

RECRUITING AND SELECTING EMPLOYEES

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Recruitment = generating applicants

Selection = choosing a person from the pool of applicants

Considerations = (1) where to recruit, (2) whom to recruit, (3) how to recruit, (4) when to recruit, (5) who does the recruiting, and (6) what information to communicate to recruits (Breaugh, 1992: 39)

What sources of applicants are available? Are some sources better than others? You should have some idea of the strong and weak points of the various sources.

Employee Referrals (word of mouth recruitment)

It is generally assumed that good employees tend to refer similar applicants/friends (birds of a feather flock together). Further, the referral reflects upon the employee, so he/she will be careful. The employee normally has far more knowledge than could be obtained in a one hour job interview.

The one-year survival rate of employees from this source is the highest of the external sources we will examine. Is this because: (a) these applicants have a more realistic feel for the good and bad points of the job and the company?, or (b) are referrals treated differently due to their inside contacts? They have a friend that helps them fit in. It is probably some of a & b.

Bonuses and bounties may be offered to encourage referrals. One may only receive the reward if the person sticks for one year. Only a limited number of applicants can be expected from employee referrals. If you have few women and/or members of minority groups, this may be a problem. Employee referrals under these conditions may fail to provide greater diversification. When a referral is not hired, the employee making the referral may become disgruntled.

Rehires (Former Employees)

These candidates will have a realistic view, but their loyalty is often in doubt. This source was not normally relied upon. Car lots and restaurants/bars utilize this source on a regular basis. Recently, some of the people who went to dot-com firms have been returning to former employers.

Promotions

The most powerful potential motivator (pay & status) is promotions from within. In some firms, this is the only real way to attain pay raises. Trade-offs exist. Promotions from within foster greater commitment and enhance continuity, but can also result in a lack of new ideas (inbreeding, stagnation, groupthink, etc.). In the academic sphere, unlike most companies, people are sought from as many other institutions as possible.

There are two basic different systems: (a) managerial nominations (don't call us, we will call you, or "pre-selection"), and (b) job posting = this is open to all, so motivation should be enhanced. You may find a diamond in the rough (better quality candidates should result from an open competition). A known time line should be specified (this is slower than managerial nominations). The numerous interviews are more costly. People may also get their hopes up, and you will have to deal with their disappointment. Those who are unhappy with their boss will have an internal outlet short of leaving the firm, which is a plus.

Transfers

In HRP, we discussed late career lateral transfers to get out of the mid-life blahs (stimulation vs. leaving friends behind, having to start over, etc.), and early career star development (obtaining breadth, but fostering resentments, etc.).

Demotions

The Hawthorne researchers found that permanent damage normally ensued after demotions. The loss of status often resulted in people having a "chip-on-their-shoulder attitude." An HR manager at a quick-stop grocery chain told me about a woman who felt she was not cut out to be a manager. When she went back to the ranks, she told everyone how much she missed them and was glad to be back. This "voluntary demotion" may not pose the same problems as involuntary demotions. Blue Cross-Blue Shield currently has a policy providing for demotions. When a person has not performed well for a period of time, he/she may be given two options: (a) he/she can turn the situation around in 30 days or face being terminated, or (b) he/she can return to a position he/she already experienced success in. Most people pick demotion.

The Peter Principle = refers to organizations promoting people based on how they performed in their last position. Eventually, performance in the prior position proves to be a poor predictor of performance at the next level. People are hence "promoted to their level of incompetence." Since firms are reluctant to demote people, the upper portions of many organizations could become full of people who are in over their heads.

School Referrals (placement centers, resume books, teachers,...)

Candidates from this source are often highly motivated. The candidates may have up to date knowledge with regard to computers, accounting and the like. Yet, they often have naive expectations. They come out of policy class thinking they are ready to run a company, and their first job turns out to be very routine. The first year turnover can be as high as 50% (Breaugh, 1992:311). The applicants are probably as mobile as they ever will be. Some, however, move and later want to go back home. It is hard to leave friends and family behind, and there can be great differences in culture and climate. Schedules must be set well in advance, and there is limited flexibility in the availability of candidates.

Walk-ins

Posting "for hire" signs can produce applications. Some may apply even without a posting. Applicants from this source are cheap and plentiful, but their motivation and quality are open to question. When I visited a TRW plant in Ohio, the HR manager told me as soon as a rumor came out about new defense spending, a line of applicants formed around the block. Hence, he never had to advertise to locate applicants. On the other hand, many of the applicants could not read blueprints, and he now had to store all these applications to certify the pool for EEO purposes.

Recruiting on the Internet

This is a fast growing recruiting source. Between 1997 and 2000, the percentage of use by Fortune 500 firms grew from 10% to 75% (Dessler, 2002: 84). Web sites can provide information about the company and different openings. Whereas a newspaper ad might cost \$50 to several thousand dollars, and might last 10 days, an Internet ad might cost \$10 and last 30 days. Ease of access can also result in a large number of poorly qualified applicants. Applicants can be pre-screened with computerized tests and programs can be used to sort out candidates from remote locations.

Internships

A company gets far more tangible exposure to a candidate than one could ever obtain in a job interview. The intern obtains valuable experience even if he/she is not ultimately offered a full-time job. Some firms have a number of interns working for relatively low levels of wages and benefits, and thereby essentially save one or more full-time positions.

Hiring Part-timers Full Time

Essentially the same good points as internships. Yet, once one part-timer is hired full-time, some of those remaining part-time may become resentful.

Job Fairs

A group of organizations may combine to share the expenses of a job fair at a common site. UNF has such an event once a year and many area companies attend. There is little if any prescreening, but you contact a large number of people in a short period of time.

Open Houses

Visits to the actual work site are scheduled. There are some economies of scale in bulk processing applicants. The applicants also can actually see the work involved and the facility.

Advertising (newspaper want ads, magazines, journals, radio, television, direct mail)

Utilizing advertising requires one decide what media to use and what content should be placed in the ad (Dessler, 2002: 77). Ads in specialized outlets may entail a month or more delay prior to insertion. Just as with walk-ins, you must store the applications to document your pool. Hence, you do not want to make your ads too broad, or you will be flooded with unqualified applicants. If you put in hurdles, such as years of experience, GPA, and education in the ad, you can reduce the number of responses. The new television ads, like Dow is feeding the world, are targeted at improving the organization's image and attracting the best applicants in the market. The bad publicity from the Vietnam war with regard to agent orange and napalm hurt Dow. Television ads seem like a very expensive proposition. I have never seen any data on whether general image ads like those run by G.E. are worthwhile or not.

Privately Owned Agencies

Generally one uses this source for lower level jobs such as secretarial, clerical and book-keeping positions. The agency will prescreen for the company, and send out two or three applicants for