



Course Learning Outcomes for Unit IV

Upon completion of this unit, students should be able to:

4. Recommend basic human resource management (HRM) principles to develop a recruiting program for an organization.
8. Critically evaluate the challenges to human resource management in a global corporation.

Reading Assignment

Chapter 1:

Creating Value Through Human Resources, pp. 24-29

Chapter 5:

Recruiting Talented Employees

Unit Lesson

Selection is about finding the treasure; *recruiting* is acquiring the treasure map. Selection is about executing the possibility of a great hire; recruiting is about creating the possibility.

Some people mistakenly think recruiting is about finding that one person who can do the job well. This is selection. Recruiting is about the systematic way of making the “find” possible by creating an outstanding pool of qualified applicants. A few of the methods used in recruiting are as follows:

Internal Recruiting

This involves posting jobs internally on a bulletin board (physical or electronic) and “passing the word” through managers of the opening. Some benefits include 1) providing opportunities for growth to existing and committed employees and 2) increasing overall morale. Internal recruiting also has some distinct potential disadvantages:

- The same person who is not a good candidate for promotion may apply every time, and this same person will complain every time he or she is not selected.
- There may be questions as to whether everyone in the company knew about the opening.
- There may be predetermined bias for or against employees before they even apply.
- There are also internal politics of how to explain and keep employees motivated who feel personally rejected when they do not get the position.

Finding qualified employees to meet the challenges organizations face in this new economy is a challenge. Keep in mind that our highly educated baby boomers are beginning to retire. Despite that fact, only about one-third of adults in America between the ages of 25 and 29 have a college degree (Kelly & Williams, 2015, p. 246).

In 1975, full-time, year-round workers with a bachelor’s degree had 1.5 times the annual earnings of workers with only a high school diploma. By 1999, this ratio had risen to 1.8. Workers with an advanced degree, who earned 1.8 times the earnings of high school graduates in 1975, averaged 2.6 times the earnings of workers with a high school diploma in 1999. (Day & Newburger, 2002, p. 2)

By 2011, those figures had to be adjusted slightly due to the Great Recession. Despite the economic downturn, those with a bachelor's degree were still earning at a rate of 1.6 times greater than those with only a high school diploma. Master's degree employees were still earning at over two times greater (Julian & Kominski, 2011).

Recruitment is going to continue to be a challenge. As the world economy continues to be more and more competitive, those in human resource management are being challenged to seek qualified employees wherever they can be located. Finding qualified hires involves more than their educational background; it also involves how they "fit with the company culture in terms of both personality and style" (Kelly & Williams, 2015, p. 246).

External Recruiting

This involves posting the job requisition online and potentially other outlets: 1) newspapers, 2) job-based websites like Monster.com or Careerbuilder.com, 3) industry-specific websites or publications, and 4) the use of headhunters or contract houses. Some benefits of external recruiting are a broader industry reach; more specific skill sets are reached; open to all skill and background types; and greater perspectives on the industry and technology changes, including best practices from competitors. Some disadvantages include separating a "real candidate" from the fray, massive amounts of applications and resumes to review, unknown "intangibles" without an interview, questionable descriptions of work activities (embellished), and determining actual job scope (e.g., a human resource generalist at firm A had a very different job than a human resource generalist at firm B).

College Campus Hires

This involves sending a college recruiter to a physical campus during job fairs or other activities. Often, this includes recruiting for several different jobs (to justify the travel expense) and making difficult judgement calls on subjective criteria in lieu of significant and related job history. College recruiting has some potential benefits:

1. eager and motivated candidates;
2. easier training, candidates having little perspective on the job(s); and
3. many different candidates available for work in one place, making scheduling interviews and conducting conversations very efficient.

College recruiting also has some potential disadvantages:

1. basing an employment-related decision quickly (as they will likely have other prospects that day) on subjective rather than technical criteria; and
2. given the best predictor of future behavior is past behavior, can be challenging to calculate how college students will perform in the workplace with limited experience and references available.

Key Issues in Recruiting

There are several key issues to look for in a good recruiter. There are also many philosophies you can use when making recruiting decisions. In each of the metrics below, you can view data over time to find trends to see if operations are getting better or worse:

1. Manage with facts and data using consistent metrics. It is good to know the offer-to-acceptance ratio (how many offers made versus how many are accepted). This tells you if you are paying market price for labor.
2. What percentage of the time do you get your top choice candidate? If you are constantly getting your third or fourth choice, this might mean you are paying too low, and further, it means your competitors are beating you to top talent.
3. How many days does it take from job posting to having a person at work in the position? The longer it takes, the more disruption there will be in the work environment.

In addition to managing with metrics, a recruiter also needs to remember that the best recruiting strategy is a fit between strategy, job, and firm. Some firms that rely on substantial in-house knowledge (e.g., NASA) drive a decision for internal recruiting, whereas other firms that rely on lower skill and strong training (e.g.,

McDonalds) may use external recruiting more often. The *best* strategy is a fit for that firm. In addition, some jobs (e.g., entry-level engineer) can use any of the methods described above, whereas replacing top-level jobs (e.g., CEO) will need to be a longer process, usually involving less formal channels of recruiting.

There is no “best way” to go about creating a pool of qualified applicants. It highly depends on the job and the firm, not to mention the economic environment.

References

Day, J. C., & Newburger, E. C. (2002). The big payoff: Educational attainment and synthetic estimates of work-life earnings. *Current Population Reports*. Retrieved from <https://www.census.gov/prod/2002pubs/p23-210.pdf>

Julian, T., & Kominski, R. (2011). Education and synthetic work-life earnings estimate. *American community survey reports*. Retrieved from <https://www.census.gov/prod/2011pubs/acs-14.pdf>

Kelly, M., & Williams, C. (2015). *BUSN: Introduction to business* (7th ed.). Stamford, CT: Cengage Learning.

Learning Activities (Non-Graded)

For additional information regarding the topics discussed in this unit, please see the following video. This video visually demonstrates the concepts discussed in the unit lesson and readings.

[Chapter 05: Recruiting Talented Employees](#)

Non-graded Learning Activities are provided to aid students in their course of study. You do not have to submit them. If you have questions, contact your instructor for further guidance and information.