RECRUITMENT, SELECTION, AND RETENTION

Bruce J. Fried, PhD, and Michael Gates, PhD

Learning Objectives

After completing this chapter, the reader should be able to

- understand the major steps and decisions involved in designing and implementing a recruitment effort,
- discuss the factors considered by people in deciding to accept a job offer,
- describe the relationship of job requirements (as developed through job analyses, job descriptions, and job specifications) to other human resources management functions,
- design a recruitment and selection effort for a particular job,
- address the advantages and disadvantages of internal and external recruitment and other sources of job applicants,
- explain the concepts of person–organization fit and its relevance to recruitment and selection,
- offer alternative selection tools and how they can be used in the selection process,
- articulate the concept of validity in the use of selection tools, and
- identify the most important factors related to turnover and retention and strategies that can improve retention.

Introduction

In this chapter, attention turns to the processes of recruitment, selection, and retention. We explore these three topics together because they are integrally related not only with each other but also with other human resources management (HRM) functions. For example, the development and stringency of criteria for selecting job applicants depend, to a large degree, on the success of the recruitment effort. An organization can be more selective when a relatively large supply of qualified applicants is available. Similarly, developing a
recruitment plan for a particular position depends on the existence of an accurate, current, and comprehensive job description. If we are concerned with retaining valued employees, then we may include in our selection process criteria that increase the probability that employees will stay with the organization. While more difficult than assessing technical readiness for the job, methods exist for assessing employee qualities and commitment, career interests, and adaptability—some of the qualities that may be associated with retention. As with all HRM functions, organizations must be cognizant of legal considerations when developing and implementing recruitment and selection procedures. Each of these functions must be addressed from both strategic and operational perspectives.

Effective recruitment and selection are key to employee retention. An important measure of the effectiveness of these functions is the extent to which the organization is able to attract committed employees who remain with the organization. Many factors affect retention and, as discussed later, recruitment and selection procedures can have an impact on retention. Further, we know that employee retention is tied to the effectiveness of orientation and “on-boarding” procedures; therefore, we should also focus on these practices in our efforts to improve retention.

These three functions are highly interdependent, but we address them separately and sequentially in this chapter. These concepts include the following:

- Recruitment steps
- Sources of job applicants
- Organizational fit, and its importance in the selection process
- Reliability and validity of selection decisions
- Selection instruments
- Types of selection interviews and ways to improve their effectiveness
- Factors and strategies related to employee retention and turnover

Recruitment

The goal of recruitment is to generate a pool of qualified job applicants. Specifically, recruitment refers to the range of processes an organization uses to attract qualified individuals on a timely basis and in sufficient numbers and to encourage them to apply for jobs in the organization. When we think of recruitment strategies, our attention often focuses on a set of key questions:

- Should the organization recruit and promote from within, or should it focus on recruiting external applicants?
- Should the organization consider alternative approaches to filling jobs with full-time employees, such as outsourcing, flexible staffing, and hiring contingent workers?
• Should the organization find applicants who have precisely the right technical qualifications or applicants who best fit the culture of the organization but may require additional training to improve their technical skills?

The success of recruitment is dependent on many factors, including the attractiveness of the organization, the community in which the organization is located, the work climate and culture of the organization, managerial and supervisory attitudes and behavior, workload, and other job-related considerations. Before we explore these aspects, we first address recruitment from the perspective of applicants and potential employees. What factors influence an individual’s decision to apply for and accept employment with a particular organization? If we consider applicants and employees as customers, then an understanding of their needs and expectations is central to the development and implementation of effective recruitment strategies.

Factors that Influence Job Choice
What do potential employees look for in a job? Once an individual is offered a position, how does that person make the decision to accept or reject the offer? People consider a number of factors related to the attractiveness of the position and the organization, as well as factors specific to the individual. Applicants consider their own competitiveness in the job market and whether alternative positions that provide better opportunities are available. They are also sensitive to the attitudes and behaviors of the recruiter, or whoever is their first contact with the organization. First impressions are very potent because the issue of “fitting in” with the organization is often decided at this stage, and early negative first impressions may be difficult to reverse. Questions foremost in the applicant’s mind are, “Is this the kind of place I can see myself spending 40 or more hours a week?” and “Will I fit in?” They may also be concerned with opportunities for career mobility and promotion.

As discussed later, employers go through a similar process when making selection decisions, determining if the applicant will fit into the organizational culture and ways of working. Applicants are more likely to accept positions in organizations that share their values and style. Organizations engage in a “signaling” process, in which they send out messages about their values in an attempt to attract candidates with similar beliefs (Barber 1998). Consider, for example, the recruitment potential of the following recruitment messages:

• “A power to heal. A passion for care.” (WakeMed 2007)
• “Every life deserves world class care.” (The Cleveland Clinic 2007)
• “Caring for our patients begins with caring for our people.” (North Shore–Long Island Jewish Health System 2007)
Consider the values statement of the world-renowned Mayo Clinic, spoken by Dr. Charles W. Mayo: “There are no inferior jobs in any organization. No matter what the assigned task, if it is done well and with dignity, it contributes to the function of everything around it and should be valued accordingly by all” (Mayo Clinic 2007). Mayo Clinic’s website also indicates that it is one of Fortune’s “100 Best Companies to Work For” and that it has been a Magnet hospital since 1997. Seeking to attract members of minority groups to its workforce, Kaiser Permanente (2007) devotes a substantial portion of its web-based recruitment efforts to promoting its National Diversity Program and its emphasis on culturally competent care. Similarly, to distinguish itself from other hospitals, the nursing recruitment web page for Johns Hopkins Hospital (2007) states: “Though your choices are vast in today’s nursing market, we challenge you to discover for yourself what is different about a nursing career with our world-renowned, Magnet-recognized team and America’s #1 hospital.”

With these examples in mind, we can see that organizations promote themselves as good places to work by appealing to a variety of potential employee needs and interests. Considerable research has been done on job choice factors (Schwab, Rynes, and Aldag 1987); however, it is difficult to make a generalization about which factors are most important in employment decisions. The relative importance of these factors varies, depending on the individual, the organization, the job, and environmental factors such as the level of unemployment. Understanding the factors that affect job choice is central to developing effective recruitment strategies. A helpful way to think about the reasons for a job choice is to distinguish between vacancy characteristics and individual characteristics.

*Individual characteristics* are personal considerations that influence a person’s job decision. The factors considered by a family physician to accept employment with a rural health center may be quite different from the factors that drive a nurse’s decision to accept employment with an urban teaching hospital. Also, one’s life stage may affect the salience of these decision factors. *Vacancy characteristics*, on the other hand, are those associated with the job, such as compensation, challenge and responsibility, advancement opportunities, job security, geographic location, and employee benefits; each of these factors is explained below.

The level of compensation and benefits is often considered, on face value, as a key element in an individual’s decision to accept a position with an organization. For many positions in healthcare, we have seen the area of compensation further complicated by differential pay rates, hiring (or signing) bonuses, and relocation assistance. Hot-skill premiums, or temporary pay premiums added to base pay to account for temporary market escalations in pay (Heneman and Judge 2003, 588–89), have become particularly common in healthcare, although premiums usually remain in place even after market conditions change.
pressures ease. The importance of compensation, however, is complex. On the one hand, substantial evidence has shown that under certain circumstances employees may leave an organization for another to obtain what amounts to an incremental increase in compensation. However, in other cases, even a relatively generous level of compensation can be outweighed by the presence or absence of other important factors.

The amount of challenge and responsibility inherent in a particular job is frequently cited as an important job choice factor, and this element is likely even more salient in healthcare organizations where professionals seek out positions that maximize use of their professional knowledge, training, and skills. Similarly, many applicants place value on jobs with substantial advancement and professional development opportunities. While the availability of such opportunities is significant to all ranges of applicants, these opportunities are likely to be a particularly important determinant for professionally trained individuals and those in management roles (or aspiring to management roles) (London and Stumpf 1982). Traditionally, advancement opportunities for clinically or technically trained individuals are scarce in healthcare because the only avenue to advancement is often through promotion to supervisory or management responsibilities. For many clinicians, taking on supervisory responsibilities may lead to a feeling of loss of their professional identity. In healthcare (and other industries as well), dual career-path systems have been established to enable highly talented clinicians to move up while not forcing them to abandon their clinical interests and expertise. Such systems provide specialists who are interested in pursuing a technical career with alternative career paths while maintaining an adequate pool of clinical and technical talent within the organization (Roth 1982).

Job security is clearly an important determinant of job choice. The current healthcare and general business environment is characterized by an unprecedented number of mergers, acquisitions, and reorganization, which lead to frequent downsizing and worker displacement. This phenomenon was once limited largely to blue-collar workers, but professionals and employees in middle and senior management roles are also at risk in the current environment. An illustrative manifestation of the importance of job security is evident in union organizing and collective bargaining. Not too long ago, compensation and benefits were the most highly valued issues in labor negotiations. Today, however, job security and restrictions on outsourcing have gained increasing importance in employees’ decision to unionize (Mayer 2005; Caudron 1995). In fact, in several instances, unionized employees have made wage concessions in return for higher levels of job security (Henderson 1986).

Geographic location, along with other lifestyle concerns, has become a key player in job decisions, especially for individuals in dual-income families, in which the employment of a spouse may be a significant determinant of job acceptance. In healthcare, location is a particularly acute issue because healthcare
organizations are often, by necessity, located in less-than-desirable locales that may not be attractive to applicants. The level and type of employee benefits continue to grow as an important determinant of job acceptance. Particularly in highly competitive industries, many companies have moved beyond traditional benefits, such as health insurance and vacation pay, into more innovative offers, including membership in country/health clubs, on-site day care, and financial counseling. SAS Institute, Inc., the software producer based in Cary, North Carolina, is known worldwide for its extensive and innovative benefits.

Table 8.1 illustrates how different job applicants assess the relative importance of job features. Although the depiction in the table oversimplifies the job choice process, it shows how individuals value different aspects of the job depending on personal preferences and life circumstances. The first column briefly describes each applicant. The second column states each applicant’s minimum standards for job acceptance along four dimensions: pay, benefits, advancement opportunities, and travel requirements. These four dimensions are sometimes categorized as noncompensatory standards—that is, no other element of the job can compensate if these standards are not met, or, more simply, these are “deal killers.” Thus, Person 3, who does not like to travel, will be unlikely to accept a job that requires substantial travel, regardless of anything else; similarly, for Person 2, health insurance coverage is an absolute requirement for job acceptance. The third column showcases each of the three jobs according to the four noncompensatory standards.

This type of analysis is useful for applicants because it provides a way of narrowing down job choices. Assuming a job applicant is considering several job offers that meet minimum requirements, he or she can engage in a more refined job choice process that allows for comparing job factors (Barber et al. 1994). Using less important job choice factors, an individual can trade off the strengths of one job dimension for the weaknesses in another.

The Recruitment Process

The recruitment process uses the organization’s human resources (HR) plan as a foundation. An HR plan includes specific information about the organization’s strategies, the types of individuals required to achieve organizational goals, recruitment and hiring approaches, and a clear statement of how HR practices support organizational goals. Those involved in recruitment and selection must, of course, have a thorough understanding of the position that needs to be filled, including its relationship with other positions and the job requirements. The recruitment process ideally begins with a job analysis (which addresses questions of job tasks, knowledge, skills, and abilities) and development of specific qualifications required of applicants.

The early stages of the recruitment process involve an examination of the external environment, particularly the supply of potential job applicants.
### TABLE 8.1
Three Hypothetical Job Applicants

<table>
<thead>
<tr>
<th>Job Applicant</th>
<th>Minimum Standards for Job Acceptance</th>
<th>Job Description</th>
</tr>
</thead>
</table>
| **Person 1:** | **Pay:** at least $40,000  
**Benefits:** Health insurance coverage of at least 25 percent  
**Advancement opportunities:** Very important  
**Travel requirements:** Unimportant | **Job:** Insurance company provider relations coordinator  
**Pay:** $45,000  
**Benefits:** Health insurance covered at 50 percent  
**Advancement opportunities:** Recruitment done internally and externally  
**Travel requirements:** Average 25 percent travel |
| 23 years old, single | | |
| **Person 2:** | **Pay:** at least $50,000  
**Benefits:** Health insurance coverage of at least 50 percent  
**Advancement opportunities:** Very important  
**Travel requirements:** Cannot travel more than 25 percent of the time | **Job:** Healthcare consultant  
**Pay:** $55,000  
**Benefits:** Health insurance covered at 50 percent  
**Advancement opportunities:** Strong history of promotions within one year  
**Travel requirements:** Average 50 percent travel |
| Sole wage earner for large family | | |
| **Person 3:** | **Pay:** at least $35,000  
**Benefits:** Unimportant  
**Advancement opportunities:** Unimportant  
**Travel requirements:** Cannot travel more than one week per year | **Job:** Research assistant in academic medical center  
**Pay:** $37,000  
**Benefits:** Health insurance covered at 50 percent  
**Advancement opportunities:** Generally hires externally for higher-level positions  
**Travel requirements:** Little or none |
| Spouse of high-wage earner | | |
and the relative competitiveness for the position. This analysis should also examine compensation and benefits given to individuals who hold similar jobs in competing organizations. It may also entail an evaluation of external recruitment sources, such as colleges, competing organizations, and professional associations, to determine if these were successful recruitment sources in the past. Other aspects to consider in this assessment are the logistics and timing of a recruitment effort; for some positions, seasonal elements to the recruitment process are at play, such as graduation from nursing school.

The process should then review past recruitment efforts for this and similar positions: Is this a job that will require an international search, or will the local labor market suffice? Optimally, a human resources information system (HRIS) will provide useful information during the recruitment process. While the sophistication of an HRIS varies from one organization to the next, many such systems include some or all of the information described in Table 8.2. A skills inventory database maintains information on every employee’s skills, educational background, training acquired, seminars attended, work history, and other job-development data. This inventory may also include data on applicants who were not hired. A well-managed database broadens the pool of possible applicants from which to draw.

Recruitment and selection can be very costly, and accurate information about costs is essential. Table 8.3 illustrates the variety of measures that may be used to assess the effectiveness and efficiency of the recruitment process. Each of these factors varies depending on the job, but overall having a mechanism in place to assess the cost effectiveness of recruitment methods is important. Again, a good HRIS and cost-accounting system can help the organization understand the major costs associated with recruitment and selection.

<table>
<thead>
<tr>
<th>HRIS Data</th>
<th>Uses in Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills and knowledge inventory</td>
<td>Identifies potential internal job candidates</td>
</tr>
<tr>
<td>Previous applicants</td>
<td>Identifies potential external job candidates</td>
</tr>
<tr>
<td>Recruitment source information</td>
<td>Helps in the analysis of cost effectiveness of recruitment sources</td>
</tr>
<tr>
<td>• Yield ratios</td>
<td></td>
</tr>
<tr>
<td>• Cost</td>
<td></td>
</tr>
<tr>
<td>• Cost per applicant</td>
<td></td>
</tr>
<tr>
<td>• Cost per hire</td>
<td></td>
</tr>
<tr>
<td>Employee performance and retention information</td>
<td>Provides information on the success of recruitment sources used in the past</td>
</tr>
</tbody>
</table>
TABLE 8.3

Measures of Recruitment Effectiveness and Efficiency

<table>
<thead>
<tr>
<th>Type of Cost</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per hire</td>
<td>• Advertising, agency fees, employee referral bonuses, recruitment fairs and travel, and sign-on bonuses</td>
</tr>
<tr>
<td></td>
<td>• Staff time: salary; benefits; and overhead costs for employees to review applications, set up interviews, conduct interviews, check references, and make and confirm an offer</td>
</tr>
<tr>
<td></td>
<td>• Processing costs: opening a new file, medical examination, drug screening, and credential checking</td>
</tr>
<tr>
<td></td>
<td>• Travel and lodging for applicants, relocation costs</td>
</tr>
<tr>
<td></td>
<td>• Orientation and training</td>
</tr>
<tr>
<td>Application rate</td>
<td>• Ratio-referral factor: number of candidates to number of openings</td>
</tr>
<tr>
<td></td>
<td>• Applicants per posting</td>
</tr>
<tr>
<td></td>
<td>• Qualified applicants per posting</td>
</tr>
<tr>
<td></td>
<td>• Protected class applicants per posting</td>
</tr>
<tr>
<td></td>
<td>• Number of internal candidates, number of qualified internal candidates</td>
</tr>
<tr>
<td></td>
<td>• Number of external candidates, number of qualified external candidates</td>
</tr>
<tr>
<td></td>
<td><em>The measures above can be calculated for all referral sources or by individual referral source.</em></td>
</tr>
<tr>
<td>Time to hire</td>
<td>• Time between job requisition and first interview</td>
</tr>
<tr>
<td></td>
<td>• Time between job requisition and offer</td>
</tr>
<tr>
<td></td>
<td>• Time between job offer and offer acceptance</td>
</tr>
<tr>
<td></td>
<td>• Time between job requisition and starting work</td>
</tr>
<tr>
<td>Recruitment source</td>
<td>• Offers by recruitment source</td>
</tr>
<tr>
<td>effectiveness</td>
<td>• Hires by recruitment source</td>
</tr>
<tr>
<td></td>
<td>• Employee performance (using performance evaluation information and promotion rates)</td>
</tr>
<tr>
<td></td>
<td>• Employee retention by recruitment source</td>
</tr>
<tr>
<td></td>
<td>• Offer acceptance rate (overall and by recruitment source)</td>
</tr>
<tr>
<td>Recruiter effectiveness</td>
<td>• Response time, time to fill, cost per hire, acceptance rate, employee performance, and retention</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>• Materials and other special or unplanned expenses, new employee orientation, reference checking, and drug screening</td>
</tr>
</tbody>
</table>

SOURCE: Adapted from Fitz-enz and Davison (2002)
Recruitment Sources

An initial question in the recruitment process is applicant sourcing, or specifying where qualified job applicants are located. We often distinguish between internal recruitment (which usually entails promotion or transfer from within the organization) and external recruitment (identifying applicants from outside of the organization). Table 8.4 is a summary of the advantages and disadvantages of internal and external recruitment. On the positive side of internal recruitment, candidates are generally already known to the organization—the organization is familiar with their past performance and future potential and

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| **Recruiting Internal Candidates** | • May improve employee morale and encourage valued employees to stay with the organization  
 • Permits greater assessment of applicant abilities; candidate is a known entity  
 • May be faster, and may involve lower cost for certain jobs  
 • Good motivator for employee performance  
 • Applicants have a good understanding of the organization  
 • May reinforce employees’ sense of job security | • Possible morale problems among those not selected  
 • May lead to inbreeding  
 • May lead to conflict among internal job applicants  
 • May require strong training and management development activities  
 • May manifest the Peter Principle  
 • May cause ripple effect in vacancies, which need to be filled |
| **Recruiting External Candidates** | • Brings new ideas into the organization  
 • May be less expensive than training internal candidates  
 • External candidates come without dysfunctional relationships with others and without being involved in organizational politics  
 • May bring new ideas to the organization | • May identify candidate who has technical skills but does not fit the culture of the organization  
 • May cause morale problems for internal candidates who were not selected  
 • May require longer adjustment and socialization  
 • Uncertainty about candidate skills and abilities, and difficulty obtaining reliable information about applicant |
is aware of their expectations. Internal candidates also tend to know specific organizational processes and procedures and may not require as much socialization and start-up time. Internal recruitment may also be used as a morale builder and viewed as a career ladder because it encourages highly valued and productive employees to stay with the organization.

On the negative side of internal recruitment, however, is the possible manifestation of the Peter Principle, a common phenomenon in which successful employees continue to be promoted until they reach one position above their level of competence (Peter and Hull 1969). With the Peter Principle, employees may be promoted regardless of their aptitude for the new position. This is noteworthy in healthcare, where individuals with strong clinical skills may be promoted into supervisory and management roles without the requisite skills and training for those responsibilities. For example, a world-renowned clinician and researcher may be promoted to vice president of medical affairs even though that person is not the best candidate. Effective organizations seek to prevent this phenomenon by ensuring the accuracy of job descriptions and by requiring internal (and external) candidates to meet the specified job qualifications. If an individual who does not possess all the job qualifications is hired, a manager has to be cognizant of the person’s need to be trained in those areas requiring remediation. Internal recruitment may also have the disadvantage of causing disarray in the organization. At times, promotion creates a ripple effect—one individual moves into a different position, leaving a vacancy; this vacancy, in turn, is filled by someone else who causes another vacancy, and so forth.

External recruitment refers to turning to sources of applicants outside the organization, including educational institutions, such as high schools, vocational schools, community colleges, and universities. Depending on the position, external recruitment may also be done through advertising on the Internet and in print media. An advantage of external recruitment is that candidates may bring in new ideas. In addition, the organization may be able to more specifically target candidates with the skills needed rather than to settle for an internal candidate who may know the organization but may lack specific skills and knowledge. External candidates also tend to be unencumbered by political problems and conflict and therefore may be easier to bring into a difficult political environment than an internal applicant. This is often a rationale for selecting a chief executive officer from outside.

Many applicants are not easy to characterize as coming from either an internal or an external source. For example, hiring candidates who have worked for the organization in a contingent or part-time capacity, including contract employees, is not uncommon. This is increasingly the practice in nursing, where traveling or agency nurses may apply or be recruited for a full-time position. As a general rule, obtaining as many qualified job applicants as possible is a good idea. From the organization’s perspective, a large number
of applicants permits choice and sometimes may even stimulate a rethinking of the job design. For example, an applicant may emerge who has additional skill sets that are not necessarily relevant to the job as currently designed but are useful nonetheless. Successful organizations are flexible enough to take advantage of these opportunities. Note also that it is advisable to design recruitment efforts in such a way that they yield applicants who have at least the minimum qualifications. Processing a large number of unqualified applicants can be expensive as well as a waste of time for both the organization and applicants. To prevent this waste, some organizations scan electronic resumes to identify key words and to screen applicants.

Employee referral is an excellent source because the current employee knows the organization and the applicant and can thus act as the initial screen. A person identified and hired through this mechanism may therefore bring advantages common to both internal and external recruitment. Employee referral can be a powerful recruitment strategy, yielding employees who typically stay longer with the organization and who exhibit higher levels of loyalty and job satisfaction than do employees recruited through other mechanisms (Rynes 1991; Taylor 1994). Some employee referral programs give monetary rewards to employees whose referrals were successful—that is, if the new hire remains with the organization for a defined period of time. Keeping the information of employee-referred applicants who were not hired is advisable because such referrals may be mined for open positions in the future. More and more organizations are using web-based systems to encourage employee referrals for internal and external recruitment (Calandra 2001).

Former employees are also a fruitful source of applicants. Employees who have left under good condition—that is, as a result of other employment opportunities, organizational downsizing and restructuring, relocation, and personal factors—sometimes may seek or be available for reemployment with the organization. Their capabilities and potential are already usually well known to the organization. Returning employees may also send an implicit message to current employees that the work environment is not so bad after all.

Depending on the position involved, employment agencies and executive search firms (both state sponsored and private) may be useful as applicant search and screening vehicles. Agencies may specialize in different types of searches and typically work either on a commission or on a flat-fee basis.

Content of the Recruiting Message
An important objective of recruitment is to maximize the possibility that the right candidate will accept the organization’s job offer. What are the appropriate messages to include in recruitment? Four types of information should be communicated to applicants:
Chapter 8: Recruitment, Selection, and Retention

1. Applicant qualifications: education, experience, credentials, and any other preferences that the employer has within legal constraints
2. Job basics: title, responsibilities, compensation, benefits, location, and other pertinent working conditions (e.g., night work, travel, promotion potential)
3. Application process: deadline, resume, cover letter, transcripts, references, and contact person and address for the application packet
4. Organization and department basics: name and type of organization, department, and other information about the work environment

A realistic recruitment message is the most advantageous. This message is a direct statement to the applicant about the organization and the job; it is not a public relations pitch that the employer thinks the applicant wishes to hear (Heneman and Judge 2003). So far, only limited research has been done on the effectiveness of this technique.

However, considerable research is available on the effectiveness of the realistic job preview. The goal of a realistic job preview is to present practical information about job requirements, organizational expectations, and the work environment. The preview should include negative and positive aspects of the job and the organization, and it may be presented to new hires before they start work. The use of realistic job previews is related to higher performance and lower attrition from the recruitment process, lower initial expectations, lower voluntary turnover, and lower turnover overall (Phillips 1998). A realistic job preview can be presented in a number of ways: verbally, in writing, or through the media (Wanous 1992). Certainly the most straightforward approach is for the prospective or new employee to hold frank discussions with coworkers and supervisors. In addition, the new employee may observe the work setting and perhaps shadow an employee who is doing a similar job.

Regardless of the approach used, preventing surprises and providing the employee with an honest assessment of the job and the work environment are key.

Evaluating the Recruitment Function
Assessing the effectiveness of recruitment efforts is critical. Such an evaluation process is dependent on the existence of reliable and comprehensive data on applicants, a well-functioning HRIS, the quality of applicants, the applicants’ disposition, and recruitment costs. Common measures of the success of a recruitment function include the following:

- Quantity of applicants. The proper use of recruitment methods and sources will yield a substantial number of candidates (depending on the market supply) who meet at least the minimum job requirements.
Having a sufficiently large pool of applicants allows the organization a better chance of identifying the most qualified candidates. However, attracting many applicants is also associated with increased recruitment costs. Therefore, the minimum job requirements need to be established to maintain a balance among the number of candidates, the quality of applicants, and the cost.

- **Quality of applicants.** A well-designed recruitment effort will bring in employees who have the appropriate education, qualifications, skills, and attitudes.

- **Overall recruitment cost and cost per applicant.** A recruitment effort’s costs are often unacceptable to the organization. The overall cost per applicant and the cost of the recruiting methods and sources should be examined. This analysis provides the opportunity to determine the cost effectiveness of alternative recruitment methods. The financial impact of using part-time or temporary help while looking for the right applicant should also be considered as these costs can be substantial.

- **Diversity of applicants.** Assuming that one goal of the recruitment program is to identify and hire qualified candidates who represent the diversity of the service population or to address diversity goals, the organization can consider its recruitment goal met if it can show that candidates from diverse cultural and demographic backgrounds have been considered or are holding positions for which they are qualified.

- **Recruitment time or time-to-fill.** The more time spent on proper recruitment, the greater the chance that the ideal candidate will emerge. However, a lengthy recruitment process also results in greater costs, disruption of service or work, and potential dissatisfaction of current employees who end up filling in for the missing jobholder.

## Selection

Employee selection is the process of collecting and evaluating applicant information that will help the employer to extend a job offer. To a great extent, the selection process is a matter of predicting which person, among a pool of potentials, is likely to achieve success in the job. Of course, the definition of success is not always straightforward. Job performance may be defined in terms of technical proficiency, but the goals of a selection process may also include longevity in the position or fit with the culture and goals of the organization. Thus, evaluating the effectiveness of a selection process may include not only the time taken to fill the position but also the hired individual’s performance and length of service, among other factors.

Selection must be distinguished from simple hiring (Gatewood, Feild, and Barrick 2008). In selection, a careful analysis is performed of an applicant’s
knowledge, skills, and abilities as well as attitudes and other relevant factors. The applicant who scores highest on the specified selection criteria is then extended an employment offer. Sometimes, however, offers are made with little or no systematic collection and analysis of job-related information. A common example is hiring an individual based on political considerations or based on the applicant’s relationship with the owners of or the managers in the organization. In such instances, these non-job-related factors may take precedence over objective measures of job suitability. In circumstances where a position has to be filled in a short period of time, or when there is a labor shortage in a particular area, an organization may simply hire whoever is available, assuming the individual possesses the minimum level of qualifications. This is a frequent occurrence in staffing health centers in remote or otherwise undesirable locations. Applicant availability, rather than the comparative competence of the applicant, is the key criterion for selection in such situations.

The Question of Fit

Traditional selection processes are based on ensuring person–job fit. As noted earlier in this book, an accurate job description, based on sound job analysis, provides the foundation for selecting a candidate who has the required specifications for the job. In current practice, managers tend to be concerned mostly with applicant competencies, assessing whether the person has the knowledge, skills, and abilities to perform the job. Of increasing importance is the idea of person–organization fit—the extent to which an applicant’s values match the values and culture of the organization. Value congruence is perhaps the overriding principle of person–organization fit (Kristof-Brown, Zimmerman, and Johnson 2005, 285). Furthermore, research suggests that sincere applicants are likely to be as concerned as the organization is with person–organization fit (Rynes and Cable 2003). This dramatically changes the dynamic of hiring, from a selection method that is based on concrete and observable indicators of person–job fit to a selection approach that seeks to assess person–organization fit. However, selection methods for fit are far from perfect and largely untested. Arthur and colleagues (2006) suggest that if person–organization fit is used as a selection criterion, then measures must be held to the same psychometric and legal standards as are more traditional selection tests.

While the idea of person–organization fit is appealing, among the questions asked by researchers and managers is whether it is actually associated with job performance. That is, while we know that applicants and employers intuitively seek to incorporate person–job fit into selection decisions as a means of reinforcing job satisfaction and organizational culture, does “fit” predict job performance? The evidence shows mixed results. Hoffman and Woehr (2006) found that person–organization fit is weakly to moderately related to job performance, organizational citizenship behavior, and turnover. In their meta-analysis of studies in this area, Kristof-Brown, Zimmerman, and
Johnson (2005) revealed that person–organization fit is strongly associated with job satisfaction and organizational commitment and is moderately correlated with intention to quit, satisfaction, and trust. However, the same study found a low correlation between fit and overall job performance. This evidence should not discourage efforts to achieve person–organization fit, but institutions need to have realistic expectations for higher levels of performance as a result of fit.

What does this line of inquiry imply for healthcare organizations? First, in some cases, considering fit, either person–job or person–organization, is not possible. For example, in difficult-to-fill positions, whoever meets minimum qualifications may need to be hired. Known to some sardonically as the “warm body” approach, this is a situation that Rosse and Levin (2003) defined as when a manager hires “anyone with a warm body and the ability to pass a drug test.” Whether this type of hiring is effective in the long run is debatable, and certainly hiring without concern for fit has been shown to lead to poor long-term outcomes. Second, in situations in which fit can be taken into consideration, the extent to which job fit versus organizational fit is determined depends on the nature of the job and work environment. There is no fixed rule for deciding on the appropriate balance between the two types of fit, but this should be discussed explicitly among hiring decision makers. Both person–job and person–organization fit have great importance for hiring a nurse on a psychiatric unit. However, person–organization fit may be less important in hiring a medical data-entry clerk, although an argument could clearly be made for the significance of that fit for this job.

Currently the most widely accepted measure of person–organization fit is the Organizational Culture Profile (OCP) (O’Reilly, Chatman, and Caldwell 1991). However, the main difficulty with the OCP is that it is labor intensive and is thus susceptible to respondent fatigue. Therefore, if person–organization fit is used as a selection criterion, an easy-to-administer, valid measure of person–organization fit needs to be established that can be used parallel to measures that assess technical job competency and person–job fit.

Finally, organizations should avoid “ritual hiring,” in which organizations or individuals apply well-worn but possibly obsolete hiring practices without assessing whether these procedures predict performance, or perhaps even favor lower-performing applicants (Rosse and Levin 2003). Organizations and jobs change, and so do job requirements. Thus, selection methods need to be current and consistent with the demands of the job. We must question “tried and true” selection methods to determine if they are in fact useful and helpful, and they deserve serious discussion by those involved in and affected by hiring decisions.

Through such processes as targeted selection and behavior interviews, successful selection based on person–organization fit has been made. For example, Women & Infants Hospital of Rhode Island made an explicit effort to
select employees on the basis of their fit with the culture, believing that a “per-
son must be qualified to do the job, but they also require the right personal-
ity.” After starting a hiring program using behavior-based interviews and in-
depth analysis of candidates, the hospital saw patient satisfaction rise from the 
71st percentile to the 89th percentile nationally, while turnover was reduced 
by 8.5 percent. Labor disputes also decreased, while productivity increased 
(Greengard 2003). The choice between seeking internal or external candi-
dates is not often clear, and it is not at all unusual for organizations to simul-
taneously pursue both internal and external candidates. UNC Hospitals use 
the Targeted Selection® (see DDI 2008) approach in which all employees are 
assessed on core values and attitudes specific to the organization.

Job Requirements and Selection Tools
If the goal of selection is to identify among a group of applicants the person 
to whom a job offer should be made, then the organization needs to use tools 
to evaluate each applicant’s knowledge, skills, and abilities. Selection tools re-
fer to any procedures or systems used to obtain job-related information about 
job applicants. A great many selection tools are available, including the job ap-
plication form, standardized tests, personal interviews, simulations, and refer-
ces. However, having a clear understanding of job requirements should pre-
ce the choosing of tools. While this may seem obvious, it is not uncommon 
for a selection process to move forward without adequate information about 
job requirements.

The use of selection tools should be based on a full-range knowledge 
of the job requirements, such as education, credentials, and experience. Also, 
the informal and less technical aspects of job performance, such as interper-
sonal skills, attitude, judgment, values, fit, ability to work in teams, and man-
agement abilities, should be specified. Without understanding the job, the or-
ganization runs the risk of hiring someone who may not perform successfully. 
As the organization moves into the hiring process, conducting a job analysis 
is advisable. The analysis may include seeking out the views of individuals who 
currently hold the position or who are in a similar position and obtaining the 
perspectives of supervisors and coworkers.

A critical incidents analysis is also useful for discovering the hidden or 
less formal aspects of job performance. This process is designed to generate a 
list of good and poor examples of job performance by current or potential job-
holders. Once these examples of behaviors are collected, they are grouped into 
job dimensions. Measures are then developed for each of these job dimen-
sions. The critical incidents approach involves the following steps:

1. Identify job experts, and select methods for collecting critical incidents. 
   Incidents can be obtained from the jobholder, coworkers, subordinates, customers, and supervisors. Collection of critical incidents can be done
in a group setting, with individual interviews, or through administration of a questionnaire. Note that different job experts may have varied views of the same job and thus may identify dissimilar critical incidents; this, in fact, is the strength of this method.

2. **Generate critical incidents.** Job experts should be asked to reflect on the job and identify examples of good and poor performance. According to Bowns and Bernardin (1988), each critical incident should be structured such that

- it is specific and pertains to a specific behavior;
- it focuses on observable behaviors that have been, or can be, exhibited on the job;
- it briefly describes the context in which the behavior occurred; and
- it indicates the positive or negative consequences of the behavior.

3. **Define job dimensions.** Job dimensions are defined by analyzing the critical incidents and extracting common themes. This information may then be used to inform the selection process.

Table 8.5 provides examples of three critical incidents and the job dimensions in which each incident is grouped. This exercise yields a thorough understanding of the job’s technical requirements, the job’s formal qualifications, and the informal but critical aspects of successful job performance. Not only does a critical incidents analysis provide a solid foundation for selection, but it also provides protection against charges of unfair hiring practices as it specifically identifies aspects of the job related to performance.

At the most fundamental level, selection tools should elicit information that is predictive of job performance. As such, applicants who “score” better on selection instruments should consistently exhibit higher levels of job performance than individuals who score at lower levels. Therefore, to be useful, selection tools must ultimately be both reliable and valid.

From a measurement perspective, reliability is defined as the repeatability or consistency of a selection tool. Under this definition, a selection tool is deemed reliable if it provides the same result over and over again, assuming that the trait the selection tool is attempting to measure does not change. In other words, a reliable selection tool is one that yields the same findings regardless of who administers the tool or in what context (e.g., time of day, version of the tool) the tool is used. In general, physical and observable traits and skills (such as height and weight, the ability to lift a given weight, and the ability to compute manually) are more reliably measured than are psychological or behavioral traits (such as competitiveness, intelligence, and tolerance).

Table 8.6 provides an overview of the relative reliability of measuring different human attributes. **Construct validity** refers to the degree to which the selection tool actually measures the construct it intends to measure, and this
<table>
<thead>
<tr>
<th>Job</th>
<th>Critical Incident</th>
<th>Job Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician, Public Health Department</td>
<td>In an administrative staff meeting to review plans for the coming year, this physician exhibited strongly condescending and rude behaviors toward other team members.</td>
<td>• Ability to work in teams</td>
</tr>
<tr>
<td>Nurse, Emergency Room</td>
<td>After a school bus accident, the emergency department was overwhelmed with children and frightened parents. This nurse effectively and appropriately managed communication with parents and successfully obtained further assistance from elsewhere in the hospital.</td>
<td>• Respect for other professionals</td>
</tr>
<tr>
<td>Medical director, Local Public Health Department</td>
<td>The local media reported an outbreak of salmonella that resulted in one child being hospitalized with the effects of this serious condition. The outbreak was traced to a fast-food restaurant that was inspected by health department personnel less than one week ago. The health department was blamed for not preventing the outbreak. This medical director conducted a thorough internal investigation and found that this was an isolated incident caused by mishandling of food on a single occasion. She communicated effectively at a press conference, defending the health department and assuring the public of the safety of local eating establishments.</td>
<td>• Creativity and resourcefulness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Leadership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ability to work effectively under crisis conditions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Strong interpersonal skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Effective crisis manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Strong communication and media skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Strong sense of public accountability</td>
</tr>
</tbody>
</table>
ultimately determines the conclusions that can be legitimately drawn from the tools used. Two types of construct validity are commonly considered: criterion-related validity and content validity. **Criterion-related validity** is the extent to which a selection tool is associated with job performance, and this validity can be demonstrated through two strategies. First is **concurrent validity**, whereby a selection tool is administered to a current group of employees. These employees’ scores are then correlated with actual job performance. For the selection tool to demonstrate concurrent validity, a strong correlation has to exist between the score on the selection tool and the score on actual job performance. Second is **predictive validity**, whereby the selection tool is administered to a group of job applicants. Because the selection tool has not yet been validated, actual selection decisions are made on the basis of other measures and criteria. Over time, data are obtained on actual job performance, and the two sets of scores—those from the selection tool under study and those from actual performance measures—are correlated and examined for possible relationships.

<table>
<thead>
<tr>
<th>Level of Reliability</th>
<th>Human Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td><strong>Personal</strong></td>
</tr>
<tr>
<td></td>
<td>Height</td>
</tr>
<tr>
<td></td>
<td>Weight</td>
</tr>
<tr>
<td></td>
<td>Vision</td>
</tr>
<tr>
<td></td>
<td>Hearing</td>
</tr>
<tr>
<td>Medium</td>
<td><strong>Attitudes and Skills</strong></td>
</tr>
<tr>
<td></td>
<td>Dexterity</td>
</tr>
<tr>
<td></td>
<td>Mathematical skills</td>
</tr>
<tr>
<td></td>
<td>Verbal ability</td>
</tr>
<tr>
<td></td>
<td>Intelligence</td>
</tr>
<tr>
<td></td>
<td>Clerical skills</td>
</tr>
<tr>
<td></td>
<td>Mechanical skills</td>
</tr>
<tr>
<td>Medium to low</td>
<td><strong>Interests</strong></td>
</tr>
<tr>
<td></td>
<td>Economic</td>
</tr>
<tr>
<td></td>
<td>Scientific</td>
</tr>
<tr>
<td></td>
<td>Mechanical</td>
</tr>
<tr>
<td></td>
<td>Cultural</td>
</tr>
<tr>
<td>Low</td>
<td><strong>Personality</strong></td>
</tr>
<tr>
<td></td>
<td>Sociability</td>
</tr>
<tr>
<td></td>
<td>Dominance</td>
</tr>
<tr>
<td></td>
<td>Cooperativeness</td>
</tr>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
</tbody>
</table>

**TABLE 8.6**

Relative Reliability of Human Attributes

Content validity is the extent to which a selection tool representa-
tively samples the content of the job for which the measure will be used. Us-
ing this strategy, if a selection tool includes a sufficient amount of actual job-
related content, it is considered valid. Expert judgment, rather than
statistical analysis, is typically used to assess content validity. One may look
to content validity in designing a knowledge-based selection tool for labo-
rary technicians. An exercise that requires applicants to describe proce-
dures associated with the most common laboratory tests is likely to be
judged to have content validity.

Most organizations employ a range of selection tools but pay little or
no attention to issues of reliability and validity. In the following section, the
reliability and validity of some common selection tools are examined and sug-
gestions on how they can be improved are offered.

A study of about 700 HR directors reveals that 87 percent of respondents
used reference checks, 69 percent conducted background employment
checks, 61 percent checked criminal records, 56 percent checked driving
records, and 35 percent did credit checks (BNA 2001). Few studies, however,
assess the reliability of using reference checks to gauge performance in pre-
vious jobs. In studies that have been conducted, researchers have sought to de-
termine the level of agreement (interrater reliability) between different indi-
viduals who provide a reference for the same applicant. Reliability estimates
are typically poor, at a level of 0.40 or less. This may be explained by a num-
ber of factors, including the reluctance of many referees to provide negative
feedback and the real possibility that different raters may be evaluating differ-
ent aspects of job performance. Studies of the validity of reference checks have
found that this tool has low-to-moderate predictive validity (Hunter and
Hunter 1984). Several explanations have been suggested for the poor predic-
tive power of reference checks:

• Many measures used in reference checks have low reliability; where
reliability is low, validity must be low as well.
• Individuals who provide references frequently only use a restricted range
of scores—typically in the high range—in evaluating job applicants. If
virtually all reference checks are positive, they are still unlikely predictors
of performance success for all individuals.
• In many instances, job applicants preselect the individuals who will
provide the reference, and applicants are highly likely to select only those
who will provide a positive reference.

How can the validity of reference checks be improved? Research in this
area offers the following conclusions (Gatewood, Feild, and Barrick 2008):

• The most recent employer tends to provide the most accurate evaluation
of an individual’s work.
• The reference giver has had adequate time to observe the applicant, and the applicant is the same gender, ethnicity, and nationality as the reference giver.
• The old and new jobs are similar in content.

Reference checks have an intuitive appeal and are well institutionalized in virtually all selection processes. The usefulness of references, however, is decreasing as many organizations advise their employees to provide minimal information on former employees, such as job title and dates of employment. This is done to reduce the liability of the referring organization to lawsuits from both the hiring organization (through charges of negligent hiring) and the job applicant (through claims of defamation of character). Figure 8.1 provides some basic guidelines for the appropriate use of references.

**Job Interviews**

The job interview is used for virtually all positions largely because those involved in hiring simply wish to find out more than can be obtained from the application, references, and other documentation. The result of the interview is often given the greatest weight in hiring decisions. Job interviews, however, typically have low reliability and validity, are often unfair to applicants, and may be at least partially illegal. They are not reliable in that the questions vary

---

**FIGURE 8.1**

Guidelines for the Appropriate Use of Reference Checks

1. Ask for and obtain only job-related information.
2. Do not ask for information in an application or personal interview that may be deemed illegal.
3. Applicants should provide written permission to contact references; this may be included in the application form.
4. Individuals who check references should be trained in how to interview references, probe for additional information, and accurately record reference information.
5. Reference information should be recorded in writing.
6. Use the reference-checking process to confirm information provided by the applicant and to identify gaps in the employment record.
7. Use the reference-checking method appropriate to the job.
8. Be aware if the individual who provides a reference is trying to damage a prospective employee by giving a negative reference.
9. Use the references provided by the applicant as a source for additional references or information.
10. Consider using preemployment information services, particularly for sensitive positions.
from interviewer to interviewer, and two applicants vying for the same position are sometimes asked different questions altogether. Similarly, the manner in which answers to interview questions are interpreted and scored by interviewers may vary substantially as well.

The predictive validity of the job interview—that is, does a positive interview actually forecast job success?—has also been questioned. Job interviews present several problems. First, the questions are usually not given in advance and may bear little relationship with the candidate’s performance in the future. This may be seen as unfair because candidates are not given the opportunity to prepare answers that would showcase their knowledge, skills, and abilities. Second, the questions are often not standardized, causing applicants to be treated inequitably because each interviewer poses different questions and each applicant is asked a different set of questions. This prevents the interviewer and the organization from obtaining the information necessary to make informed decisions. Third, untrained interviewers have a tendency to pose legally dubious questions that violate the law or compromise ethical principles, such as inquiries about plans for starting a family or for maternity leaves.

Notwithstanding these problems, the job interview can be an effective and efficient method of acquiring job-competency information and assessing the applicant’s suitability for a position and fit within the organization. Furthermore, it can be used as a valuable recruitment tool because it allows the interviewer to highlight the positive features of the organization, the department, and the job.

Those involved in selection can choose between unstructured and structured interview techniques. Unstructured interviews present few constraints in how interviewers go about gathering information and evaluating applicants. As a result, unstructured interviews may be very subjective and thus tend to be less reliable than structured interviews. However, because of the free rein frequently given to interviewers, unstructured interviews may be more effective than the structured type in screening unsuitable candidates.

In a structured interview, the questions are clearly job related and based on the result of a thorough job analysis. A discussion before the interview among the selection team members is advantageous because it provides the team an opportunity to decide on what responses would be considered high and poor quality. This, in turn, allows the team to score applicant responses. Situational, experience-based, job-knowledge, and worker-requirement questions are most commonly posed during a structured interview.

Situational questions relate to how an applicant may handle a hypothetical work scenario, while experience-based questions ask how the candidate previously handled an issue that is similar to an issue that may be encountered on the new job. Following is an example of a scenario and related situational
and experience-based questions. The constructs being assessed in this case are the ability to handle a stressful situation, the competency in dealing with the public, and professionalism.

Scenario: Seven pediatricians work in a busy medical practice, and Monday morning is the busiest time of the week at the clinic. The waiting room is overcrowded, and two of the pediatricians are unexpectedly called away from the office—one for a personal situation and the other to attend to a patient in the hospital. Children and their parents now have to wait up to two hours to see the remaining doctors, and their level of anger and frustration increases as they wait. They are taking out their anger on you.

Situational questions: How would you handle this situation? What and how would you communicate with the remaining physicians about this situation?

Experience-based questions: Think about a situation on your last job in which you were faced with angry and upset patients or customers. What was the situation? What did you do? What was the outcome?

Situational questions should be designed in a way that allows alternative, not just expected, responses to be also evaluated or scored. If a panel—two or more people—conducts the interview, each panelist should be able to confirm answers and their meaning with each other.

Job-knowledge questions assess whether the applicant has the knowledge to do the job. These questions and follow-up probes are predetermined and are based on the job description. Similarly, worker-requirement questions seek to determine if the candidate is able and willing to work under the conditions of the job. For example, applicants for a consulting position may be asked if they are able and willing to travel for a designated portion of their work.

Whatever form is used, job interviews must be conducted with the following guidelines in mind:

1. Prepare yourself. For an unstructured interview, learn the job requirements. For a structured interview, become familiar with the questions to be asked. Review materials or information about the applicant as well.
2. Tidy up the physical environment in which the interview will take place.
3. Describe the job, and invite questions about the job.
4. Put the applicant at ease, and convey an interest in the person. A purposely stressful interview is not desirable, as other reliable and ethical methods can be used to assess an applicant’s ability to handle stress. Furthermore, a stressful interview reflects poorly on the organization.
5. Do not come to premature conclusions (positive or negative) about the applicant. This is particularly important for unstructured interviews.
6. Listen carefully, and ask for clarity if the applicant’s responses are vague.
7. Observe and take notes on relevant aspects of the applicant’s dress, mannerisms, and affect.
8. Provide an opportunity for the applicant to ask questions.
9. Do not talk excessively. Remember that this is an opportunity to hear from the applicant.
10. Do not ask questions that are unethical or that put the organization in a legally vulnerable position (see Figure 8.2).
11. Explain the selection process that comes after the interview.
12. Evaluate the applicant as soon as possible after the interview.

Application forms and resumes usually contain useful information about job applicants. The major drawback to these tools is that they may misrepresent qualifications. Several methods can be used to improve the usefulness of application forms. First, create an addendum to the application that asks applicants to provide information that is specific to the open position. This way, particular knowledge, skills, and abilities can be targeted for different jobs. Second, include a statement on the application form that allows the applicant to indicate that all the information he or she reported is accurate; the applicant should then be required to sign or initial this statement. Third, ensure that illegal inquiries about personal information (e.g., marital status, height, weight) are excluded from the form.

Various ability and aptitude tests (including personality, honesty, integrity, cognitive reasoning, and fine motor coordination tests) are available, and many of them demonstrate reliability and validity. A number of firms specialize in developing and assessing tests; see, for example, Walden Personnel Testing and Consulting at www.waldentesting.com. Debate is currently brewing about the issue of situational validity—the notion that the nature of job performance differs across work settings and that the validity of tests may vary according to the setting. In general, studies tend to conclude that results of a test on basic abilities are generalizable across work settings, assuming that the test itself is valid and reliable. The key is to ensure that such tests are actually representative of the work involved in a particular job.

The use of assessment centers is a highly sophisticated and multidimensional method of evaluating applicants. Assessment centers may be the physical location where testing is done, but they may also refer to a series of assessment procedures that are administered, professionally scored, and reported to hiring personnel. Traditionally, assessment centers have been used to test an applicant’s managerial skills, but today they are also employed for a variety of hiring situations. Typical assessment formats include paper-and-pencil tests, leaderless group discussions, role-playing intelligence tests, personality tests,
### FIGURE 8.2
Inappropriate and Appropriate Job Interview Questions

#### Personal and Marital Status

**Inappropriate:**
- How tall are you?
- How much do you weigh? (acceptable if these are safety requirements)
- What is your maiden name?
- Are you married?
- Is this your maiden or married name?
- With whom do you live?
- Do you smoke?

**Appropriate:**
- After hiring, inquire about marital status for tax and insurance forms purposes.
- Are you able to lift 50 pounds and carry it 20 yards? (acceptable if this is part of the job)

#### Parental Status and Family Responsibilities

**Inappropriate:**
- How many kids do you have?
- Do you plan to have children?
- What are your childcare arrangements?
- Are you pregnant?

**Appropriate:**
- Would you be willing to relocate if necessary?
- Travel is an important part of this job. Would you be willing to travel as needed by the job?
- This job requires overtime occasionally. Would you be able and willing to work overtime as necessary?
- After hiring, inquire about dependent information for tax and insurance forms purposes.

#### Age

**Inappropriate:**
- How old are you?
- What year were you born?
- When did you graduate from high school and college?

**Appropriate:**
- Before hiring, asking if the applicant is above the legal minimum age for the hours or working conditions is appropriate, as this is in compliance with state or federal labor laws. After hiring, verifying legal minimum age with a birth certificate or other ID and asking for age on insurance forms are permissible.

#### National Origin

**Inappropriate:**
- Where were you born?
- Where are your parents from?
- What is your heritage?
- What is your native tongue?
- What languages do you read, speak, or write fluently? (acceptable if this is relevant to the job)

**Appropriate:**
- Are you authorized to work in the United States?
- May we verify that you are a legal U.S. resident, or may we have a copy of your work visa status?
### Race or Skin Color

**Inappropriate:**
- What is your racial background?
- Are you a member of a minority group?

**Appropriate:**
- This organization is an equal opportunity employer. Race is required information only for affirmative-action programs.

### Religion or Creed

**Inappropriate:**
- What religion do you follow?
- Which religious holidays will you be taking off from work?
- Do you attend church regularly?

**Appropriate:**
- May we contact religious or other organizations related to your beliefs to provide us with references, per your list of employers and references?

### Criminal Record

**Inappropriate:**
- Have you ever been arrested?
- Have you ever spent a night in jail?

**Appropriate:**
- Questions about convictions by civil or military courts are appropriate if accompanied by a disclaimer that the answers will not necessarily cause loss of job opportunity. Generally, employers can ask only about convictions and not arrests (except for jobs in law-enforcement and security-clearance agencies) when the answers are relevant to the job performance.

### Disability

**Inappropriate:**
- Do you have any disabilities?
- What is your medical history?
- How does your condition affect your abilities?
- Please fill out this medical history document.
- Have you had recent illnesses or hospitalizations?
- When was your last physical exam?
- Are you HIV-positive?

**Appropriate:**
- Can you perform specific physical tasks? (such as lifting heavy objects, bending, kneeling that are required for the job)
- After hiring, asking about the person's medical history on insurance forms is appropriate.
- Are you able to perform the essential functions of this job with or without reasonable accommodations?

### Affiliations

**Inappropriate:**
- To what clubs or associations do you belong?

**Appropriate:**
- Do you belong to any professional or trade groups or other organizations that you consider relevant to your ability to perform this job?

**NOTE:** Questions listed here are not necessarily illegal. For example, it is not illegal to ask an applicant’s date of birth, but it is illegal to deny employment to an applicant solely because he or she is 40 years of age or older. In this case, the question is not illegal, but a discriminatory motive for asking is illegal. Unknown or ambiguous motive is what makes any question with discriminatory implications inappropriate. If an individual is denied employment, having asked this and similar questions can lead to the applicant claiming that the selection decision was made on the basis of age, gender, or other characteristic for which it is illegal to discriminate.
interest measures, work-task simulations, in-basket exercises, interviews, and situational exercises. Evidence indicates that positive statistical relationships exist between the use of assessment centers and a high level of job performance (Gaugler et al. 1997).

**Turnover and Retention**

Among the most important healthcare workforce challenges is staff shortage, and associated with this issue are employee turnover and retention. Larger environmental and systemic pressures contribute to the chronic shortages in healthcare. Although turnover is not appreciably increasing in healthcare, rates are higher in this industry than in others. A number of factors affect the high demand for healthcare workers, including population growth, the aging of the population, improved diagnostic techniques that enable earlier detection of disease and increase patient loads, and heightened consumer demand for a full range of diagnostic and therapeutic technologies (HCAB 2001).

Growth in demand for nurses will outpace the supply, and, together with changing demographic patterns in the nursing workforce, a nursing shortage will be experienced in the foreseeable future. This shortage does not appear to be cyclical, as have past shortages, but is chronic in nature (Ponte 2004; Mee and Robinson 2003). The aging of the nurse workforce is a key factor. In 2005, the average age of the registered nurse (RN) workforce was 43.5; the largest age group comprised RNs in their 40s. By 2012, the average RN age is expected to increase to 44.7 years, with RNs in their 50s representing the largest age group (Auerbach, Buerhaus, and Staiger 2007). Although estimates of the future nurse shortage vary, the most recent analysis estimates a shortfall of about 340,000 nurses by the year 2020 (Auerbach, Buerhaus, and Staiger 2007).

These broad societal factors are largely out of the control of healthcare organizations, and they substantially influence the worker vacancy rates in hospitals. These vacancy rates, in turn, highlight the need for organizations to do a better job at recruiting, selecting, and retaining staff. In this section, we explain our concern with turnover, enumerate the costs associated with turnover, discuss the factors that contribute to turnover, and explore the methods proven to improve retention. Although we use the nursing shortage as a basis to explore the turnover and retention issue, we are aware also of the shortages in other healthcare professions, such as among radiologic technicians and pharmacists. The lessons in our discussion, however, are applicable to other professions as well.

A distinction has to be made between the separate, although related, concepts of turnover and retention. Many organizations view retention as the inverse of turnover and, as a result, cause them to miss out on critical trends
that are happening within their systems. According to Waldman and Arora (2004), a turnover rate is a simple ratio that provides only a summary of the gross movement in and out of the organization during a specific time frame (usually one year). Retention rate, on the other hand, is the number of specific individuals or cohorts that enter and exit the organization. The key distinction is that retention views an individual or a group as an entity; therefore, retention allows for a more thorough examination of how the loss of one individual or cohort influences retention strategies and productivity.

For example, an organization that experiences a slight decline in turnover (say, from 20 percent to 18 percent) over a five-year period may think that it is doing well in addressing its retention problem. However, during that same five-year time span, the retention rate of individuals who have 5 to 15 years of service declined (say, from 70 percent to 35 percent). These rates indicate that the organization has difficulty with retaining experienced employees and needs to explore and implement new retention strategies. Overall, organizations need to thoroughly examine both turnover and retention rates to successfully deal with the challenge of staff shortages.

Studies on Nursing Turnover

The demand for healthcare workers has increased, but the quality of their work life has decreased. The average annual turnover rate for hospital workers is about 20 percent, with substantially higher percentages for particular professional groups. At any one time, approximately 126,000 nursing positions in U.S. hospitals are unfilled (Joint Commission 2004). Generally, nurse turnover in hospitals ranges between 10 percent and 25 percent, and in certain sectors, vacancy rates are even higher. Ninety percent of nursing homes lack sufficient nursing staff to provide even basic care (CMS 2002). Recently, the turnover rate in nursing homes for RNs, licensed practical nurses, and nursing directors was a staggering 50 percent (AHCA 2003).

Nurse dissatisfaction has been cited as a key reason for turnover and even departure from the profession. In a worldwide study of nurses, those surveyed in the United States had the highest rate of job dissatisfaction at 41 percent, which is four times higher than the satisfaction score of the professional workforce in general (Albaugh 2003; Aiken et al. 2001). Multiple studies have examined reasons for nurse dissatisfaction and its consequences. McFarland, Leonard, and Morris (1984) cite lack of involvement in decision making, problems with supervisors, poor working conditions, inadequate compensation, and lack of job security. Swansburg (1990) identifies compensation, poor recognition, lack of flexible scheduling, and increased stress as dissatisfiers. The Maryland Nurses Association (2000) articulates the top five reasons for poor nurse retention: (1) absence of advancement opportunities, (2) stress and burnout related to mandatory overtime, (3) unrealistic workloads, (4) increased paperwork, and (5) nurse perception of lack of respect and recognition.
in the workplace. The Joint Commission (2004) finds that required overtime is a major source of dissatisfaction.

Turnover has an adverse effect on organizational performance, and study data increasingly point to the impact of turnover and shortages on healthcare quality. A survey conducted by the American Nurses Association (ANA 2001) reveals that 75 percent of respondent nurses felt that the quality of nursing care has declined. Among respondents who claimed that quality has suffered, more than 92 percent cited inadequate staffing as the reason and 80 percent indicated nurse dissatisfaction. The ANA survey also reports that more than 54 percent of respondents would not recommend the profession to their children or friends. A study conducted by the Voluntary Hospitals Association of America finds a correlation between nurse turnover and quality measures. Hospitals with nurse turnover rates under 12 percent had lower risk-adjusted mortality scores and lower severity-adjusted lengths of stay than hospitals whose nurse turnover was above 22 percent. Confirming evidence from earlier studies, Aiken and colleagues (2001) argue that nurse-patient ratios are strongly related to higher levels of dissatisfaction and emotional exhaustion. These studies present the connection among nurse dissatisfaction, turnover, and quality of care.

In addition to the effect on quality, shortages and turnover also have significant financial implications. The costs associated with employee termination, recruitment, selection, hiring, and training represent a substantial non-value-adding element in the organizational budget. A 2004 study of turnover estimates the various costs associated with turnover in an academic medical center (Waldman and Arora 2004). Depending on assumptions made in the analysis, the total cost of turnover reduced the annual operating budget of the medical center between $7 million and $19 million, or between 3.4 percent and 5.8 percent. This research indicates that, at this medical center, more than one-fourth of the total turnover costs were attributable to nurse turnover. Several studies have focused specifically on the cost of nursing turnover. While difficult to measure, both the Advisory Board Company (1999) and Jones (2005) have attempted to capture not only the direct costs of nurse turnover but the hidden costs of reduced productivity (i.e., predeparture, vacancy, and new employee on-boarding) as well. The estimated cost of a single nurse leaving is $42,000 (per the Advisory Board) and $64,000 (per Jones), and these estimates support the claim that nursing turnover has significant financial implications for all healthcare organizations. The following example reiterates this point: Assuming a turnover rate of 20 percent and the cost of nurse turnover ranging between $42,000 and $64,000 per nurse, a hospital that employs 600 nurses would face yearly estimated nursing staff-replacement costs of between $5 million and $7 million per year.

Turnover can be viewed as costly in terms of patient care, financial stability, and staff morale. Nurse turnover affects communication among nurses...
and between nurses and other healthcare professionals, the quality of care, and care continuity. The work of teams is disturbed as well, as team composition and skills change when a member comes or goes, and members who are left behind often feel low morale and a sense of rejection.

**Retention Strategies**

Many of the factors associated with effective recruitment are also applicable to retention, because a person’s reasons for accepting an employment offer are basically the same reasons for staying with that employer. As such, retention strategies are a necessary follow-up to recruitment. With the opportunities available to nurses in other organizations and professions, viewing retention as an essential HRM function, like compensation and training, is critical.

One study examined the strategies used by nurse managers who have succeeded in achieving low turnover rates and high satisfaction among patients, employees, and providers; good patient outcomes; and positive working relationships (Manion 2004). The study finds that these nurse managers were able to develop a “culture of retention.” Through their daily work, these managers created an environment where people want to stay because they enjoy their work and where staff contribute to this sense of attachment. These managers emphasized sincere caring for the welfare of their staff, forging authentic connections with each staff member and focusing on results and problem solving. Note that these strategies are not likely to succeed without a culture of retention.

In today’s healthcare environment, much of the turnover that occurs is beyond the control of a single organization. Employee commitment to employers has virtually evaporated. Except in rare instances, the market profoundly affects the movement of employees. Organizations can still control turnover, but their influence is becoming limited. Retention strategies have simply not achieved the type of consistent success once anticipated. Furthermore, each organization needs to develop its own retention strategies and tailor them to the particular circumstances of the institution (Cappelli 2000).

Several generic retention strategies have been shown to work. First, offer competitive compensation. Compensation comes in many forms, including signing bonuses, premium and differential pay, forgivable loans, bonuses, and extensive benefits. Second, structure jobs so that they are more appealing and satisfying. This can be done by carefully assigning and grouping tasks, providing employees with sufficient autonomy, allowing flexible work hours and scheduling, enhancing the collegiality of the work environment, and instituting work policies that are respectful of individual needs. In the nursing environment, job design encompasses elements such as the nurse–patient staffing ratios and mandatory overtime. Third, put in place a superb management and supervisory team. The idea that people quit their supervisors, not their jobs, is true in nursing, as nurses sometimes leave because of
poor working relationships with their managers or other healthcare professionals. Fourth, make opportunities for career growth available. Providing career ladders is increasingly difficult, as organizations become flatter and widen their spans of control. Alternatives to promotions need to be developed and implemented.

The American Nurses Credentialing Center established the Magnet Recognition Program to acknowledge and reward healthcare organizations that exhibit and provide excellent nursing care. Designated Magnet hospitals are characterized by fewer hierarchical structures, decentralized decision making, flexibility in scheduling, positive nurse–physician relationships, and nursing leadership that supports and invests in nurses’ career development (Cameron et al. 2004). Magnet hospitals have been found to have better patient outcomes and higher levels of patient satisfaction (Scott, Sochalski, and Aiken 1999). Compared to other hospitals, Magnet institutions have lower turnover and higher job satisfaction among nurses (Huerta 2003; Upenieks 2002). Based on these findings, becoming a Magnet healthcare organization seems to be another retention strategy.

The Healthcare Advisory Board (HCAB 2002) conducted an extensive review of recruitment and retention strategies and identified each strategy’s relative effectiveness. Much of the discussion in the literature about retention focuses on improving job satisfaction. The HCAB, however, distinguishes between strategies that boost morale and those that enhance retention, and it categorizes retention strategies into four types:

1. **Strategies that neither increase morale nor improve retention.** Examples are providing individualized benefits, concierge services, and employee lounge areas.
2. **Strategies that increase morale but do not improve retention.** Examples include forming morale committees, offering on-site childcare, creating recognition programs, and providing educational benefits.
3. **Strategies that do not increase morale but improve retention.** Examples are improving screening of applicants, monitoring turnover in key areas, and tracking turnover of key employees.
4. **Strategies that increase morale and improve retention.** Examples include establishing staffing ratios, providing career ladders, implementing buddy programs, and allowing flexible scheduling.

The HCAB’s review yields five effective retention strategies: (1) selecting the right employees; (2) improving orientation and on-boarding processes by creating a buddy program and other opportunities that help new employees establish professional and personal relationships with colleagues; (3) monitoring turnover to identify specific root causes, including identifying managers whose departments have high turnover rates; (4) developing and
implementing ways to retain valued employees; and (5) although marginal in its effectiveness, systematically attempting to reverse turnover decisions.

Every organization faces different challenges in its efforts to retain valued employees. The success of a retention program depends on the ability of the organization to correctly determine the causes of turnover and to enact strategies that appropriately target these causes. Also, the organization must recognize the advantages and usefulness of alternative retention strategies.

Summary

Recruiting, selecting, and retaining employees continue to be important HRM functions, especially in a competitive, pressurized environment like healthcare. Healthcare organizations and their human resources departments face enormous challenges. From a recruitment and selection standpoint, they need to seek employees who (1) have specialized skills but are flexible to fill in for other positions, (2) bring in expertise and are able to work in groups whose members are not experts, (3) are strongly motivated yet are comfortable with relatively flat organizational structures in which traditional upward mobility may be difficult, and (4) represent diversity yet also fit into the organizational culture. From a retention standpoint, they need to identify factors related to retention and develop innovative strategies to improve retention. By doing so, healthcare organizations will be better able to meet various challenges in the coming decades.

Discussion Questions

1. Given two equally qualified job applicants—one from inside and one from outside the organization—how would you go about deciding which one to hire?

2. For various reasons, some healthcare organizations are unable to pay market rates for certain positions. What advice do you give such an organization about possible recruitment and retention strategies?

3. The use of work references is increasingly viewed as unreliable. How can employers legally and ethically obtain information about an applicant’s past performance? What measures can be taken to verify information contained in a job application or resume?

4. What are the advantages and disadvantages of recruiting through the Internet? What advice do you give to a hospital that is considering using the Internet for recruitment?
Grayson County Regional Health Center is a private, not-for-profit, 225-bed acute care hospital located in a rural community in a southeastern state. The hospital provides a broad range of inpatient and outpatient services, including cardiology, obstetrics, gynecology, general surgery, internal medicine, urology, family medicine, dermatology, pediatrics, psychiatry, radiology, nephrology, ophthalmology, occupational medicine, and rehabilitation services. The Center offers 24-hour emergency care. The Center is built on a 96-acre site, and its service area includes Grayson County as well as parts of three neighboring rural counties.

Grayson County’s population is 60,879, with African Americans making up 53 percent of the population, Caucasians making up 42 percent, and Hispanics and other groups making up 5 percent. Agriculture is the main industry in the area, with cotton as the major crop. Fifteen percent of the labor force works in manufacturing, which includes molded plastics, metal fabrication, paper and wood products, textiles, rubber materials, and clothing. In the last 20 years, the region has suffered severe economic setbacks. Most of the textile industry has moved out of the region because of outsourcing, and the town itself has fallen into disrepair. An increasing proportion of the population—33 percent of children and 22 percent of the elderly—lives below the poverty line. The county has a civilian labor force of 27,568 and currently has an unemployment rate of 13 percent. The county’s infant mortality rate is 12 percent, and 24 percent of the population does not have health insurance.

The Center has approximately 85 physicians, representing 29 subspecialties, on staff. It has affiliation relationships with two academic health centers—one is located about 90 miles away, and the other is located 100 miles from Grayson. The Center currently employs more than 800 employees, is fully certified by the Joint Commission, and is certified to participate in CMS programs. The Center is governed by an 18-member board of trustees, which includes the chief of the medical staff, the immediate past chief of the medical staff, the chief executive officer, and 13 members selected by the board from the community at large. Criteria for board election, as specified in the corporation’s charter, include an interest in healthcare, aptitude in business, and evidence of a strong moral and ethical background. The board is required by the corporation’s charter to reflect the economic, racial, and ethnic diversity of the service area. The Center has strong community ties and is active in the community. Its staff participate in such activities as community health screenings, health education programs, and health fairs. It serves as the meeting place for many support groups. Although it has been under financial stress for the last five years, it continues to have strong support in the community.

The employee turnover rate at the Center is 40 percent. Over the last few years, the turnover rate for nurses has ranged from 15 percent to 50 percent.
ment and retention are also major concerns. Currently, only one radiologist is practicing in Grayson County, and there is a shortage of physicians in all specialties. The Center relies heavily on Medicaid and Medicare revenue, leaving the hospital in a difficult financial condition. It is unable to pay market rates for nurses and other professionals. As a result, nursing units are understaffed, and nurses have expressed concerns about being overworked and underpaid. This has also resulted in concerns about the quality of patient care. A local newspaper article reported that patients at the Center were often left on stretchers in the hallway for long periods of time, that staff were unresponsive to patient and family concerns, and that hearing crying in the hallways is not unusual.

Nurses and other professional groups report poor communication between senior management and employees. Poor relationships between middle managers and frontline staff are also a problem in some departments. This situation became particularly difficult two years ago when the Center embarked on a large building project. Employees could not understand how the Center could afford to build new facilities but was unable to pay market rates to its staff. The nursing turnover problem at the Center has reached crisis proportions. Recent exit interview surveys indicate that financial concerns are the major reason for leaving. The Center has tried numerous strategies, including improving the work environment by adding amenities (such as lowering prices in the cafeteria) and training middle managers. For a short time 18 months ago, nurse salaries matched market rates, but the Center fell behind again shortly thereafter. The RN vacancy rate currently is 18 percent.

**Case Exercises**

As a consultant to the Center, you are expected to make recommendations to address the nursing shortage. Specifically, you have been asked to develop short-term strategies to cope with the current crisis as well as long-term strategies to improve the overall recruitment and retention picture.

1. How will you go about identifying the most important reasons for the current shortage?
2. How will you proceed with developing short-term and long-term strategies?

**Project**

Chronic and worsening healthcare workforce shortages are likely in the foreseeable future. The objective of this project is for readers to learn about how hospitals and other healthcare organizations are coping with healthcare workforce shortages. Specifically, how do organizations perceive the causes of turnover, and what strategies have they found successful in improving both their recruitment and retention?

1. Identify one professional group (e.g., nurses, laboratory technicians, radiologic technicians, information technology personnel) that is known to be experiencing recruitment and retention problems.
2. Choose two healthcare organizations that employ this professional group.

3. Locate the individual or individuals most directly accountable for recruiting and retaining professionals in this group. This person may be a staff in the HR department, a nurse recruiter, or another employee.

4. Find the approximate number of professionals in this group needed by the organization.

5. Obtain the following information on this group:
   a. Current vacancy rate
   b. Turnover and retention rates for the last five years

6. Discuss with the appropriate individuals their perception of the causes of recruitment challenges and of turnover and the reasons people choose to stay with their organizations. If possible, interview front-line staff in this professional group to obtain their perceptions on these issues.

7. If possible, explore the costs associated with recruitment, retention, and turnover at the facilities you have selected. Do the organizations keep track of these costs? If not, why? If so, do they use this information to make decisions concerning future recruitment and retention efforts?

8. In your discussions, explore the strategies both organizations have used to increase the success rate of their recruitment and retention efforts. Do the organizations know which strategies have been successful and unsuccessful? If so, which strategies have proven successful? Which strategies have not been effective? What strategies may be effective but are difficult to implement?

9. Summarize your findings in a five-page paper.

References


BNA. 2001. “Internet, E-mail Monitoring Common at Most Workplaces.” BNA—*Bulletin to Management* (February 1).


Chapter 8: Recruitment, Selection, and Retention


