

BRANDING THE TALENT POOL: RECRUITMENT AND CAREERS

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SUMMARY

OUTCOME 1 To expand the talent pool of organizations—the number and kind of people available for employment—organizations must focus on multiple approaches to recruitment and career management. Which internal and outside sources and methods are used in recruiting will depend on the strategy and goals of the organization, conditions of the labour market, and specifications of the jobs to be filled.

OUTCOME 2 Employers usually find it advantageous to use internal promotions and transfers to fill as many openings as possible above the entry level. By recruiting from within, an organization can capitalize on the previous investments they have made in recruiting, selecting, training, and developing its current employees and rewarding them. Internal job postings, performance appraisals, skill inventories, replacement charts, and assessment centres are ways in which firms identify internal talent.

OUTCOME 3 Outside candidates are recruited when internal talent is lacking or a firm wants to hire employees with expertise from other organizations for competitive reasons and to prevent the inbreeding of ideas within their organization.

To diversify its talent pools, firms also look externally for candidates. Advertisements, the Internet, social networks, mobile recruiting, employment agencies, tapping educational institutions and professional

associations, and rerecruiting are among the many ways firms recruit external candidates.

OUTCOME 4 HR managers have many tools available to them to gauge their efforts and improve their recruiting. Using realistic job previews, surveying managers and applicants about the process, and examining metrics such as the cost per hire, time to fill a position, and yield ratios are some of the ways in which firms evaluate their recruiting efforts. An ATS can help a firm automatically track and calculate many of these statistics.

OUTCOME 5 Identifying and developing talent are the responsibility of all managers. A career development program is a dynamic process that should integrate the career goals of employees with the goals of the organization. Job opportunities can be identified by studying jobs and determining the knowledge and skills each one requires. Once that is accomplished, key jobs can be identified, and job progressions can be planned. These progressions can then serve as a basis for developing the career paths of employees. Employees need to be made aware of the organization's philosophy and its goals; otherwise, they will not know how their goals match those of the organization. Mentoring has been found to be valuable for providing guidance and support to employees and potential managers.

OUTCOME ONE: STRATEGIC ASPECTS OF RECRUITING

- Decisions about talent – regardless of whether they pertain to recruiting, transferring, promoting, developing, or deploying people – need to be considered within the context of a business's strategies and priorities.
- **Employee Profile:** A profile of a worker developed by studying an organization's top performers to recruit similar types of people.

Who Should Do The Recruiting?

- **Recruiting Process Outsourcing (RPO):** The practice of outsourcing an organization's recruiting function to an outside firm.
- **3 reasons why RPOs are used:**
 1. When the organization wants to focus on their core functions (including small businesses that lack time or HR personnel) rather than recruiting.

2. When the organization needs to hire a lot of employees or hire employees quickly.
 3. When the organization is looking to find more diverse candidates – they have had trouble finding suitable candidates in the past or need a different way to tap different talent pools.
- Recruiters need to have a good understanding of the knowledge, skills, abilities, experiences, and other characteristics required for the job. They also must be personable, enthusiastic, and competent.

Should A Firm Recruit Internally or Externally?

- **4 reasons why a firm should recruit (or promote) internally:**
 1. A firm can capitalize on the investment it has made in recruiting, selecting, training, and developing its current employees, who might look for jobs elsewhere if they lack promotion opportunities.
 2. Can improve employee morale within the organization and support a culture of employee engagement.
 - Promoting employees rewards them for past performance and encourages them to continue their efforts.
 3. Helps eliminate orientation and training costs.
 4. The transferee's performance record is likely to be a more accurate predictor of the candidate's success than the data gained about outside applicants.
- **3 reasons why a firm should recruit externally:**
 1. The talent pool is extensive outside of the organization – jobs that require specialized training and experience cannot always be easily filled from within the organization.
 2. It is a source of creativity and innovation – external applicants can bring the latest knowledge acquired from their previous employers. It is also a source of possibly more revenue.
 3. Allows employer's to reach their diversity goals.

Labour Markets

- **Internal Labour Markets:** Labour market in which workers are hired into entry-level jobs and higher levels are filled from within.
- The actual labour market a company faces depends on the industry in which the firm operates and the types of positions it is seeking to fill.

Regional and Global Labour Markets

- **Global Sourcing:** The business practice of searching for and utilizing goods and services from around the world.
- Companies also locate near areas where talent can be best found.
 - Offshoring work also allows for companies to save labour costs.

- They also look abroad to develop better products around the clock via a global workforce and to attract the best talent wherever it may be.
- Recruiting abroad can be complicated due to local, national, and international laws.
- Employers also have to take into account the different labour costs, preemployment and compensation practices, and cultural differences associated with the countries in which they are recruiting.
- In volatile areas of the world, security is a concern.
- *Genpact and Robert Half International* is a global recruiting firm that helps companies address the numerous legal complications associated with obtaining various types of visas and work permits or the foreign workers they are trying to hire.

Branding

- **Branding:** A company's efforts to help existing and prospective workers understand why it is a desirable place to work.
- Companies have to listen to and reach out to applicants just like they do to consumers.
- Companies must think of applicants as consumers and focus on what they want in terms of jobs and careers as opposed to what an organization has to "sell" them.
- In the global arena, branding can be enormously helpful because locals are often unfamiliar with foreign firms.
- Firms need to be sure that the brand they promote to prospective employees truly reflects their internal cultures.

OUTCOME TWO: RECRUITMENT CHANNELS – RECRUITING INTERNALLY

- Managers that hire externally rather than promote their current employees often have the tendency to overvalue unfamiliar candidates and undervalue known ones.
- This tendency can leave a firm's current employees and disillusioned to the point where they begin looking elsewhere for jobs.

Internal Job Postings

- A quick way to find qualified employees interested in a position.
- Ex. Bulletin boards, intranet.

Identifying Talent through Performance Appraisals

- **9-Box Grid:** A comparative diagram that includes appraisal and assessment data to allow managers to easily see an employee's actual and potential performance.

OUTCOME THREE: RECRUITMENT CHANNELS – RECRUITING EXTERNALLY

- **13 ways to recruit externally:**
 1. **Advertisements**
 - Reaches a large audience of possible applicants.
 - Requires a lot of creativity in terms of developing their design and content.
 - Well-written advertisements highlight the major assets of the position while showing the responsiveness of the organization to the job, career, and lifestyle needs of applicants.
 2. **Walk-Ins and Unsolicited Applications and Resumes**
 - Walk-in job seekers are common in smaller organizations.
 - Employers receive unsolicited applications and resumes, which should not be ignored.
 - If there is no present or future possibility of employment in the organization, the applicant should be tactfully and frankly informed to help the organization's brand.
 3. **The Internet, Social Networking, Mobile Recruiting'**
 - The Internet is the cheapest, fastest, and potentially the most effective search tactic by job seekers and recruiters to get the word out about new positions.
 4. **Job Fairs**
 5. **Employee Referrals**
 6. **Recruiting**
 7. **Executive Search Firms**
 8. **Educational Institutions**
 9. **Professional Associations**
 10. **Labour Unions**
 11. **Public Employment Agencies**

12. Private Employment and Temporary Agencies

OUTCOME FOUR: IMPROVING THE EFFECTIVENESS OF RECRUITING

○ **3 ways to improve the effectiveness of recruiting:**

- 1. Realistic Job Preview (RJP):** Informing applicant about all aspects of the job, including both its desirable and undesirable facets.
 - Applicants who are given realistic information regarding a position are more likely to remain on the job and be successful because there will be fewer unpleasant surprises.
 - RJs yield results such as realistic job expectations on the part of the employees, better job satisfaction, and lower turnover.

2. **Surveys**

- To improve a company's recruiting is to survey managers about how satisfied they are with the recruiting process.
 - Are they happy with the new employees?
 - Do they wish to be more involved in the recruitment process?
 - How is the overall quality of the people recruited?

3. **Recruiting Metrics**

- **4 Recruiting Metrics:**

- I. **Quality-of-Fill Statistics**

- Hiring quality employees is a primary concern of recruiters.
- **Quality of Hire = (PR + HP + HR) / N**
 - **PR:** Average job performance ratings of new hires
 - **HP:** Percentage of new hires reaching acceptable productivity within an acceptable time frame
 - **HR:** Percentage of new hires retained after one year
 - **N:** Number of indicators

Example:

PR = average 3.5 on a 5.0 scale = 70 percent

HP = of 100 hires made one year ago, 75 are meeting acceptable productivity levels = 75 percent

HR = 20 percent turnover = 80 percent HR

N = 3

$$\text{Quality of Hire} = (70 + 75 + 80) / 3 = 75$$

The result is a quality level of 75 percent for new employees hired during the year.

II. Time to Fill

- **Time-to-Fill Metric:** The number of days from when a job opening is approved to the date the candidate is selected.
- A trade-off has to be made between the time to fill a position and the quality of the candidates needed for the position.

FIGURE 5.4

TIME-TO-FILL CALCULATIONS

Position	Date Position Approved	Date Offer Accepted	Date Started Work	Selection Time	Time to Start
Engineer	10/10/12	11/30/12	12/15/12	51	15
Marketing manager	10/11/12	11/24/12	12/16/12	44	22
Salesperson	10/12/12	11/13/12	11/20/12	32	7
Administrative assistant	10/13/12	11/7/12	11/14/12	25	7
Clerk	10/13/12	10/30/12	11/14/12	17	15
Averages				33.8	13.2

III. Yield Ratios

- **Yield Ratio:** The percentage of applicants from a recruitment source that make it to the next stage of the selection process.
- Helps indicate which recruitment sources are most effective at producing qualified job candidates.
- By calculating and comparing yield ratios for each recruitment source, it is possible to find out which sources produce qualified applicants.

IV. Costs of Recruitment

- **SC / H = (AC + AF + RB + NC) / H**
 - **SC / H:** Average source cost per hire
 - **AC:** Agency fees, total monthly expenditure
 - **RB:** Referral bonus, total paid
 - **NC:** No-cost hires, walk-ins, non-profit agencies
 - **H:** Total hires

$$\begin{aligned}\frac{SC}{H} &= \frac{\$32,000 + \$21,000 + \$2,600 + \$0}{119} \\ &= \frac{\$55,600}{119} \\ &= \$467.23 \text{ (source cost of recruits per hire)}\end{aligned}$$

- When combined with information about yield ratios, these calculations can provide invaluable information to managers about the utility of different approaches to and sources of recruitment.
- In that way, they can make more informed decisions about both controlling the costs of recruitment and increasing its effectiveness.
- **Applicant Tracking System (ATS):** A software application recruiters use to post job openings, screen resumes, contact potential candidates for interviews via email, and track the time and costs related to hiring people.

OUTCOME FIVE: CAREER MANAGEMENT: DEVELOPING TALENT OVER TIME

- Helping employees grow and working to develop their skills is a more proactive – and strategic – approach to systematically expanding the talent pool.
- Good managers must listen to their employees’ aspirations, identify their strengths and areas of improvement, and offer then continual feedback about their performance.
- They also must ensure their employees receive training and are provided with self-assessment tools and information about the organization and possible career paths within it.
- **4 steps in career management:**

FIGURE 5.5

HR'S ROLE IN CAREER MANAGEMENT



1. **Matching Individual and Organizational Needs**

- A career development program should be used to match the needs of the organization with the needs of employees.
- Each part has a distinctive role to play:

- **Employee's Role**
 - To create a successful career involves creating your own career path.
 - Employees need to identify their knowledge, skills, abilities, interests, and values and o seek out information about career options in conjunction with their managers.
- **Organization's Role**
 - Senior line managers and HR department managers should work together to design and implement a career development plan that reflects the goals and culture of the organization. It should also provide employees with a clear set of expectations and directions for their own career development.
- The organization's goals and needs should be linked with the individual career needs of its employees in a way that improves the effectiveness of workers and their satisfaction as well as achieving the firm's strategic objectives.

FIGURE 5.6

BLENDING THE NEEDS OF INDIVIDUAL EMPLOYEES WITH THE NEEDS OF THEIR ORGANIZATIONS



2. Identifying Career Opportunities and Requirements

- Identifying the needs and problems of these groups provides the starting point for the organization's career development efforts.
 - **Begin with a Competency Analysis**
 - It is important for an organization to study its jobs carefully to identify and assign weights to the knowledge and skills that each one requires.
 - Can be achieved with job analysis and evaluation systems (Ex. compensation programs).

- **Identify Job Progressions and Career Paths**
 - **Job Progressions:** The hierarchy of jobs a new employee might experience, ranging from a starting job to jobs successively require more knowledge and/or skill.
 - **Career Paths:** Lines of advancement in an occupational field within an organization.
 - Job progressions can service as a basis for developing career paths.
 - Even with the best career planning, it is almost impossible for people to have perfect certainty about where their careers are going.
3. **Identifying Career Opportunities and Requirements**
- **Promotion:** A change of assignment to a job at a high level in the organization.
 - **Transfer:** Placement of an individual in another job for which the duties, responsibilities, status, and remuneration are approximately equal o those of the previous job.
 - **Relocation Services:** Services provided to an employee who is transferred to a new location, which might include help in moving, selling a home, orienting to a new culture, and/or learning a new language.
 - **Outplacement Services:** Services provided by organizations to help terminated employees find a new job.
 - **Career Plateau:** A situation in which, for either organizational or personal reasons, the probability of moving up he career ladder is low.
 - **Sabbatical:** An extended period of time in which an employee leaves an organization to pursue other activities and later returns to his or her job.
4. **Institute Career Development Initiatives**
- **5 career development initiatives:**
 - I. **Career Planning Workbooks and Workshops**
 - Workbooks guide employees individually through systematic self-assessment of values, interests, abilities, goals, and personal development plans.
 - Workshops give employees the opportunity to compare and discuss their concerns and plans with other people in similar situations and the professionals who conduct the workshops.
 - II. **Career Counselling**
 - The process of discussing with employees their current job activities and performance, personal and career interests and goals, personal skills, and suitable career development objectives.
 - III. **Mentoring**
 - **Mentors:** Individuals who coach, advise, and encourage individuals of lesser rank.
 - IV. **Networking**

- The process of establishing mutually beneficial relationships with other business people, including potential clients and customers.
- V. **Career Self-Management Training**
 - Many organizations are establishing programs for employees on how they can engage in career self-management.
 - **2 major objectives the training focuses on:**
 1. Helping employees learn to continuously gather feedback and information about their careers.
 2. Encouraging them to prepare for mobility.
 - Employees undertake self-assessments to increase their awareness of their own career attitudes and values.