B. Dowell, "Succession Planning," in *Implementing Organizational Interventions*, ed. J. Hedge and E. Pulaskos (San Francisco: Jossey-Bass, 2002), pp. 78–109; R. Barnett and S. Davis, "Creating Greater Success in Succession Planning," *Advances in Developing Human Resources* 10 (2008), pp. 721–39.

FIGURE 4.3

Three Aspects of Recruitment



of the vacancy may be more important than recruiters or recruiting sources for predicting job choice. Several policies are especially relevant to recruitment:

- **Internal versus external recruiting**—Organizations with policies to “promote from within” try to fill vacancies by recruiting candidates internally—that is finding candidates who already work for the organization. Opportunities for advancement make a job more attractive to applicants and employees (See the Did You Know? box). Decisions about internal versus external recruiting affect the nature of jobs, recruitment sources, and the nature of applicants, as we will describe later in the chapter.
- **Lead-the-market pay strategies**—Pay is an important job characteristic for almost all applicants. Organizations have a recruiting advantage if their policy is to take a “lead the market” approach to pay—that is, pay more than the current market rate for a job. Higher pay can also make up for a job’s less desirable features, such as working a night shift or outdoors in extreme weather conditions. Organizations that compete for applicants based on pay may use bonuses, stock options, and other forms of pay besides wages and salaries. Chapter 8 will take a closer look at these and other decisions about pay.
- **Employer branding**—Besides advertising specific job openings, as discussed in the next section, organizations may promote themselves as a good place to work in general. **Employer branding**, or *employment branding*, or *recruitment branding* is a strategic approach of attaching a visual, emotional, or cultural brand to an organization. Employer branding uses marketing techniques to attract, engage, and retain employees in the effort to become an *employer of choice*. For example, when an organization is recognized as one of “Canada’s Top 100 Employers,” the organization acquires the ability to use a well-known logo in various media—for example, print or a company website—to support and enhance its recruitment efforts.

employer branding
A strategic approach of attaching a visual, emotional, or cultural brand to an organization.

An *employment brand* is the impression the company makes on employees and job seekers. Marketing it successfully is the same as marketing any other brand.³³ “The secret to an effective employment brand is differentiating an organization from the competition, targeting key benefits of the job to the right labour segments, and using multiple platforms to reach the right audiences.”³⁴ This employment brand, the image an employer projects to potential hires, should be honest and paint a realistic picture of the company.³⁵ Just as marketers talk about the

unique features of their products, employers need to first understand their own strengths and weaknesses and what they can offer top talent that their rivals cannot.³⁶ Employers strive to be recognized not only as one of Canada’s Top 100 Employers, but also to earn a spot in one of the other targeted categories e.g., “Canada’s Best Diversity Employers” or “Canada’s Top Employers for Young People.”

When an organization is recognized as a top employer, it is likely to experience a dramatic increase in the number of résumés it receives. Employer branding is not the exclusive domain of the private sector or even of individual organizations. “Savvy governments across the country are beginning to build and market a solid employment brand, creating catchy tag lines to grab the attention of jobseekers.”³⁷ The tag line for Nova Scotia’s public service is “DO Big Things” and the Manitoba government’s job opportunities site proclaims, “Your search is over.”³⁸

Recruitment Sources

Another critical element of an organization’s talent acquisition strategy is its decisions about where to look for applicants. The total labour market is enormous and spread over the entire globe. As a practical matter, an organization will draw from a small fraction of that total market. The methods the organization chooses for communicating its labour needs and the audiences it targets will determine the size and nature of the labour market the organization taps to fill its vacant positions.³⁹ Recruiting is increasingly becoming a “digital experience as candidates come to expect convenience and mobile contact.”⁴⁰

Canadian employers rely on a combination of traditional and web-based recruitment approaches to find employees for all types of jobs. Figure 4.4 provides the percentage of organizations using various recruitment sources for recruiting professional employees.⁴¹ Each of the major sources from which organizations draw recruits has strengths and weaknesses.

Internal Sources

As we discussed with regard to human resource policies, an organization may emphasize internal or external sources of job applicants. Internal sources are employees who currently hold other positions in the organization. Organizations recruit existing employees through a **job posting**, or communicating information about the vacancy on company bulletin boards, in employee publications, on corporate intranets, and anywhere else the organization

job posting The process of communicating information about a job vacancy on company bulletin boards, in employee publications, on corporate intranets, and anywhere else the organization communicates with employees.

Did You KNOW?

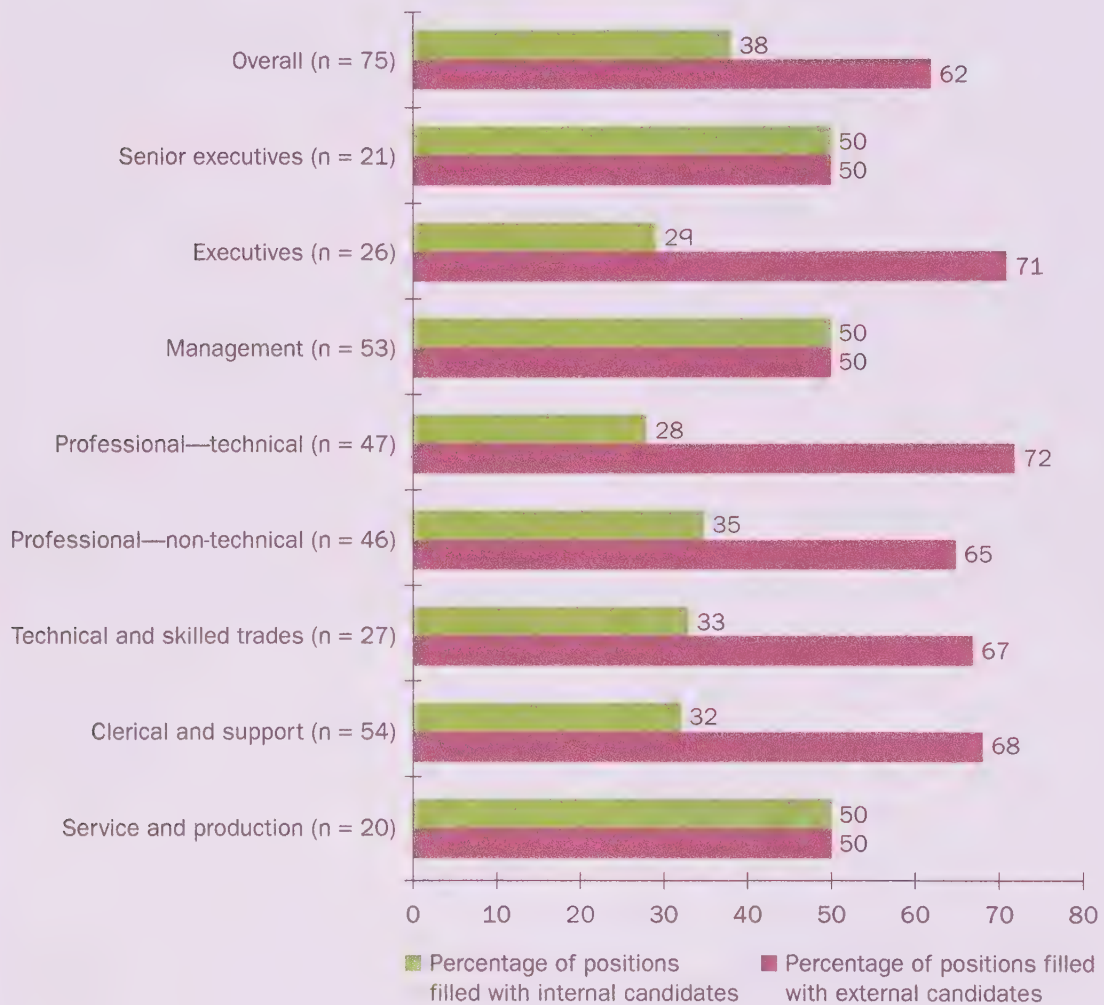


Four in Ten Positions Are Filled with Insiders

In a recent survey of Canadian organizations, 62 percent of overall hires came from outside the organization. However, for senior executives as well as service and production-level jobs, 50 percent of the positions were filled by internal candidates and 50 percent were filled by external candidates.

Question

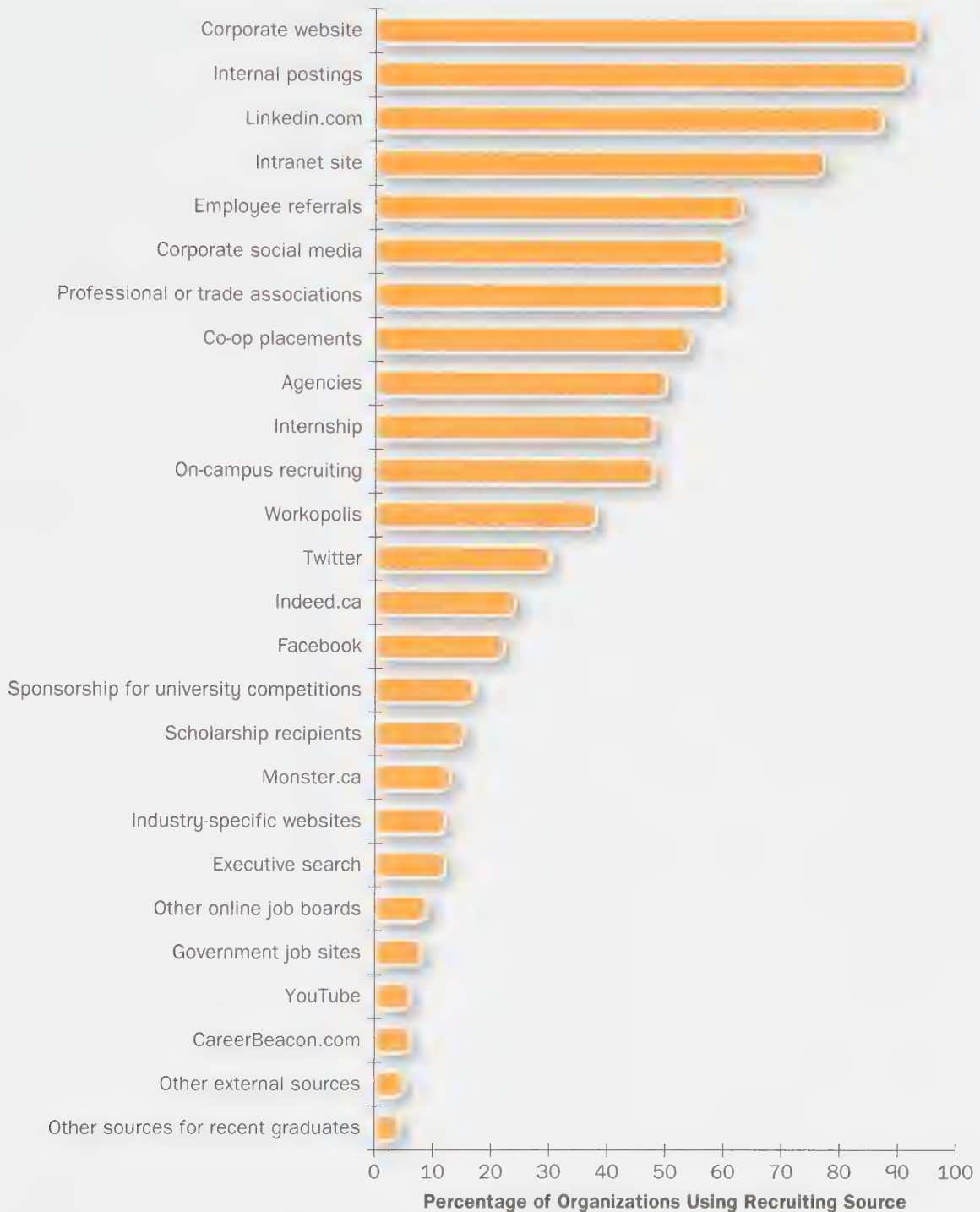
1. Would a promote-from-within policy be relevant to an organization that fills mostly entry-level jobs? Why or why not?



Source: Jane Cooper and Shannon Jackson, "Talent Management Benchmarking: Human Resources Trends and Metrics, Fourth Edition, Conference Board of Canada, February 2017, p. 49.

communicates with employees. Managers also may identify candidates to recommend for vacancies. Policies that emphasize promotions and even lateral moves (transfers) to achieve broader career experience can give applicants a favourable impression of the organization's jobs. The use of internal sources also affects what kinds of people the organization recruits.

For the employer, relying on internal sources offers several advantages.⁴² First, it generates applicants who are well known to the organization. In addition, these applicants are relatively knowledgeable about the organization's vacancies, which minimizes the possibility they will have unrealistic expectations about the job. Finally, filling vacancies through internal recruiting

FIGURE 4.4**Sources Used for Recruiting Professionals (Technical and Non-Technical)**

Source: Data from Jane Cooper, and Shannon Jackson, "Talent Management Benchmarking: Human Resources Trends and Metrics, Fourth Edition, *The Conference Board of Canada*, 2017, p. 42.

is generally cheaper and faster than looking outside the organization.

Chad Rabello, director of people operations at NakedWines.com, recognized these benefits and set up processes that would help the company fill more positions

internally. One process helps employees build a career at the company, not just carry out a job. Rabello meets with each of the company's employees (there are fewer than a hundred) to create a career development plan, which may involve learning skills needed for the same or a different

position. Another program invites employees to present new business ideas to top management; the executives pick one idea to fund. This process develops creative thinking and helps Rabello and the other executives identify employees with leadership potential. These programs encourage employees to stay, and they prepare management to fill openings with insiders who have already shared their career goals and practised solving problems creatively.⁴³

External Sources

Despite the advantages of internal recruitment, organizations often have good reasons to recruit externally.⁴⁴ For entry-level positions and perhaps for specialized technical and professional positions, the organization has no internal recruits from which to draw. Also, bringing in outsiders may expose the organization to new ideas or new ways of doing business. An organization that uses only internal recruitment can wind up with a workforce whose members all think alike and therefore may be poorly suited to innovation.⁴⁵ And finally, companies that are able to grow during a slow economy can gain a competitive edge when other organizations are forced to avoid hiring, freeze pay increases, or even lay off talented people.⁴⁶ So organizations often recruit through social platforms such as LinkedIn, direct applicants and referrals, advertisements, employment agencies, and universities and colleges.

Direct Applicants and Referrals

Even without a formal effort to reach job applicants, an organization may hear from candidates through direct applicants and referrals. **Direct applicants** are people who apply for a vacancy without prompting from the organization. **Referrals** are people who apply because someone in the organization prompted them to do so.⁴⁷ The target of an organization's recruitment efforts may also involve recruiter-initiated contacts including identifying and contacting **passive job seekers**—individuals who are not actively seeking a job, but represent a significant source of top talent. These sources of recruits share characteristics that make them excellent pools from which to draw.

One advantage is that many direct applicants are to some extent already “sold” on the organization. Most have done some research and concluded there is enough fit between themselves and the vacant position to warrant submitting an application, a process called *self-selection*, which, when it works, eases the pressure on the

direct applicants
People who apply for a vacancy without prompting from the organization.

referrals People who apply for a vacancy because someone in the organization prompted them to do so.

passive job seekers Individuals who are not actively seeking a job.

organization's recruiting and selection systems. A form of aided self-selection occurs with referrals. Many job seekers look to friends, relatives, and acquaintances to help find employment. Using these personal networks not only helps the job seeker but also simplifies recruitment for employers.⁴⁸ Current employees (who are familiar with the vacancy as well as the person they are referring) decide that there is a fit between the person and the vacancy, so they suggest the person should apply for the job.

An additional benefit of using such sources is that it costs less than formal recruiting efforts. Considering these combined benefits, referrals and direct applications are among the best sources of new hires. Some employers offer current employees financial incentives for referring applicants who are hired and perform acceptably on the job (e.g., if they stay 180 days). Other companies rely on their good reputations in the labour market to generate direct applications.

The major downside of referrals is that they limit the likelihood of exposing the organization to fresh viewpoints. People tend to refer others who are like themselves. Furthermore, sometimes referrals contribute to hiring practices that are or that appear unfair, an example being **nepotism**, or the hiring of relatives. Employees may resent the hiring and rapid promotion of “the boss's son” or “the boss's daughter,” or even the boss's friend.

nepotism The practice of hiring relatives.

Digital Recruiting Strategies

Few employers can fill all their vacant positions through direct applications and referrals, so most need to use additional methods of attracting applicants. Most often today, that means using digital recruiting strategies. Digital or web-based recruiting generally involves posting career information at the company website, using social media platforms such as LinkedIn, Twitter, and Facebook, and posting job ads on sites such as Workopolis, Monster, or Career Beacon. The popularity of some paid sites has been declining because more and more job seekers are turning to *job aggregators* such as Indeed. This type of online service gathers job information from job boards, company websites, newspaper ads, and more, making it all available through one website or mobile app. Overall, however, LinkedIn dominates online recruitment, fundamentally shifting the playing field of how companies recruit by giving them unprecedented connection to previously inaccessible passive job seekers.⁴⁹ Approximately 14 million Canadians are LinkedIn members and, globally, LinkedIn has half a billion members in 200 countries.⁵⁰

On any of these sites, employers are competing for attention amid the flood on online information. Research by The Ladders, a jobs website, found that workers spend less than a minute and a half reading a job ad before

deciding whether to apply. In that context, gaining the interest of qualified workers requires straightforward, clear job descriptions that highlight what is meaningful about the position.⁵¹

Most large companies and many smaller ones also make career information available at their own websites. To make that information easier to find, they may register a domain name with a “careers” or “jobs” extension such as www.starbucks.ca/careers for a link to information about careers at Starbucks and <http://jobs.bce.ca> to access information about careers at Bell Canada. Candidates also appreciate a response that the company has received their résumé—especially a response that gives a timetable about further communications from the company.

Accepting applications at the company website is not so successful for smaller and less well-known organizations, because fewer people are likely to visit the website. These organizations might get better results by going to the national job board websites, such as Monster and CareerBuilder, which attract a vast array of applicants. At these sites, job seekers submit standardized résumés. Employers can search the site’s database for résumés that include specified key terms, and they can also submit information about their job opportunities, so that job seekers can search that information by key term. With both employers and job seekers submitting information to and conducting searches on them, these sites offer an efficient way to find matches between job seekers and job vacancies. However, a drawback is that the big job websites can provide too many leads of inferior quality, because they are so large and serve all job seekers and employers, not a select segment.

Because of this limitation of the large websites, smaller, more tailored websites called “niche boards” focus on certain industries, occupations, or geographic areas. For example, Atlantic Canada-based CareerBeacon is a job board particularly well known by applicants from Atlantic Canada. Professional and trade associations also provide career support to their members including access to job postings as well as expanded career services. For example, “Hire Authority” is the job board of Canada’s largest Association of Human Resource Professionals—the Human Resources Professionals Association (HRPA).⁵²



Photo courtesy of Human Resources Professionals Association (HRPA)

“Hire Authority” is the job board of the Human Resources Professionals Association (HRPA). In addition to posting employers’ job openings, tweets and email broadcasts are sent to all of the HRPA’s members.

Ads in Newspapers and Magazines

Although computer search tools have made electronic job lists the most popular way to advertise a job opening, some recruiters still follow the traditional route and advertise open positions in newspapers or magazines. When the goal is to find people who know the local community, advertising in a local newspaper can reach that audience. Similarly, when the goal is to find people in a specialized field, advertising in a trade, professional, or industry publication can reach a targeted subset of job candidates.

Advertising can be expensive, so it is especially important that the ads be well written. The person designing a job advertisement needs to answer two questions:

- What do we need to say?
- To whom do we need to say it?

With respect to the first question, an ad should give readers enough information to evaluate the job and its requirements, so they can make a well-informed judgment about their qualifications. Providing enough information may require long ads, which cost more. The employer should evaluate the additional costs against the costs of providing too little information: Vague ads generate a large number of applicants, including many who are not reasonably qualified. In practice, the people who write job ads tend to overstate the skills and experience required, perhaps generating too few qualified candidates.

Specifying whom to reach with the message helps the advertiser decide where to place the ad. Ads placed in the classified section of local newspapers are relatively inexpensive, yet reach many people in a specific geographic area who are currently looking for work. On the downside, this medium offers little ability to target skill levels. Typically, many of the people reading classified ads are either over- or under-qualified for the position. Also, people not looking for work rarely read the classifieds. For reaching a specific part of the labour market, including certain skill levels and more people who are employed, the organization may get better results from advertising in professional or industry journals.

Public Employment Agencies

Employers can register job vacancies at the Government of Canada’s Job Bank. In addition to posting job openings, employers can access information and links to government forms, services, and programs. Prospective employees can narrow their job search by province and are also provided access to a variety of resources and career tools. *Job Match* facilitates matching of employers and job seekers based on their respective needs and profiles.

Private Staffing Companies

In addition to providing temporary employees, private staffing companies provide assistance to employers in attracting applicants for permanent positions. Job seekers

HR Oops!



Can Job Ads Perpetuate Gender Bias?

When a manager or recruiter prepares a job posting or ad, it is unlikely there is any intention to infuse it with wording that could prevent women from applying. However, researchers from the University of Waterloo and Duke University found that when job advertisements included more words stereotypically associated with men; for example, “assertive,” “independent,” “ambitious,” and “analytical,” the study participants, who were mostly students, perceived more men within these occupations, and perhaps most importantly, women found these jobs less appealing and perceived a reduced level of “belonging.”

Managers and recruiters should also avoid using words like “rockstar,” “guru,” or “ninja” in job titles because these words tend to have

masculine associations. Descriptive titles like “engineer,” “project manager,” and “developer” are free of gender bias so are more likely to attract the person who will be the best person for the job. According to Sara Watts-Rynard, executive director of the Canadian Apprenticeship Forum in Ottawa, “There’s no purposeful attempt being made to discriminate but in an environment that’s been largely made up of men for generations, this bias just comes out.”

Questions

1. Why might a job posting or job ad contain language that is unintentionally “gender coded?”
2. Do adjectives matter when you are considering applying for a job?

Sources: Carmen Nobel, “How to Take Gender Bias Out of Your Job Ads,” *Forbes*, December 14, 2016, www.forbes.com; Sarah Dobson, “‘Male-wanted’ job ads,” *Canadian HR Reporter*, May 5, 2014, p. 1, 10; Danielle Gaucher, Justin Friesen, & Aaron C. Kay, “Evidence That Gendered Wording in Job Advertisements Exists and Sustains Gender Inequality,” *Journal of Personality and Social Psychology*, 2011, Vol. 101(1), pp. 109–128.

apply to the private staffing company and are usually screened for suitability. These companies differ significantly in the types of services provided. It is important for both job seekers and employers to research and thoroughly assess private staffing firms so as to work with the company that will best meet their needs and expectations. These companies provide their services for a fee. Usually these fees are paid by the employer.

For executives, managers, or professionals, an employer may use the services of a type of private staffing company called an *executive search firm* (ESF). People often call these agencies “headhunters,” because unlike other staffing companies, they find new jobs for people almost exclusively already employed. For job candidates, dealing with executive search firms can be sensitive. Typically, executives, managers, and professionals do not want to advertise their availability, because it might trigger a negative reaction from their current employer. ESFs serve as a buffer, providing confidentiality between the employer and the potential candidate. That benefit may give an employer access to candidates it cannot recruit in other, more direct ways.

Universities and Colleges

Most universities and colleges have placement services that seek to help their students and graduates obtain employment. On-campus interviewing is an important

source of recruits for entry-level professional and managerial vacancies.⁵³ Organizations tend to focus especially on universities and colleges that have strong reputations in areas for which they have critical needs—say petroleum engineering or accounting.⁵⁴

Many employers have found that successfully competing for the best students requires more than just signing up prospective graduates for interview slots. One of the best ways to establish a stronger presence on a campus is with a cooperative education or internship program. These programs give an organization early access to potential applicants and let the organization assess their capabilities directly. Employers may also meet potential future employees by hosting networking events to meet scholarship recipients and providing sponsorships for university competitions. JDC West is Western Canada’s largest business school competition and has corporate partners including Accenture, Canadian Western Bank (CWB), Deloitte, and KPMG.⁵⁵

Another way of increasing the employer’s presence on campus is to participate in university and college job fairs. In general, a job fair is an event where many employers gather for a short time to meet large numbers of potential job applicants. Although job fairs can be held anywhere (such as at a hotel or convention centre), campuses are ideal because of the many well-educated,

not-yet-employed individuals there. Job fairs are an inexpensive means of generating an on-campus presence. They can provide one-on-one dialogue with students; however, it is also important to offer a candidate experience that includes the ability to apply for jobs with as few clicks as possible. Encouraging texting is another way for recruiters to demonstrate they are authentic and willing to answer students' questions as they come up.⁵⁶

Evaluating Recruitment Sources

In general, there are few rules that say what recruitment source is best for a given job vacancy. Therefore, it is wise for employers to monitor the quality of all their recruitment sources. One way to do this is to develop and compare **yield ratios** for each source.⁵⁷ A yield ratio expresses the percentage of applicants who successfully move from one stage of the recruitment and selection process to the next. For example, the organization might find the number of candidates interviewed as a percentage of the total number of résumés generated by a given source (i.e., number of interviews divided by number of résumés). A high yield ratio (large percentage) means the source is an effective way to find candidates to interview. By comparing the yield ratios of different recruitment sources, HR professionals can determine which is the best or most efficient for the type of vacancy.

Another measure of recruitment success is the *cost per hire*. To compute this amount, find the cost of using

yield ratios

A ratio that expresses the percentage of applicants who successfully move from one stage of the recruitment and selection process to the next.

a particular recruitment source for a particular type of vacancy. Then divide that cost by the number of people hired to fill that type of vacancy. A low cost per hire means that the recruitment source is efficient; it delivers qualified candidates at minimal cost.

To see how HR professionals use these measures, look at the examples in Table 4.4. This table shows the results for a hypothetical organization that used six kinds of recruitment sources to fill a number of vacancies. For each recruitment source, the table shows four yield ratios and the cost per hire. To fill these jobs, the best two sources of recruits were local colleges/universities and employee referral programs. Company websites generated the largest number of recruits (1,000 résumés). However, only 40 were assessed acceptable, of which only half accepted employment offers, for a cumulative yield ratio of 20/1,000, or 2 percent. Recruiting at renowned colleges and/or universities generated highly qualified applicants, but relatively few of them ultimately accepted positions with the organization. Executive search firms produced the highest cumulative yield ratio. These generated only 20 applicants, but all of them accepted interview offers, most were assessed suitable, and 75 percent of these suitable candidates took jobs with the organization. However, notice the cost per hire. The executive search firms charged \$120,000 for finding these 15 employees, resulting in the largest cost per hire. In contrast, local colleges and universities provided modest yield ratios at one of the lowest costs per hire. Employee referrals provided excellent yield ratios at a slightly higher cost.

As recruiting software and social sharing applications evolve, the distinction between use of the various recruiting sources is becoming increasingly blurred. However, Chris Gould, senior director of the talent acquisition solutions group for Aon Hewitt, anticipates that “we will see more ‘social sharing’ applications that will integrate with mobile, social media. These apps will make it easier to share jobs and will provide the ability to track click-throughs and sources.”⁵⁸



Photo by Tibor Kolley, © Copyright The Globe and Mail Inc./CP Photo
Capt. Jen Causey, an artillery officer with the 2nd Regiment, Royal Canadian Horse Artillery, based in Petawawa, Ontario, was staffing the booth at the Women in Leadership Career Fair at the University of Toronto. She is chatting with Cora Cheng, a second-year mechanical engineering student at U of T. How do career fairs benefit employers and the students at the same time?

Recruiter Traits and Behaviours

The last part of the model presented in Figure 4.4 that we will discuss is the recruiter. Many applicants approach the recruiter with some skepticism. Knowing it is the recruiter's job to sell them on a vacancy, some applicants discount what the recruiter says, in light of what they have heard from other sources, such as friends, family, online resources, and instructors. For these and other reasons, recruiters' characteristics and behaviours seem to have less impact on applicants' job choices than we might expect.

TABLE 4.4

Results of a Hypothetical Recruiting Effort

	Recruiting Source					
	Local College/ University	Renowned College/ University	Employee Referrals	Newspaper Ad	Executive Search Firm	Company Website
Résumés generated	200	400	50	500	20	1,000
Interview offers accepted	150	100	45	400	20	80
Yield ratio	75%	25%	90%	80%	100%	8%
Applicants judged acceptable	100	95	40	50	19	40
Yield ratio	67%	95%	89%	12.5%	95%	50%
Accept employment offers	90	10	35	25	15	20
Yield ratio	90%	10.5%	87.5%	50%	79%	50%
Cumulative yield ratio	90/200 45%	10/400 2.5%	35/50 70%	25/500 5%	15/20 75%	20/1,000 2%
Cost	\$30,000	\$50,000	\$15,000	\$20,000	\$120,000	\$500
Cost per hire	\$333	\$5,000	\$429	\$800	\$8,000	\$25

Recruiters' Functional Area and Traits

Most organizations have to choose whether their recruiters are specialists in human resources or experts at particular jobs (supervisors or job incumbents). Some studies indicate that applicants perceive HR specialists as less credible and are less attracted to jobs when recruiters are HR specialists.⁵⁹ The evidence does not completely discount a positive role for HR specialists in recruiting. It does indicate, however, that these specialists need to take extra steps to ensure that applicants perceive them as knowledgeable and credible.

Two traits stand out when applicants' reactions to recruiters are examined. The first, which could be called "warmth," reflects the degree to which the recruiter seems to care about the applicant and is enthusiastic about her potential to contribute to the company. The second characteristic could be called "informativeness"—meaning the recruiter provides the kind of information the applicant is seeking. In general, applicants respond more positively to recruiters who are perceived as warm and informative. These characteristics seem more important than demographic characteristics such as age, sex,

or race, which have complex and inconsistent effects on applicant responses.⁶⁰

Recruiters' Realism

Perhaps the most well-researched aspect of recruiting deals with the level of realism that recruiters incorporate into their message. Because the recruiter's job is to attract candidates, there is some pressure to exaggerate the positive features of the vacancy while downplaying the negative features. Applicants are highly sensitive to negative information. However, if the recruiter goes too far in a positive direction, the candidate can be misled and lured into taking the job under false pretenses.

Many studies have looked at how well **realistic job previews**—background information about jobs' positive and negative qualities—can get around this problem and help minimize early job turnover. On the whole, the research indicates that realistic job previews do lower expectations and can help reduce future turnover in the workforce.⁶¹

Currently, the idea that one can go overboard in selling

realistic job previews
Background information about a job's positive and negative qualities.

a vacancy to a recruit has merit. However, the belief that informing people about the negative characteristics of the job will totally “inoculate” them to such characteristics seems unwarranted, based on the research conducted to date.⁶²

We conclude that an organization’s decisions about policies that directly affect the job’s attributes (pay, security, advancement opportunities, and so on) will probably be more important than recruiter traits and behaviours in affecting job choice.

Enhancing Recruiter Impact

Researchers have tried to find the conditions in which recruiters do make a difference. Such research suggests

that an organization can increase the positive impact that recruiters have on job candidates:

- **Provide timely feedback.** Applicants react very negatively to delays in feedback, often making unwarranted attributions for the delays (such as, “The organization is uninterested in my application”).⁶³
- **The organization can recruit in teams rather than by individuals.** Applicants tend to view job incumbents and supervisors as more credible than HR specialists, so these kinds of recruiters should be part of any team. However, HR specialists have knowledge that is not shared by job incumbents and supervisors (who may perceive recruiting as a small part of their “real” jobs), so they necessarily play a key role on the recruiting team.

Thinking ETHICALLY



Mindsets Shift on Boomerang Employees

The hiring of boomerang employees—employees who leave and return (in contrast to alumni employees—employees who leave and don’t return) is on the rise due to the changing mindset of HR professionals. According to a survey of 1,800 HR professionals, nearly half said their organization previously had a policy against rehiring former employees, but three-quarters of these HR professionals say they are now open to hiring boomerang employees.

Organizations are also using LinkedIn and Facebook to stay connected with former employees including providing a corporate alumni group experience and even announcing their accomplishments and promotions. Another strategy is to host social events to keep in touch with former employees.

In addition to knowing the organization and being known in the organization, boomerang employees can be a powerful recruiting tool because they know that the grass is definitely not greener, and they are usually very pleased to share that perspective,” said Joyce Gioia, a

management consultant, workforce futurist, and CEO of Employer of Choice International. “But with everything, there’s a blessing and a curse,” said Ilene Siscovick, a partner at global consultancy, Mercer. “There’s a fundamental reason that the employee left the organization in the first place, and bringing them back in could have unintended consequences.” There could also be a risk that former employees could use the alumni social media platforms and hosted events to recruit employees to their new company.

Questions

1. What are the potential benefits and risks (if any) associated with actively keeping in touch with former employees?
2. What are the potential ethical concerns that could arise if an organization decided to pursue former employees as a targeted recruitment source?

Sources: Roy Maurer, “Stay in Touch with Former Employees: One Could be Your Next Hire, Society for Human Resource Management,” April 22, 2016, shrm.org; Kerry Hannon, “Welcome Back; Boomerang Employees Are on the Rise,” *Forbes*, September 7, 2015, www.forbes.com; “The Corporate Culture and Boomerang Employee Study, The Workforce Institute at Knonus and WorkplaceTrends.com, September 1, 2015, <https://workplacetrends.com>; Abbie J. Shipp, Stacie Furst-Holloway, T. Brad Harris & Benson Rosen, “Gone Today but here Tomorrow; Extending the Unfolding Model of Turnover to Consider Boomerang Employees,” *Personnel Psychology* 67 (2014), pp. 421–462.

SUMMARY

LO1 Discuss how to align workforce planning with the organization's strategy.

Workforce planning compares the present state of the organization with its goals for the future, then identifies what changes it must make in its human resources to meet those goals. Workforce planning uses labour supply and demand forecasts to anticipate labour shortages and surpluses. When done well, workforce planning can enhance the success of the organization while minimizing the human suffering resulting from poorly anticipated labour surpluses or shortages.

LO2 Examine methods organizations use to deal with a labour surplus or shortage.

Based on whether a surplus or a shortage is expected, the planner sets goals and creates a strategy for achieving those goals. The strategy also involves programs that can be utilized to reduce a labour surplus (such as downsizing and early retirement programs) and eliminate a labour shortage (such as bringing in temporary workers or expanding overtime). The organization then implements its HR strategy and evaluates the results. Succession planning identifies and tracks high-potential employees who are capable of filling future openings in key positions.

LO3 Explain the importance of recruiting and describe approaches to attract talent.

Human resource recruiting is a buffer activity that creates an applicant pool that the organization can draw from in

the event of a labour shortage that is to be filled with new hires. Organizational recruitment programs affect talent acquisition outcomes through human resource policies (such as promote-from-within policies) that affect the attributes of the vacancies themselves and can also impact the types of people who apply for positions by using different recruitment sources.

LO4 Compare and contrast recruitment sources.

A critical element of an organization's talent acquisition strategy is its decisions about where to look for applicants. An organization may emphasize internal or external sources of job applicants. Increasingly, recruiting is becoming a digital experience. Employers need to evaluate recruitment sources in the effort to optimize efficiency and quality.

LO5 Describe the recruiter's role.

Through their behaviour and other characteristics, recruiters influence the nature of the job vacancy and the kinds of applicants generated. Applicants tend to perceive job experts as more credible than recruiters who are HR specialists. Recruiters can enhance their impact by being informative and authentic, providing timely feedback, and recruiting in teams.

CRITICAL THINKING QUESTIONS

- Suppose an organization expects a labour shortage to develop in key job areas over the next few years. Recommend general responses the organization could make in each of the following areas:
 - Recruitment
 - Training, learning, and development
 - Rewards (pay, employee benefits, and work environment)
- Review the sample transitional matrix shown in Table 4.1. What jobs experience the greatest turnover (employees leaving the organization)? How might an organization with this combination of jobs reduce the turnover?
- In the same transitional matrix, which jobs seem to rely the most on internal recruitment? Which seem to rely most on external recruitment? Why?
- Why do organizations combine statistical and judgmental forecasts of labour demand, rather than relying on data or judgment alone? Give an example of a situation in which each type of forecast could be inaccurate.
- Some organizations have detailed employment equity plans, complete with goals and timetables, for each of the designated groups, yet have no formal workforce plan for the organization as a whole. Why might this be the case? What does this practice suggest about the role of human resource management in these organizations?
- Is succession planning becoming more or less important? Explain your answer.
- Give an example of a human resource policy that would help attract a larger pool of job candidates. Give an example of a human resource policy that would likely reduce the pool of candidates. Would you expect these policies to influence the quality as well as the number of applicants? Why or why not?

8. Discuss the relative merits of internal versus external recruitment. Give an example of a situation in which each of these approaches might be particularly effective.
9. Recruiting people for jobs that require global assignments is increasingly important for many organizations. Where might an organization go to recruit people interested in such assignments?
10. What is your experience with the use of social platforms in the recruiting process; for example, LinkedIn, Facebook, Twitter, and/or YouTube? What is your advice to managers and HR professionals in using digital recruiting to attract job applicants?
11. How can organizations improve the effectiveness and impact of their recruiters?

EXPERIENCING HR—EVALUATING YOUR RÉSUMÉ AND/OR LINKEDIN PROFILE

Find a job posting for a position and company that interests you. Review and evaluate your own résumé and/or LinkedIn profile from the perspective of an HR professional or organizational leader who may be leading the recruitment process. What qualities on your résumé and profile match what the company is looking for? What words and phrases does the company use in its job posting and on its website

that you could use (truthfully) to show that you would be a high performer in the job? Are there any additional experiences and/or skills you may need before you would be considered for the job?

Write a one-page paper summarizing your findings. Attach your résumé and/or details from your LinkedIn profile, and turn it in for credit on the assignment.

CASE STUDY: EVIDENCE-BASED HRM

City of Edmonton Uses Podcasts in Recruitment

The City of Edmonton's HR team have successfully established a strong recruitment presence on social media over the past five years. They had even put in place an online application that allowed prospects to apply for positions as soon as they saw the job posting ad.

But the 14,000-plus employer was facing a big challenge. Typical job postings attracted a number of unqualified candidates and failed to communicate less tangible benefits, such as leadership style, business strategies, and current initiatives. Moreover, given the union's specifications for 90 percent of the job postings with the government employer, a lot of text was required on job descriptions. "We knew people wanted to know who they would be working for, what the culture was like, and to get excited about working here," says Margaret Blair, director of recruitment. "But they didn't want to read about it."

Enter Shahid Wazed, team lead of talent sourcing strategies. He had already helped the city establish 115,000 Facebook followers and 40,000 on LinkedIn on the recruiting channels alone. Now he proposed using podcasts. "Inbound marketers were using podcasts a lot and I thought, 'Why not use something like this for recruitment?'" says Wazed. "In reality, 50 percent of our candidates come through mobile devices. So why not make it easier and just embed an informative, engaging podcast right into the job posting so when top talent lands on a job posting, they get to listen to it right away before reading any text?"

Wazed initially sold the idea to both Jeff MacPherson, HR branch manager, and Margaret Blair, as well as a key pivot person in the process, Nigel Brown, team lead for the executive recruitment team. As the agency within the City of Edmonton dedicated to recruitment at the executive level (often facing unique or hard-to-fill vacancies), their portfolio was the perfect one to launch with, says Blair. "Nigel saw the value in the strategy and was key to getting buy-in from our own staff, and then directing them to us for the technical work." With Brown's nod, Wazed set about developing pilot podcasts. Since he was coming at it from scratch, he researched a number of options and settled on Garageband software to record the podcasts, and Libsyn, an online podcast hosting service, he says.

Clear communication and processes helped win over management, says Blair. Specifically, Wazed and Jessica Avila, recruitment and content marketing consultant, developed a one-page marketing document and a visual podcast process overview diagram to help hiring managers understand the process and timelines. These days, Wazed and Avila develop and share a podcast script and interview questions with the hiring manager, and conduct a quick coaching call. The final podcast is reviewed with them, and the two keep the hiring managers up to date on the number of downloads after the podcast is live.

Any instances where hiring managers might have frozen in front of a camera were eliminated with the microphone-only approach, says Blair. The approach also

allowed for editing, says Wazed. “We are able to do edits, and ask them to record smaller segments, too. The first recordings would take one hour to an hour-and-a-half. Now, they take 15 or 20 minutes at the most.” “The candidate response has been terrific,” says Blair. “The podcasts are downloaded anywhere from 150 to 1,000 times each.” This means candidates are spending the time to listen to the short five-minute podcasts before deciding whether or not to put in their application, she says.

“Not only are these inexpensive to produce, on the innovation side of things, this is the first time from a company perspective that we’re enabling transparency between candidates and hiring managers.” Typically, job postings limit accessibility, says Blair. “But it’s important for top candidates to know what their manager’s leadership style is and to see if they connect. We need them to be responsible for way more than XYZ, and the podcasts take job descriptions to the next level.” Ultimately, the podcasts help make the interaction a personalized and more informative one, she says.

And the positive reception from hiring managers is a testament to its success, says Blair. Deputy city managers

and city councillors have all recorded podcasts to help recruit top talent. While it’s too early for the team to track the return on investment, they are tracking the number of times candidates refer to the podcast on their cover letter or during pre-screening interviews. “We’ve had candidates remark on how an upcoming project really excites them,” says Blair. “We believe this will correlate to higher qualified candidates, too. Already we are attracting people who we would not otherwise attract.”

Questions

1. How would you go about calculating the return on investment (ROI) of using podcasts in the recruitment process as described in this City of Edmonton case?
2. If you were responsible for recruiting at the City of Edmonton, what other enhancements to the recruiting process would you recommend? How would you go about calculating the ROI of each recommended enhancement?

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CASE STUDY: HRM SOCIAL

Effective Talent Searches via Social Networks

Listing job openings online is an easy way to let potential employees know about positions. But these ads can generate a flood of responses from unqualified or barely interested job candidates. Most employers today are therefore opting for digital recruiting that allows more precise targeting of their messages and deeper insight into the qualifications and interest of potential candidates. That often means using social media. According to research by the Society for Human Resource Management, two-thirds of employers hired candidates they found via social media. Even more (84 percent) use social media as a recruiting method.

The social media site most often used for recruiting is LinkedIn. On this career-related networking site, employers can run searches to identify individuals whose profiles mention particular skills, interests, or areas of experience. They also can advertise openings in special-interest groups (taking care to follow each group’s rules for this type of posting). Employers also can benefit from participating on social media sites that serve groups for professions or trades.

To use social media effectively, HR departments need a two-pronged approach. The first prong is to

develop a favourable online “brand” as an employer. This requires not only regularly posting helpful, informative messages from the company, but also monitoring conversations in order to identify concerns and problems—and address them with solutions. When an employer’s brand is favourable, workers who admire a company on Facebook might apply for a job or share a story about job openings, even if they didn’t go on Facebook to look for work. Some companies view their campaigns to attract candidates as important as their advertising to customers. For example, Heineken has developed unconventional videos that focus on its employment brand and employee experience.

The second prong is to gather and analyze useful data about talented people who are or might become job candidates. Social media data can tell employers where people are talking about the brand, the company, or the industry. Searches can point recruiters to discussions on particular topics, where they can see who is making a valuable contribution. Dell’s Global Talent Brand and Tools team launched a social network campaign including blog posts and videos of employees sharing their experiences working at Dell. The videos were posted

to the company's career website, its YouTube channel, and other candidate- and employee-targeted sites such as Glassdoor in concert with launching an optimized job search site. The most sophisticated users of social media use analytic tools to help them find desirable candidates for key positions, so they can reach out with an offer to talk.

Sources: Brett Walsh and Erica Volini, "Rewriting the rules for the digital age," 2017 Deloitte Global Human Capital Trends, *Deloitte University Press*, dupress.deloitte.com; Joanna Stern, "Ignoring LinkedIn Is Hurting Your Career," *Wall Street Journal*, April 13, 2016, <http://www.wsj.com>; Desda Moss, "Talent Search," *HR Magazine*, April 2016, <https://www.shrm.org>; Heather Huhman, "Four Mistakes Your Social-Media Profiles May Be Committing with Job Seekers," *Entrepreneur*, February 8, 2016, <http://www.entrepreneur.com>; Bruce Shutan, "The Social Recruiting Journey," *Employee Benefit News*, September 15, 2015, pp. 31–32; Lindsay Stanton, "Attracting Talent with Technology: How Digital Job Descriptions Can Draw In Top Talent," *Workforce Solutions Review*, September 2015, pp. 31–33; John Zappe, "New SHRM Survey Shows Growing Reach of Hiring from Social Media," *TLNT*, September 2, 2015, <http://www.eremedia.com/tlnt>; Donna Wells, "Close the Skills Gap—Once and for All," *Chief Learning Officer*, August 2015, pp. 44–46.

Questions

1. Based on this description, what are some advantages of finding a candidate via social media compared with traditional job postings on the company's website?
2. Do you think it's important to have a LinkedIn profile? Why or why not?