RECRUITMENT, SELECTION, AND RETENTION

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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 potential employees in deciding whether to accept a job offer,
• 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–job and person–organization fit,
• identify alternative selection tools and how they can be used in the selection process, and
• discuss the challenges inherent in designing a retention strategy.

Introduction

In this chapter, attention turns to the processes of recruitment, selection, and retention. These three topics are explored together because they are integrally related not only to each other but also to other human resources management (HRM) functions. A successful recruitment effort generates sufficient applicants so that the employer can be selective in the process of identifying the most suitable applicant. The stringency of criteria used for selecting job applicants depends, 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. Retention, in turn, is at least partially related to the selection process. The likelihood of retaining an employee is generally higher when the employee, the job, and the organization are well matched. Of course, some factors that affect retention are largely out of the control of
the organization. In general, however, employees are more likely to stay with an organization if they achieve success in their job.

Successful recruitment and retention also depend on other key HRM functions. Before a recruitment plan for a position is developed, an accurate, current, and comprehensive job description, as well as explicit identification of job requirements and the desired qualifications of successful applicants, is absolutely essential. A rigorous review of the job is a necessary step in the recruitment and selection process. Without a clear understanding of the job, the selection process can become chaotic, and may cause conflict and misunderstanding among stakeholders and decision makers.

In developing selection criteria, managers may find themselves in the position of focusing exclusively on the technical and regulatory (e.g., credentials, licenses) aspects of the job. The desired knowledge and skills and possession of the necessary credentials are certainly essential for the successful applicant. However, the key to a successful employee may lie beyond technical competencies. Depending on the job, such factors as motivation, commitment, career goals, adaptability, and ability to work on a team may be critical to success. While these less tangible qualities are more difficult to assess than technical readiness for the job and credentials, methods for assessing many of them are available. These methods are addressed later in this chapter. As with all HRM functions, recruitment and selection processes must be carried out within the legal and regulatory environment. For example, federal and state laws related to employment discrimination must be taken into account in the design and implementation of employee selection processes.

With the exception of positions that are temporary or otherwise time-limited, organizations place a high value on employee retention. Turnover is costly, and not simply in financial terms. Turnover can affect the quality and continuity of care, job satisfaction and morale, and teamwork. While a position is unfilled, organizations may face the extra cost of hiring temporary employees, which in some cases (including some nursing positions) is more costly than hiring a full-time permanent employee. New employees are likely to be less productive, and training is therefore another cost associated with turnover. Many factors affect employee retention, including the effectiveness of orientation and onboarding procedures, as well as factors outside of the control of the organization. Recruitment and selection play an important role in retention. Consequently, an important measure of the effectiveness of recruitment and selection is the extent to which the organization is able to attract committed and high-performing employees who remain with the organization over a specified period.

These three functions are highly interdependent, but they are addressed separately and sequentially in this chapter. The concepts related to these functions 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

Human resources (HR) executives consistently report that their single greatest workforce challenge is to create or maintain their organizations’ capacity to attract talented employees to their organization. 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 recruitment strategies are considered, 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 depends 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 exploring these aspects, this chapter first addresses 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 applicants and employees are considered 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?” Applicants may also be concerned with opportunities for career mobility and promotion.

Considerable research has been conducted on the factors associated with attracting applicants to organizations. Job choice has both cognitive and emotional elements. On the cognitive side, applicants evaluate compensation, opportunities for growth, and other tangible factors. On the emotional side, a consistent finding is that applicant attraction to an organization is maximized when an applicant is familiar with the organization and sees the organization as having a positive reputation and possessing values and attributes consistent with the values of the job seeker. The implications of these findings are clear. First, more information is better: The more applicants know about the organization, the more likely they are to seek employment, assuming that they perceive a fit between their values and those of the organization. Second, organizations must be cognizant of their own image and reputation in the labor market. Related to this factor is the importance of organizations’ assessment of their own promotional strategies to ensure that the image they seek to present is in fact having a positive impact. Where the organization’s public image is inconsistent with the organization’s ideal view of itself, strategies must be developed to better understand public perceptions and, ultimately, to design messaging to improve the image.

The factors that predict actual job choice decisions are difficult to establish because of the multiple dynamics and elements involved in a particular job choice decision. The relative importance of 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 consider the characteristics of the organization and job; individual needs, preferences, and values; and the fit between the organization and the individual, as well as the fit between the individual and the specific job.
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. An almost infinite number of individual factors potentially affect job choice, but for any individual at a particular point in time, a few selected factors may play a decisive role. One’s life or career stage, for example, may affect the salience of these decision factors.

Organizational characteristics, on the other hand, are factors associated with the organization as a whole, as well as specific job-related factors, notably total compensation, advancement opportunities, job security, and geographic location. Each of these factors is explained below.

Total compensation, which includes wages and benefits, is most often thought of as the key element affecting an individual’s decision to accept a position with an organization. For some positions in healthcare, additional compensation may be offered by providing a hiring bonus, incorporating additional pay into base pay, providing relocation assistance, slotting a job into a higher pay grade than would normally be warranted, and more frequently reviewing an individual’s salary once the person starts working with the organization. These methods are sometimes referred to as “hot skill” premiums and are associated with jobs requiring scarce and in-demand skills (Berthiaume and Culpepper 2008).

The relative importance of compensation to potential employees is varied and complex. Under some circumstances, employees may leave an organization for another only to obtain an incremental increase in compensation. In other instances, employees may choose to stay with an organization even when a substantially more generous offer is made by another organization. In sum, compensation is a part—but certainly not the entirety—of one’s decision to accept a job offer.

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 relevant for all applicants, these opportunities are likely to be a particularly important determinant for professionally trained individuals (Lu et al. 2012) as well as individuals aspiring to management roles.

A study of public health nurses’ job satisfaction funded by the Robert Wood Johnson Foundation revealed interesting findings about the relationship between compensation, job satisfaction, and promotional opportunities.
The survey found that 85 percent were happy with their career choice, and 90 percent felt they were making a contribution to their communities. Regarding compensation, 40 percent reported that they were being compensated fairly, and 30 percent felt their salaries were inadequate. Most striking, however, was the finding that 56 percent felt they would not be able to receive a promotion, and 64 percent said they hoped to obtain additional training to advance their career. Fewer than half (49 percent) reported that their health department recognizes employee accomplishments through promotions or other methods. These findings were reinforced by a parallel survey of key informants within local and state health departments: About 70 percent of local health departments and 63 percent of state health departments reported that promotion opportunities were often unavailable to registered nurses (University of Michigan Center of Excellence in Public Health Workforce Studies 2013).

Traditionally, advancement opportunities for clinically or technically trained individuals have been relatively scarce in healthcare because the sole avenue to advancement was 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 ladders have been established to enable highly talented clinicians to move up while not forcing them to abandon their clinical interests and expertise. A dual career ladder is a method by which employees can move up in the organization without requiring them to assume managerial responsibilities (Society for Human Resource Management 2012b). Dual career ladders have been used frequently in healthcare as well as in other industries with technically trained professionals. Dual career development plans allow upward mobility for employees without requiring that they be placed into supervisory or managerial positions. This type of program has typically served as a way to advance employees who may have particular technical skills and/or education but who are not interested or inclined to pursue a management or supervisory track. The Cleveland Clinic (2014a), for example, has a career ladder “designed to promote and recognize excellence in practice, foster professional growth, and retain compassionate caregivers in direct care settings.”

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 reorganizations, 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 equally at risk. An illustrative manifestation of the importance of job security is evident in union organizing and collective bargaining. Traditionally, compensation and benefits were
the most highly valued issues in labor negotiations. However, job security has become a matter of great importance in employees’ decision to unionize (Carlson 2014), and it remains a key factor in contract negotiations (Algier 2013). In fact, it is not unusual for unionized employees to make wage concessions in return for higher levels of job security (Alonzo 2014).

Job applicants may also consider geographic location, along with other lifestyle concerns, particularly for individuals in dual-income families, where the employment of a spouse can be a significant determinant of job acceptance. In healthcare, location is a particularly serious issue because healthcare organizations are often, by necessity, located in less-than-desirable locales that may not be attractive to applicants.

As employees consider their preferences, employers go through a similar process of trying to make their organizations attractive to prospective employees. As discussed later in this chapter, determining if the applicant will fit into the organizational culture is a challenge for both the organization and the job applicant. Applicants are more likely to accept positions in organizations that share their values, beliefs, and work style. Implicitly or explicitly, organizations engage in a signaling process, in which they communicate their values to the public. This process of communicating values can and should occur early in the process of employee selection, and certainly at the time of a job interview. At this time, the hiring manager can emphasize what is important to the organization, convey how it goes about its work, and provide the applicant an opportunity to withdraw if the applicant does not find the corporate culture appealing (Lukens 2014). Signals are also included in the recruitment messages that the organization sends to potential job applicants. Typically, recruitment messages convey information about the organization’s mission and values, as well as the nature of the work environment. In the case of nurse recruitment, Magnet hospital designations by the American Nurses Credentialing Center receive prominence in recruitment materials. Consider this extract from the nurse recruitment message for the Cleveland Clinic, which highlights the organization’s clinical leadership, support for nurses, and personal and professional development activities for nurses:

As a large research and teaching hospital, we offer nurses opportunities to work on the cutting edge of nursing care, using state-of-the-art technology and new treatment options, and having at hand a broad spectrum of support to affect nursing practice and improve patient care. Cleveland Clinic strives to provide unique benefits and opportunities for our nurses both in and out of the workplace. (Cleveland Clinic 2014b)

Similarly, the Mayo Clinic’s recruitment message includes statements about its commitment to patient-centered care and high level of professionalism:
Working at Mayo Clinic is making a difference. It’s providing the highest quality patient care by placing the needs of patients first. At Mayo Clinic, you’ll discover a culture of teamwork, professionalism and mutual respect—and most importantly, a life-changing career. (Mayo Clinic 2014a)

The Mayo Clinic also highlights its status, earned continuously for 14 consecutive years, of being listed among *Fortune* magazine’s 100 Best Companies to Work For. In its statement, the chief executive officer provides an empowering message to its current employees, assigning credit to its employees for the “Best Company” designation:

We congratulate our employees for earning Mayo Clinic this distinction. . . . Their bright minds and passionate service give Mayo Clinic its world reputation as a place of hope and solutions for patients. We have 60,000 individuals who link arms with one another to support our patients and their families. (Mayo Clinic 2014b)

In its effort to attract new nurse graduates, Kaiser Permanente promotes its New Grad Program, which is designed to “ease the transition of a new graduate RN into professional practice” through skills development (Kaiser Permanente 2014). Similarly, Johns Hopkins Medicine appeals to job applicants by describing the diversity of its workforce and work settings:

Our patients come from all over the country. And so do our staff. They come to be part of the most professional, diverse and reputable health care teams. They come to work beside the unequaled talent of Johns Hopkins physicians, nurses and staff. And they come for the benefits and unlimited opportunities for personal and professional growth. From community settings to an academic medical center, and from the city to the suburbs, Johns Hopkins Medicine is defined by our family of diverse work environments. (Johns Hopkins Medicine 2014)

Healthcare organizations vary in their ability to attract and retain a talented workforce, and rural hospitals face particularly challenging obstacles (Brimmer 2012), requiring targeted recruitment efforts (Punke 2013). To attract physicians, rural hospitals may have to offer very attractive compensation and benefits packages, and may rely on such programs as the National Health Service Corps to meet physician staffing needs. In other instances, hospitals increase their use of midlevel providers, such as nurse practitioners and physician assistants. Other approaches to physician recruitment include loan repayment programs, which usually include an obligation to work in an underserved rural community for a specified period, and physician shares, which may involve joint contracts with physicians between hospitals (Kutscher 2013).
Exhibit 7.1 illustrates how different job applicants may assess the relative importance of job features. Although the depiction in the exhibit 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 elements 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 lower half of the exhibit shows summaries of three potential jobs. Assessing how each of these three hypothetical job applicants would evaluate each job should not be difficult. Person 1, for example, would be unlikely to be interested in the research assistant position, largely because it seems to lack promotional opportunities.

**The Recruitment Process**

The foundation of a recruitment process is the organization’s HR plan. An HR plan includes specific information about the organization’s strategies, the types of individuals required by the organization, 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 job requirements and its relationship with other positions within and, at times, external to the organization. The recruitment process should begin with a job analysis, which addresses questions of job tasks, knowledge, skills, and abilities, and development of specific qualifications required of applicants (see Chapter 6 for discussion of job design).

The early stages of the recruitment process involve an examination of the external environment, particularly the supply of potential job applicants and the relative competitiveness of the position. This analysis should also examine compensation and benefits given to individuals who hold similar jobs in the organization as well as in competing organizations. With any position, organizations are concerned with being externally competitive, that is, being able to compete successfully for job applicants, while also ensuring that salaries are internally equitable. Another helpful approach is to evaluate external recruitment sources, such as colleges, competing organizations, and professional associations, to determine which of them proved to be successful recruitment sources in the past. Other aspects to consider in this assessment
EXHIBIT 7.1
Preferences Among Three Hypothetical Job Applicants

<table>
<thead>
<tr>
<th>Job Applicant</th>
<th>Minimum Standards for Job Acceptance</th>
<th>Three Potential Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Person 1:</strong> 23 years old, single</td>
<td>Pay: At least $50,000 &lt;br&gt; <strong>Benefits:</strong>&lt;br&gt; Health insurance: Essential&lt;br&gt; Dental insurance: Important&lt;br&gt; Paid vacation: Essential&lt;br&gt; Disability and life insurance: Of minor importance&lt;br&gt; 401(k)/Roth 401(k): Somewhat important&lt;br&gt; Personal and sick time: Important&lt;br&gt; <strong>Advancement opportunities:</strong> Very important&lt;br&gt; <strong>Travel restrictions:</strong> None</td>
<td>Insurance company provider relations coordinator&lt;br&gt; Pay: $50,000&lt;br&gt; <strong>Benefits:</strong> Health insurance, dental insurance, paid vacation, disability and life insurance, 401(k)/Roth 401(k), personal and sick time&lt;br&gt; <strong>Advancement opportunities:</strong> Recruitment done internally and externally&lt;br&gt; <strong>Travel requirements:</strong> Average 25 percent travel</td>
</tr>
<tr>
<td><strong>Person 2:</strong> Sole wage earner, married with plans to raise a family</td>
<td>Pay: At least $50,000 &lt;br&gt; <strong>Benefits:</strong>&lt;br&gt; Health insurance: Family coverage essential&lt;br&gt; Dental insurance: Important&lt;br&gt; Paid vacation: Essential&lt;br&gt; Disability and life insurance: Highly important&lt;br&gt; 401(k)/Roth 401(k): Somewhat important&lt;br&gt; Personal and sick time: Important&lt;br&gt; <strong>Advancement opportunities:</strong> Very important&lt;br&gt; <strong>Travel restrictions:</strong> None</td>
<td>Healthcare consultant&lt;br&gt; Pay: $60,000&lt;br&gt; <strong>Benefits:</strong> Health insurance, dental insurance, paid vacation, disability and life insurance, personal and sick time&lt;br&gt; <strong>Advancement opportunities:</strong> Strong history of promotions within one year&lt;br&gt; <strong>Travel requirements:</strong> Average 50 percent travel</td>
</tr>
<tr>
<td><strong>Person 3:</strong> Spouse of high-wage earner; family of five</td>
<td>Pay: At least $45,000 &lt;br&gt; <strong>Benefits:</strong>&lt;br&gt; Health insurance: Not important&lt;br&gt; Dental insurance: Not important&lt;br&gt; Paid vacation: Not essential&lt;br&gt; Disability and life insurance: Somewhat important&lt;br&gt; 401(k)/Roth 401(k): Important&lt;br&gt; Personal and sick time: Very important&lt;br&gt; <strong>Advancement opportunities:</strong> Relatively unimportant&lt;br&gt; <strong>Travel restrictions:</strong> Cannot travel more than one week per year</td>
<td>Research assistant in academic medical center&lt;br&gt; Pay: $42,000&lt;br&gt; <strong>Benefits:</strong> Health insurance, paid vacation, 401(k)/Roth 401(k), personal and sick time&lt;br&gt; <strong>Advancement opportunities:</strong> Generally hires externally for higher-level positions&lt;br&gt; <strong>Travel requirements:</strong> Little or none</td>
</tr>
</tbody>
</table>
are the logistics and timing of a recruitment effort; for some positions, seasonal factors play a role in the recruitment process, such as graduation dates from nursing school.

The process should then review past recruitment efforts for the position and similar ones: Will this job require an international, national, or regional 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 organization’s HRIS varies, many such systems include some or all of the information described in Exhibit 7.2. 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 optimally should also include data on applicants who were not hired. A well-managed database broadens the pool of possible applicants from which to draw.

An initial question in the recruitment process is applicant sourcing, or specifying where qualified job applicants are located. As the Internet and social media have emerged, recruitment has undergone massive changes. Recruitment has transitioned from the traditional print classified advertisements to the Internet and, most recently, to mobile devices. In addition to individual companies’ use of the Internet for recruitment, the use of job search websites continues to grow. Exhibit 7.3 reports the most popular job search engines. Some websites are general in scope, while others market to a particular industry or job category. Idealist, for example, specializes in nonprofit, volunteer, and internship opportunities. Functionality also varies.

<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>Applicant tracking</td>
<td>Provides a method to automate many labor-intensive aspects of recruitment</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>

EXHIBIT 7.2
Human Resources Information System Recruitment Data
among websites and may include resume storage, RSS feeds, and employee-generated content on companies. TweetMyJobs communicates the best job matches to users through social media such as Twitter. Many search engines specialize in healthcare jobs, such as JobsInHealthcare.com and HealthECareers.

The use of technology has extended to the use of mobile devices for recruitment. Mobile devices enable job seekers to conveniently apply for employment from any location, often speeding up the recruitment process. Because this transition requires optimizing websites for mobile devices, organizations have been somewhat slow to adapt to the use of mobile devices as a recruitment tool; however, this transition in recruitment is unmistakable. A survey conducted by TheLadders, a job search site, found that “57 percent of customers wouldn’t recommend businesses with poorly designed mobile sites and 40 percent have gone to a competitor’s site after a bad mobile experience with a company’s site” (Onley 2014). Numerous publications provide guidance to job seekers on the use of social media (see, e.g., Hellmann 2014 and Waldman 2013). Interestingly, one proponent of using social media for job searches recommends that a job hunt should consist of 80 percent personal networking, 10 percent talking to headhunters, and only 10 percent using online search engines (Griffith and Bergen 2014).

### EXHIBIT 7.3
Most Common Job Search Engines

<table>
<thead>
<tr>
<th>Website</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indeed</td>
<td><a href="http://www.indeed.com">www.indeed.com</a></td>
</tr>
<tr>
<td>CareerBuilder</td>
<td><a href="http://www.careerbuilder.com">www.careerbuilder.com</a></td>
</tr>
<tr>
<td>Monster</td>
<td><a href="http://www.monster.com">www.monster.com</a></td>
</tr>
<tr>
<td>Craigslist</td>
<td><a href="http://www.craigslist.org">www.craigslist.org</a></td>
</tr>
<tr>
<td>LinkedIn</td>
<td><a href="http://www.linkedin.com">www.linkedin.com</a></td>
</tr>
<tr>
<td>Simply Hired</td>
<td><a href="http://www.simplyhired.com">www.simplyhired.com</a></td>
</tr>
<tr>
<td>Glassdoor</td>
<td><a href="http://www.glassdoor.com">www.glassdoor.com</a></td>
</tr>
<tr>
<td>Mediabistro</td>
<td><a href="http://www.mediabistro.com">www.mediabistro.com</a></td>
</tr>
<tr>
<td>Dice</td>
<td><a href="http://www.dice.com">www.dice.com</a></td>
</tr>
<tr>
<td>Internships.com</td>
<td><a href="http://www.internships.com">www.internships.com</a></td>
</tr>
<tr>
<td>TweetMyJobs</td>
<td><a href="http://www.tweetmyjobs.com">www.tweetmyjobs.com</a></td>
</tr>
<tr>
<td>Idealist</td>
<td><a href="http://www.idealista.org">www.idealista.org</a></td>
</tr>
</tbody>
</table>

*Source: Adapted from Griffith and Bergen (2014).*
Just as new technologies are used by job seekers, online technologies are used by employers to evaluate job applicants. This use of technology may take the form of resume scanning and online employment assessments by employers (Frauenheim 2011). These assessments may be company-specific or use externally developed tools. Virtual assessments have been developed by such companies as Starbucks, Sherwin Williams, and several banking institutions. Through an online simulation, Virtual Job Tryout evaluates applicants’ cultural and team fit, and may also be used to assess job-specific skills. This simulation also provides applicants with a realistic preview of a job so that the prospective employee can assess fit with the organization (Zielinski 2011). New technologies not only identify potential job applicants but also provide information on their suitability for the job (Richtel 2013).

A fundamental question in recruitment is whether to recruit internally through promotions or transfers, or to seek candidates from outside the organization. Organizations may have preferences for internal or external hiring but tend to use a combination of strategies depending on the specific circumstances. Each strategy has merit and potential risks.

Exhibit 7.4 summarizes 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 is aware of their expectations. Internal candidates also tend to be well acquainted with specific organizational processes and procedures and may not require as much socialization and start-up time. Internal recruitment may also be used as a motivator, morale builder, and retention strategy because of the opportunities provided for upward mobility in the organization.

Recruiting from within may encourage highly valued and productive employees to stay with the organization. A study of employees in the banking industry systematically examined the performance of internal versus external hires. The study found that internally promoted workers exhibited significantly higher levels of performance for the first two years than those hired from outside the organization. Internal recruits also had lower rates of voluntary and involuntary turnover. Interestingly, external hires were found to be paid about 18 percent more than internal recruits, and workers who were promoted and transferred simultaneously exhibited lower levels of performance than those promoted from within (Bidwell 2011).

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
This phenomenon 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 the areas requiring remediation. Companies such as Microsoft and GlaxoSmithKline avoided the Peter Principle in
their selection of CEOs through intensive scrutiny and testing of eventually successful internal hires (Carey and Useem 2014). 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 using applicant sources outside the organization, often through the Internet and social media, but also including job fairs and educational institutions, such as high schools, vocational schools, community colleges, and universities. For some jobs (and in some labor markets), nontraditional candidates including prisoners, senior citizens, and workers from abroad may be employed (Waldo 2012). 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 settle for an internal candidate who may be acquainted with 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 advantage is often a rationale for selecting a CEO 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 practice is increasingly common in nursing, where traveling or agency nurses may apply or be recruited for a full-time position. As a general rule, it is advantageous to obtain as many qualified job applicants as possible. From the organization’s perspective, having a large number of applicants permits choice and sometimes may even stimulate a rethinking of the content of the job. For example, an applicant may be found to have 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. Designing recruitment efforts in such a way that they yield applicants who have at least the minimum qualifications is advisable. Processing a large number of unqualified applicants can be expensive as well as a waste of time for both the organization and applicants. As noted earlier, many organizations have automated the screening process through resume-scanning programs.

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. Yield ratios tend to be higher with employee-referred applicants than others. They have also been found to yield employees who stay longer with the organization and exhibit higher levels of loyalty and job satisfaction than do employees recruited through other mechanisms (Schwartz 2013). Evidence also indicates that employees who make referrals are more productive than other employees and are less likely to quit after making a referral (Burks et al. 2013). Interestingly, other evidence suggests that employees recruited through employee referral may have a mistaken perception of the organization, and join the organization with erroneous expectations (Hsieh and Chen 2011). 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. 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.

Former employees may be a fruitful source of applicants. Employees who have left under good conditions—that is, as a result of other employment opportunities, organizational downsizing and restructuring, relocation, or other 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 sufficiently positive to attract them back to the organization.

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:

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

**Recruitment Messages and Realistic Job Previews**

The *recruitment message* is considered to be an important aspect of both recruiting applicants and filling job openings. Researchers have found that applicants frequently lack information about a position they are considering, and this lack of information makes them less likely to accept a position (Barber and Roehling 1993). Allen, Mahto, and Otondo (2007) found that providing additional information about a job was linked to position attractiveness and that more information increased the credibility of the information. Of particular interest is the view, supported by research, that providing realistic information about a job results in applicants’ obtaining clearer and more realistic information about the job (Breaugh 2010).

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, lower turnover overall, and higher ratings of role clarity and organizational honesty (Breaugh 2013; Earnest, Allen, and Landis 2011; Phillips 1998). A realistic job preview can be presented in a number of ways: verbally, in writing, or through the media. 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 depends on the existence of reliable and comprehensive data on applicants, a well-functioning HRIS, the quality of applicants, the applicants’ disposition, and recruitment costs. Numerous metrics may be used to evaluate the effectiveness and efficiency of recruitment and selection processes, as well as the usefulness of specific recruitment strategies and sources. Exhibit 7.5 illustrates the variety of measures that may be used to evaluate the recruitment process. Again, a good HRIS and cost-accounting system can help the organization establish the costs associated with recruitment and selection.
<table>
<thead>
<tr>
<th>Type of Cost</th>
<th>Expenses</th>
</tr>
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</table>
| Cost per hire   | • Advertising, agency fees, employee referral bonuses, recruitment fairs and travel, and sign-on bonuses  
|                 | • 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  
|                 | • Processing costs: opening a new file, medical examination, drug screening, and credential checking  
|                 | • Travel and lodging for applicants, relocation costs  
|                 | • Orientation and training                                               |
| Application rate| • Ratio-referral factor: number of candidates to number of openings  
|                 | • Applicants per posting  
|                 | • Qualified applicants per posting  
|                 | • Number of internal candidates per posting; number of qualified internal candidates per posting  
|                 | • Number of external candidates per posting; number of qualified external candidates per posting  
|                 | • Yield ratio: the number of applicants at one stage of the recruitment process compared with the number of applicants at the subsequent stage |
| Diversity       | • Diversity hire ratio: percentage of employees hired who self-identify as coming from a diversity group (overall and per job posting)  
|                 | • Female hire ratio: percentage of externally hired employees who are female |
| Hiring          | • Time between job requisition and first interview  
|                 | • External hire rate: people hired externally as a percentage of head count  
|                 | • Internal hire rate: people hired internally as a percentage of head count  
|                 | • Time to hire: time between job requisition and offer  
|                 | • Time to start: the number of calendar days from the date of a requisition to the start date of the newly hired employee (may be calculated for internal and external hires)  
|                 | • Offer acceptance rate: number of offers accepted as a percentage of all new hire offers extended (may also be calculated separately for internal and external hires, and by recruitment source)  
|                 | • Time between job offer and offer acceptance |

(continued)
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 because 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.

**International Recruitment**

A topic of great interest is that of recruiting health professionals from other countries to address health workforce shortages in the United States. In an increasingly interconnected world, the movement of people and information across international borders has become a phenomenon that is often taken for granted. As skilled healthcare providers, physicians and nurses have had opportunities to seek employment internationally for several decades, and foreign-trained professionals are important parts of the healthcare systems in many countries. In the United States alone, about 26 percent of practicing physicians are graduates of non-US medical schools (American Medical Association 2013) and about 4 percent of nurses were educated overseas (Aiken et al. 2004; Cooper and Aiken 2006). This percentage is substantially higher in such states as California and New York, where about 20 percent or more of employed nurses are foreign educated. Since 2008, the economic recession has led to a decline in foreign-educated nurses (Pittman et al. 2014).

The implications of international migration of physicians and nurses are complex and have become a source of increasing debate. While physicians and nurses who migrate to other countries can benefit from better working conditions or salaries in their destinations, their movement can exacerbate inequalities in the worldwide distribution of healthcare workers. These developing countries not only lose their investments in education and training, income tax revenue, and potential for national growth, but they also see adverse health effects on their populations. In nations where healthcare workforce shortages are already severe, the need to replace healthcare professionals who have left for other countries only further depletes the health system’s resources—funds that normally go toward health system strengthening. In addition, the lack of highly skilled care providers prevents these countries from meeting their own needs for healthcare innovation and problem solving. These factors exacerbate the existing inequalities in healthcare between high- and low-income countries.

Recruitment of workers from abroad has important ethical implications, which have been addressed by international organizations and specific countries.
The World Health Organization (WHO 2010) established the Global Code of Practice, which is largely voluntary. Other countries, such as the United Kingdom, have established similar policies that are also mostly voluntary in nature (NHS Employers 2014). Interestingly, a study of 42 key informants in Australia, Canada, the United Kingdom, and the United States reported that 93 percent of respondents indicated that no specific changes were made in their work as a result of the WHO Global Code of Practice, and 60 percent indicated that their colleagues were unaware of the code (Edge and Hoffman 2013).

The movement of international medical and nursing graduates into the US healthcare system raises several important issues for managers and leaders. In particular, managers must be aware of issues of ethical recruitment, regulation (visas), credentialing, and adaptation for foreign-trained physicians and nurses. Careful consideration of all of these areas is necessary to facilitate the successful recruitment and incorporation of foreign-trained healthcare professionals into the US healthcare system and to minimize the migration’s negative effects on sending countries.

**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 potential hires, 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 as well as 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 2011). In selection, an applicant’s knowledge, skills, and abilities are carefully analyzed, as well as attitudes and other relevant factors. Ideally, the applicant who scores highest on the specified selection criteria is then extended an employment offer. Not infrequently, however, offers are made with little or no systematic collection and analysis of job-related information. A common example is the hiring of 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 time, or when a labor shortage exists in a particular area, an organization may simply hire
whoever is available, assuming the individual possesses the minimum level of qualifications. This occurrence is frequent in the staffing of 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 qualifications for the job. In 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 will fit in with the values and culture of the organization. Person–organization *value congruence* is perhaps the overriding principle of person–organization fit (Hoffman et al. 2011).

Weyland (2011) notes that organizational fit involves more than simply the values of the organization. It actually includes how work is done in the organization, how people are treated, what behaviors are rewarded, and whether the culture is characterized by competition or cooperation. Research suggests that applicants conduct their own assessments of person-organization fit, and these perceptions are likely to change throughout the recruitment process and affect job choice decisions (Swider, Zimmerman, and Barrick 2014). This finding 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 to assess fit are far from perfect and are largely untested. Arthur and colleagues (2006) state that if person–organization fit is used as a selection criterion, then measures must be held to the same psychometric and legal standards that apply to 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 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 positions that are difficult to fill, whoever meets the minimum qualifications may need to be hired. Known to some sardonically as the “warm body” approach, this situation was defined by Rosse and Levin (2003, 9) 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 importance of job fit versus organizational fit depends on the nature of the job and work environment. No fixed rule can be used for deciding on the appropriate balance between the two types of fit, but this balance should be discussed explicitly among hiring decision makers. Both person–job and person–organization fit have great importance in 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 be made for the importance of person–organization fit.

Among the most well-known approaches to measuring 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 for use in parallel with measures that assess technical job competency and person–job fit. The use of fit as a selection criterion has potential legal implications and concerns for diversity. If we exclude people who are not “like us,” does this action reflect a closed culture in which hiring managers are interested only in people from a very narrow segment of society?

Perhaps the flip side of hiring for fit is the practice of “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, 9). Organizations and jobs change, and so do job requirements. Thus, selection methods need to be current and consistent with the demands of the job. Managers must question “tried and true” selection methods to determine if they are in fact useful and helpful, and these methods deserve serious discussion by those involved in and affected by hiring decisions.
Through such processes as targeted selection and behavioral interviews, successful selection based on person–organization fit can be 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 “person must be qualified to do the job, but they also require the right personality” (Greengard 2003, 56). 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 candidates is not often clear, and simultaneous pursuit of both internal and external candidates is not unusual. At the University of North Carolina (UNC) at Chapel Hill, UNC Hospitals use the Targeted Selection (Development Dimensions International 2014) approach, in which all employees are assessed on core values and attitudes specific to the organization.

**Job Requirements and Selection Tools**

The primary goal of selection is to identify among a group of applicants the person to whom a job offer should be made. On what basis should such a decision be made? A variety of selection tools can be used to evaluate each applicant’s knowledge, skills, and abilities. Selection tools refer to any procedures or systems used to obtain job-related information about job applicants. Selection tools include the job application form, standardized tests, personal interviews, simulations, references, and any other mechanism that yields valid information about job applicants (see Exhibit 7.6). However, having a clear understanding of job requirements should precede the choice of selection tools. While this statement may seem obvious, not uncommonly a selection process moves forward without adequate information about job requirements and necessary competencies.

Selection tools should evaluate the full range of job requirements, including the more intangible requirements of the job, such as interpersonal skills, attitude, judgment, values, fit, ability to work in teams, and management abilities. Without an in-depth understanding of the job, the organization runs the risk of hiring someone who is a poor fit for the job, the organization, or both. As the organization moves into the hiring process, conducting a job analysis is therefore advisable. In particular, the job needs to be analyzed with respect to its current and future content and requirements. Jobs change, and using the content of the job from three years ago can easily overlook some of the most critical aspects of the job. 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 more formalized critical incident analysis may also be used for discovering the hidden or less formal aspects of a job. A critical incident analysis is designed to generate a list of good and poor examples of job performance by current or potential jobholders. Once these examples of behaviors are collected, they are grouped into job dimensions. Evaluative measures are then developed for each of these job dimensions. The critical incident 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 range of perspectives is, in fact, 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. Note that critical incidents may also be used as a form of performance appraisal, whereby the supervisor maintains a list of employee incidents illustrative of excellent and less than optimal behavior. 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.

Exhibit 7.7 provides examples of critical incidents associated with four different jobs, including the job dimensions related to each incident. 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 incident analysis provide a solid foundation for selection, but it also provides protection against charges of unfair hiring practices as it specifically identifies how key job requirements are related to job performance.

**Reliability and Validity of Selection Tools**

Not all selection tools are equal in their ability to predict job performance. Ideally, 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
### JOB CRITICAL INCIDENT JOB DIMENSIONS

<table>
<thead>
<tr>
<th>Job</th>
<th>Critical Incident</th>
<th>Job Dimensions</th>
</tr>
</thead>
</table>
| Staff physician, rural hospital  | - In an administrative staff meeting to review plans for the coming year, this individual exhibited strongly condescending and rude behaviors toward other team members.  
- The physician effectively communicated with a non-English-speaking immigrant family with no interpreter available. | - Ability to work in teams  
- Respect for other professionals  
- Communication skills  
- Resourcefulness |
| Nurse, emergency department      | - 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.  
- When an upset spouse of a family member with a nonurgent condition became angry and potentially violent, the nurse effectively defused the individual's anger while maintaining normal triage procedures in the emergency department. | - Creativity and resourcefulness  
- Leadership  
- Community relations  
- Negotiation skills  
- Conflict resolution  
- Crisis management |
| Medical director, local public health department | - The local media reported an outbreak of salmonella that resulted in the hospitalization of one child with this serious condition. The outbreak was traced to a fast-food restaurant that was inspected by health department personnel less than one week before the incident. The health department was blamed for not preventing the outbreak. This medical director conducted a thorough internal investigation and found that this outbreak 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. | - Ability to work effectively under crisis conditions  
- Strong interpersonal skills  
- Effective crisis manager  
- Strong communication and media skills  
- Strong sense of public accountability |
| Medical director, community hospital | - At an open community meeting, the medical director succeeded in defusing anger among community members resulting from the closing of a hospital service line.  
- On numerous occasions, the medical director successfully engaged other professionals in quality improvement activities. | - Conflict management  
- Community relations  
- Leadership  
- Multidisciplinary orientation  
- Understanding of quality improvement philosophy |
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). Exhibit 7.8 provides an overview of the relative reliability of the measurement of different human attributes.

In contrast, validity refers to the relationship between a selection instrument and job criteria. In essence, validity addresses the question of whether a selection instrument measures something that is related to job performance. That is, validation of a selection test addresses the question of whether individuals who receive high scores on a selection test will perform well on the job (Farr and Tippins 2010). Content validity is the extent to which a selection tool representatively samples the content of the job for which the measure will be used. According to this strategy, a selection tool that includes a sufficient amount of actual job-related content is

<table>
<thead>
<tr>
<th>Level of Reliability</th>
<th>Human Attributes</th>
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<tbody>
<tr>
<td>High</td>
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</tr>
<tr>
<td>Personal</td>
<td>Height</td>
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<tr>
<td></td>
<td>Weight</td>
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<td></td>
<td>Vision</td>
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<td></td>
<td>Hearing</td>
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<tr>
<td>Medium</td>
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<tr>
<td>Attitudes and Skills</td>
<td>Dexterity</td>
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<td></td>
<td>Mathematical skills</td>
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<td>Verbal ability</td>
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<td>Intelligence</td>
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<td>Clerical skills</td>
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<td></td>
<td>Mechanical skills</td>
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<td>Medium to low</td>
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<td>Interests</td>
<td>Economic</td>
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<tr>
<td></td>
<td>Scientific</td>
</tr>
<tr>
<td></td>
<td>Mechanical</td>
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<tr>
<td></td>
<td>Cultural</td>
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<tr>
<td>Low</td>
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<td>Personality</td>
<td>Sociability</td>
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<td>Dominance</td>
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<td></td>
<td>Cooperativeness</td>
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<td></td>
<td>Tolerance</td>
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Sources: Adapted from Albright, Glennon, and Smith (1963); Gatewood, Feld, and Barrick (2011).
considered valid. Expert judgment, rather than statistical analysis, is typically used to assess content validity. One may look at content validity in designing a knowledge-based selection tool for laboratory technicians. A test that requires applicants to describe procedures associated with the most common laboratory tests is likely to be judged to have content validity.

More specifically, **construct validity** refers to the degree to which a selection tool actually measures the construct it intends to measure; this concept ultimately determines the conclusions that can be legitimately drawn from the tool’s use. For example, most organizations are concerned with the integrity of their employees, defined as employees’ honesty, dependability, trustworthiness, and reliability. If an organization administers an integrity test to job applicants, how certain can the organization be that the test actually measures the construct of integrity? A criticism of this type of test is that applicants may fake their responses, that is, respond in a way that creates the desired impression. Construct validity is commonly equated with criterion-related validity. **Criterion-related validity** is the extent to which a selection tool is associated with or predicts actual job performance. Criterion-related validity can be demonstrated through two strategies. The first of these strategies, **concurrent validity**, involves administering a selection tool to a group of current employees. These employees’ scores are then correlated with actual job performance. For the selection tool to demonstrate concurrent validity, a strong correlation must exist between the score on the selection tool and the actual job performance.

An alternative and more complex approach to assessing a selection tool’s criterion-related validity is by assessing a tool’s **predictive validity**. Here, the selection tool is administered to a group of job applicants but is not used as a means of selection. 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 the actual job performance of those selected for the job. The two sets of scores—those from the selection tool being validated and scores derived from employee’s actual performance measures—are correlated and examined for possible relationships. A strong correlation between performance on the selection tool and future job performance would provide evidence that the selection tool is valid.

Unfortunately, many 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 suggestions are offered on how they can be improved.

**Reference Checks**
Organizations typically perform background checks on prospective employees, which may include verifying educational credentials, assessing legal status...
to work in the United States, checking credit references, reviewing criminal records, and performing online searches. Employers face many restrictions on background checks, many on a state level. For example, several states restrict the use of credit histories in hiring decisions, while other states prohibit private employers from asking applicants about their criminal records on written applications (Roberts 2011).

To avoid negligent hiring, checking references from former employers is a potentially useful tool. However, many organizations refuse to provide information about former employees for fear of defamation lawsuits. A study conducted by the Society for Human Resource Management found that while 98 percent of respondents indicated that their organizations verify dates of employment for current or former employees, 68 percent would not discuss work performance, 82 percent would not discuss character or personality issues, and 8 percent would not disclose a disciplinary action (Meinert 2011). This finding certainly limits the usefulness of reference checks beyond verifying past employment. The Equal Employment Opportunity Commission (2014) has established guidelines for employer background checks that address a variety of issues, including the need to obtain an applicant’s written permission to conduct a background check and the importance of applying the same standards to all applicants.

Adding to the difficulty in using information from references is the lack of data on the reliability of using reference checks to gauge performance in previous jobs. In studies that have been conducted, researchers have sought to determine the level of agreement (interrater reliability) between different individuals who provide a reference for the same applicant. Reliability estimates are typically poor, at a level of 0.40 or less. This finding may be explained by a number of factors, including the reluctance of many referees to provide negative feedback and the real possibility that different raters may be evaluating different aspects of job performance. Studies of the validity of reference checks have found that this tool has moderate predictive validity (Hunter and Hunter 1984; Meinert 2011). Several explanations have been suggested for the poor predictive 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 2011):

- 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.

Exhibit 7.9 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,

1. Ask for and obtain only job-related information.
2. As the conversation proceeds, describe the job under consideration and the relationship the reference had with the applicant.
3. Do not ask for information in an application or personal interview that may be deemed illegal.
4. Applicants should provide written permission to contact references.
5. Individuals who check references should be trained in interviewing techniques, including methods of probing and accurately recording reference information.
6. Reference information should be recorded in writing immediately after the interview.
7. Use the reference-checking process to confirm information provided by the application and to identify gaps in the employment record.
8. Be aware of the possibility that the individual who provides a reference could be trying to damage a prospective employee by giving a negative reference.
9. Use the references provided by the applicant as a source of additional references or information.
10. While asking about an applicant’s attendance record is permissible, avoid questions dealing with the employee’s medical or disability status, use of sick leave or medical leave, or workers’ compensation issues. Similarly, avoid questions related to the individual’s home life and family.
and may be at least partially illegal. They are frequently not reliable because questions vary 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. Strong evidence also suggests that some people are capable of, and often engage in, “faking” of answers such that they appear more appealing to the organization, and that individuals with particular personality profiles are more likely to engage in this behavior (O’Neill et al. 2013). While differentiating between honest and faking interviewees can be difficult, the less transparent the interview format, that is, the less apparent the socially desired response, the better the chance of identifying the right person for the job.

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 provided to applicants in advance and may bear little relationship with the candidate’s performance in the future. This format may be seen as unfair because candidates are not given the opportunity to prepare answers that would showcase their knowledge, skills, and abilities. On the other hand, not providing questions in advance may reduce the opportunity for applicants to game the system by preparing socially desirable responses. Second, interview 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 lack of standardization 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 decision, 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, 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 in 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 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 information about the job applicant.

2. Create a respectful physical environment for the interview.

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 more ethical methods can be used to assess an applicant’s ability to handle stress. Furthermore, a purposely stressful interview may reflect poorly on the organization.

5. Do not come to premature conclusions (positive or negative) about the applicant. This guideline 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 the interview 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 Exhibit 7.10).

11. Explain the selection process that comes after the interview.

12. Evaluate the applicant as soon as possible after the interview. This evaluation includes engaging with other interviewers who may be interviewing the same applicant.

### EXHIBIT 7.10
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)

(continued)
Parental Status and Family Responsibilities

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<td>• How many kids do you have?</td>
<td>• Would you be willing to relocate if necessary?</td>
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<tr>
<td>• Do you plan to have children?</td>
<td>• Travel is an important part of this job. Would you be willing to travel as needed by the job?</td>
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<td>• What are your child care arrangements?</td>
<td>• This job requires overtime occasionally. Would you be able and willing to work overtime as necessary?</td>
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<tr>
<td>• Are you pregnant?</td>
<td>• After hiring, inquire about dependent information for tax and insurance forms purposes.</td>
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Age

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<td>• How old are you?</td>
<td>• 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.</td>
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<tr>
<td>• What year were you born?</td>
<td>• When did you graduate from high school and college?</td>
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<td>• When did you graduate from high school and college?</td>
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National Origin

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<td>• Where were you born?</td>
<td>• Are you authorized to work in the United States?</td>
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<td>• Where are your parents from?</td>
<td>• May we verify that you are a legal US resident, or may we have a copy of your work visa status?</td>
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<td>• What is your heritage?</td>
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<td>• What is your native tongue?</td>
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<td>• What languages do you read, speak, or write fluently? (acceptable if this is relevant to the job)</td>
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Race or Skin Color

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<td>• What is your racial background?</td>
<td>• This organization is an equal opportunity employer. Race is required information only for affirmative-action programs.</td>
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<td>• Are you a member of a minority group?</td>
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EXHIBIT 7.10
Inappropriate and Appropriate Job Interview Questions
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| **EXHIBIT 7.10**
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<td><strong>Religion or Creed</strong></td>
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| 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 (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 their age, gender, or other characteristic for which it is illegal to discriminate.
Applications and Resumes
Application forms and resumes usually contain useful information about job applicants. The major drawback of 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.

Ability and Aptitude Tests
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 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.

Assessment Centers
The use of assessment centers is a highly sophisticated and multidimensional method of evaluating applicants. The term assessment centers may refer to the physical locations where testing is done, but it 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 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, interest measures, work-task simulations, in-basket exercises, interviews, and situational exercises. Evidence indicates that positive statistical relationships exist between assessment center scores and job performance (Jackson, Stillman, and Englert 2010; Lehman et al. 2011).

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, the expansion of health insurance coverage to tens of millions of previously uninsured individuals via the enactment of healthcare reform, declining labor productivity in the healthcare sector, and advances in technology (Carnevale et al. 2012).

An example of the high demand for healthcare workers can be seen in the projected growth of the nursing workforce. According to the Bureau of Labor Statistics (2013), the number of employed registered nurses will grow from 2.71 million nurses in 2012 to an expected 3.24 million nurses in 2022, an increase of more than 19 percent. These projections also explain the need for an additional 525,800 nurses to replace nurses leaving the workforce, bringing the total number of job openings for nurses due to growth and replacement to more than 1.05 million by 2022. Even though the stability and supply of the nursing workforce is heavily influenced by the aging of registered nurses, the surge of younger nurses entering the profession, and the uncertainty of the lingering effect of the expansion of the nursing workforce that took place during the 18-month recession that began in December 2007, the growth in demand for nurses will continue to outpace the supply (Auerbach, Buerhaus, and Staiger 2011; Auerbach et al. 2013). Although estimates of the future nurse shortage vary, one analysis estimates a shortfall of about 260,000 nurses by the year 2025 (American Association of Colleges of Nursing 2014).

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. This section explains the concern with turnover, enumerates the costs associated with turnover, discusses the factors that contribute to turnover, and explores the methods proven to improve retention. Although the nursing shortage is used as a basis to explore the issues of turnover and retention, shortages are also present in other healthcare professions, such as among radiologic technicians, primary care physicians, and pharmacists. The lessons in the discussion of the nursing shortage 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, they miss critical trends that are happening within their systems. 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), or the number of times on average
that employees must be replaced during a year. A retention rate, on the other hand, is the percentage of employees who are employed at the beginning of a period and who remain with the organization at the end of the period (Society for Human Resource Management 2012a). 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 14.7 percent, with substantially higher percentages for particular professional groups. At any one time, the national nurse vacancy rate ranges from 5 percent to 23 percent, with about 27 percent of US hospitals experiencing a vacancy rate of 17 percent or more. About 43 percent of hospitals report having difficulties filling vacancies (Nursing Solutions Inc. 2014). Generally, registered nurse turnover in hospitals ranges between 4.3 percent and 31 percent, with a national average of 15.1 percent (Nursing Solutions Inc. 2014). Nursing homes face an even bleaker situation, with 90 percent of nursing homes lacking sufficient nursing staff to provide even basic care (American Health Care Association 2014). A 2012 study found that the turnover rate in nursing homes for direct care staff (registered nurses, licensed practical nurses, and certified nursing assistants) was a staggering 50 percent (American Health Care Association 2014).

Nurse dissatisfaction has been cited as a key reason for turnover and even departure from the profession. In a study of nurse satisfaction and burnout, 24 percent of hospital nurses providing direct patient care and 27 percent of nursing home nurses reported dissatisfaction in their current job, while 34 percent of hospital nurses and 37 percent of nursing home nurses reported feeling burned out in their current job (McHugh et al. 2011). These findings are consistent with an earlier worldwide study of nurses, which found that the United States had the highest rate of nurse job dissatisfaction at 41 percent, which is four times higher than the dissatisfaction
score of the professional workforce in general (Aiken et al. 2001; Albaugh 2003). Twibell and colleagues (2012) summarize the main causes of nurse turnover as heavy workloads, disillusionment about scheduling, lack of autonomy, lack of intrinsic and extrinsic workplace rewards, insufficient time with patients, and dissatisfying relationships with peers, managers, and colleagues. A Jackson Healthcare (2012) report identifies the top five drivers of nurse dissatisfaction: (1) poor, unsupportive, unresponsive management; (2) work overload; (3) low compensation; (4) inadequate staffing; and (5) lack of respect and appreciation from management.

The impact of turnover and other nurse staffing concerns on healthcare quality have been documented in a number of studies. Stevens and colleagues (2011) found that insufficient nurse staffing was related to higher patient mortality rates, and that when a nurse’s workload increases because of high turnover, the risk of mortality increases. Similarly, in a study focused on the impact of mandatory nursing ratios in California hospitals, Aiken and colleagues (2010) found that hospital nurse staffing ratios mandated in California were associated with lower mortality and nurse outcomes predictive of better nurse retention. In a study examining the impact of nurse factors and patient satisfaction, McHugh and colleagues (2011) found that patient satisfaction levels are lower in hospitals with more nurses who are dissatisfied or burned out. 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 estimated the 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 nurse turnover is difficult to measure, both the Advisory Board Company (1999) and Jones (2005, 2008) have attempted to capture not only the direct costs of nurse turnover but the hidden costs of reduced productivity (e.g., predeparture, vacancy, new employee onboarding) as well. The estimated cost of a single nurse leaving is $42,000 (Advisory Board Company 1999) and $64,000 (Jones 2008), 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 13 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 $3.25 million and $5 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 as the reasons for staying with that employer. Therefore, 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; high satisfaction among patients, employees, and providers; good patient outcomes; and positive working relationships (Manion 2004). The study found 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 caring sincerely for the welfare of their staff, forging authentic connections with each staff member, and focusing on results and problem solving.

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 (Hirschkorn et al. 2010).

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 structure can be achieved 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 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 becoming 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 (American Nurses Credentialing Center 2014). Magnet hospitals have been found to have better patient outcomes and higher levels of patient satisfaction (Aiken et al. 2008; McHugh et al. 2013). Compared to other hospitals, Magnet institutions have lower turnover and higher job satisfaction among nurses (Huerta 2003; Upenieks 2002). These findings suggest that becoming a Magnet healthcare organization has the potential to increase nurse satisfaction and improve retention (Drenkard 2010).

Many guides to effective nurse retention have been published, and their recommendations generally pertain to the topics discussed earlier. These topics include issues related to ensuring value congruence, improving job satisfaction, reducing stress, improving intrinsic and extrinsic rewards, focusing on improvements in hiring or onboarding processes, increasing professional autonomy, and reducing patient-nurse ratios (Dotson et al. 2014). Note that not all strategies aimed at improving nurse satisfaction also improve retention. In an early review of nurse recruitment and retention strategies, the Health Care Advisory Board (2001) distinguished between strategies that boost morale and those that enhance retention. While this review has not been replicated since its publication, the distinction it makes is important. The Health Care Advisory Board summarized the findings 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 Health Care Advisory Board’s review yielded five effective retention strategies: (1) selecting the right employees; (2) improving orientation and onboarding 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 HR 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 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 would 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?

Experiential Exercises

Case Sexual Orientation Discrimination

Note: This case was written by Brian Cooper.

Kathleen, director of physical therapy at Wabash Community Health Center, smiled as she reflected on her meeting with Jerry, the chief medical officer (CMO) of the health center. Jerry had just made the decision to unfreeze a vacant position in Kathleen’s department, a position that had been vacant for more than a year. Since one of the physical therapists (PTs) retired one year ago, the remaining four PTs in the department had begun to feel burned out. Only one PT could take vacation or be off work at a time so that the health center would have enough PTs to staff its physical therapy clinic. Until now, the vacant position had been frozen by the CMO because of the health center’s recent financial troubles and declining volumes. Even if the position had been available, finding a PT to fill it would have been difficult because the health center was located in a rural county in Mississippi.

Kathleen was interested in finding a new hire, not only to fill a much-needed position in the department, but also to introduce some diversity into the team. The current PTs were all white women, the youngest aged 42 years. Kathleen was concerned that in the future she would struggle to keep the clinic staffed because the current PTs would continue to retire with a shortage of replacements to fill the void.

Kathleen was therefore very pleased when she received the application of Keith, an African-American man who had just graduated from the University of Alabama at Birmingham. She received the application one week after HR posted the position, and thus far Keith was the only applicant. Kathleen was unsure whether she should interview Keith immediately or wait for more applications to emerge. I should probably reel...
in the first catch I get, she thought. After all, a bird in the hand is worth two in the bush.

While looking over Keith’s application materials, Kathleen noticed that he did not have any physical therapy experience on his resume, but he had only graduated from the program a month ago. Kathleen wondered why Keith chose to move to Wabash County after living in a large city like Birmingham, where he might find higher-paying work, but she surmised that he might have been from the area originally and that he probably moved back to be around family.

Kathleen decided to bring Keith in for an interview. When Keith walked into her office on Monday morning, he seemed very polite and professional. He appeared to be in his midtwenties and to be in good health, capable of doing the necessary work of a PT. Before proceeding with the official interview questions, Kathleen wanted to make some brief conversation, during which she curiously inquired about what brought Keith to Wabash County. Expecting to hear something about family, she was surprised when she heard him explain, “My partner lives here, and I moved to Wabash to be close to them.” Kathleen did not notice a ring on Keith’s finger and was surprised that when Keith referred to his partner in the previous statement, he used the pronoun “them.” Kathleen thought nothing of it at the time, and she began asking the professional questions. Keith did very well when answering the questions concerning clinical physical therapy practices, and he even showed promise as a leader when answering questions about his methods of interpersonal conflict resolution and personal initiative.

When the interview was complete, Kathleen thanked Keith for coming in. She sat at her desk for a moment, reviewing her notes from the interview. She was certain that Keith would be a great fit for the team and that Keith had terrific competency concerning the duties of the job.

While Kathleen was reflecting on this, one of the PTs whom she supervised rushed into her office and closed the door behind her without saying a word. Kathleen’s head shot up from her paperwork and she stared, bewildered, at the very concerned face of Linda. The PT clinical supervisor, Linda managed the other three PTs on staff, creating work schedules and serving as support if needed.

“That young man that was just in here, who just walked out, that’s one of the men who just moved into my neighborhood!” Linda exclaimed, taking a seat while slowly regaining composure. She cleared her throat and explained, “One of my neighbors, Becky, told me that two men just moved into our neighborhood, you know, together. They’re living an ‘alternative lifestyle.’” She demonstrated the quotes with her fingers in the air as she said the last two words.

Kathleen was taken aback by this remark, almost in shock that her PT clinical supervisor, who was usually very professional and appreciative of diversity, was choosing to point out this fact to her. After coming back from two seconds of speechlessness, Kathleen asked, “Well, if in fact what you have just said is true, is that an issue for you?”

“Yes,” Linda stated, almost with a pedagogical tone. “I can accept a lot of things about people. But I will not accept someone who lives that kind of lifestyle. It’s just not morally right.”

Kathleen was once again taken aback, but she tried to calm Linda down and to
perform damage control in the situation. “Linda,” she softly said, “I advise you to think about what you’re saying. We don’t know that this information is true about Keith. Even if it is true, this is not a factor that I would consider when assessing an applicant. I realize that his choices may violate your personal beliefs, but you and I both know that we need to work with people who have different beliefs from our own.”

“You’re going to hire him, aren’t you? I can see it already. Why, the job has only been posted for one week and you’re just going to hire the first guy that comes in?” Linda held up her index finger as she ordered, “Do not hire him. I do not want him on my staff.”

Kathleen leaned forward in her chair and answered, “Keith is an excellent applicant and he will be considered for this position. If you have a behavioral or experiential issue to point out about him I’m happy to hear about it, but I will not entertain the issue of sexual orientation among our criteria for hiring someone.”

Linda became very angry and rose from her chair. “If you think I’m going to have a homosexual on my staff, you’re dead wrong.” She pointed at the door and continued, “If you hire him, I’m going to walk right out that door and you will have to find another supervisor.” With a huff, she marched out of the room.

Kathleen sat at her desk, unsure of how to react to this situation. Was Linda simply blowing off steam, or was she making a real threat to leave if Keith was hired? Linda did have a tendency to get emotional, especially when changes occurred around the health center. Perhaps she would get over this in a day or two. Kathleen decided to leave the matter alone for now and to have a talk with Linda the next day.

At 8:05 the next morning, Kathleen got a phone call from the personal assistant of Jerry, the CMO of the health center, asking for Kathleen to be present in the second-floor conference room at 8:30 a.m. When Kathleen walked into the room, Linda and Jerry were already sitting at the conference table. Jerry motioned for Kathleen to take a seat, and began speaking.

“I understand that you and Linda had a disagreement yesterday concerning an applicant that is under consideration for employment. I understand and appreciate diversity as much as you do, Kathleen, but Linda has raised some important concerns about this applicant. The residents of this county do not appreciate the lifestyle that this applicant is alleged to have, and the practice of physical therapy involves a great deal of touching and general interaction with patients. I am concerned that his sexual orientation will lead to problems in our delivery of care. You know how quickly news travels in this community, and patients will not want to receive services from a homosexual physical therapist. If he is hired here, I am concerned that patients will either mistreat him or that they will take their business elsewhere. The health center is already hurting due to lack of volume, and I am afraid that the decision to hire this applicant would ultimately result in a collapse of your department. I, therefore, ask that you do not hire him. If you’re concerned about staffing, keep in mind that the job has only posted for one week. If we have made it this long without a fifth PT, we can make it until the right applicant comes along. Do you understand?”
Discussion Questions

1. What would you do in Kathleen’s situation?
2. Identify the facts of the case. Try to distinguish the facts of the case from what has been alleged or perceived.
3. Is it feasible for Kathleen to not hire Keith without liability?
4. Do you think Linda has any hidden motives to prevent Keith from being hired?
5. How often do you think this type of discrimination occurs in healthcare?

Project

Chronic and worsening healthcare workforce shortages are likely in the foreseeable future. The objective of this project is 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 member 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?
References


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