

An Analysis of Recruitment Strategies in Public and Private Organizations

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This study was designed to investigate potential differences in the recruitment campaigns of public and private organizations. A five-item survey was mailed to a randomly selected sample of personnel professionals. The results indicated that both public and private organizations utilized the same three techniques most often (newspaper ads, employee referrals, and direct applications), but did so in varying proportions.

Two main factors make research into recruiting techniques valuable. First, the cost of recruiting employees (both successful and unsuccessful) continues to rise. It is not uncommon for an employer to spend between \$10,000 and \$40,000 to recruit candidates for upper level positions. Spencer (1984) estimated that recruitment costs usually equal one-third of the new hire's annual salary. Secondly, as the applicant pool of trained, qualified candidates shrinks, it becomes increasingly difficult to recruit and retain successful employees.

In recent years the term "recruitment" has been expanded to include a wide variety of activities and characteristics, ranging from the dispensing of organizational literature to the characteristics and behaviors of organizational recruiters (Taylor & Bergman, 1987).

Recruitment research has been presented in a number of professional journals and practitioner magazines. One of the major questions raised in these articles concerns the relationship between recruitment source and job performance. A recent meta-analysis by Aamodt and Carr (1988), proved definitively that recruitment source did not have an effect on subsequent job performance.

It has been suggested that employees hired through referrals tend to have higher levels of tenure. Three studies conducted in the 1970's, (Decker & Cornelius, 1979; Gannon, 1971; & Reid, 1972), and a recent meta-analysis (Aamodt & Carr, 1988), report that use of employee referrals is positively correlated with tenure ($r=.12$) while media ($r=-.13$) and employment agencies ($r=-.12$) are negatively correlated.

Popular media advertisements, employee referrals, direct applications and college recruiting have historically been popular approaches to recruiting, and we expected to find consistent results in our study. A 1985 survey by the Newspaper Advertising Bureau indicates that employers rely heavily on classified advertisements, spending an average of 2 billion dollars a year.

College recruiting is used extensively to recruit skilled, educated applicants trained in technical and/or professional fields. College recruiting activities range from on-campus visits to open houses designed to attract applicants from specific academic backgrounds.

Employee referral programs are often attractive to organizations as they are cost-efficient, effective for recruiting long-tenure employees, and often boost employee morale. Our survey was designed to tap these techniques and investigate if they are applied consistently in both public and private organizations.

It was the purpose of this study to determine not only the extent to which organizations use various sources of recruitment, but also, the opinions of personnel professionals as to which techniques are most effective.

Method

Sample

The initial sample for this study consisted of 220 professionals currently employed in various human resource positions in both public and private organizations. Forty-five of the subjects were contacted during a campus job fair, while 175 participants were contacted using a direct mail questionnaire. Subjects were randomly selected from two directories: The Society for Human Resource Management ($N=59$) and the Directory of International Personnel Management Association-Assessment Council Directory ($N=88$).

Procedure

The type and frequency of recruitment techniques used by an organization were identified using a five-item research questionnaire. Each questionnaire was accompanied by an introductory cover letter and included a self-addressed, stamped return envelope. The original sample consisted of 220 individuals. However, due to a 67% return rate, only 147 surveys were analyzed.

Data were gathered on the approximate number of employees in each company using a scale with a range from 1 to 3000+ employees. Respondents were then asked to indicate which of the following recruiting tools were employed, and for what percent of the time: newspaper listings, college fair/campus recruiting, advertisements in professional journals, professional employment agencies, employee referrals, walk-ins, help-wanted signs/notices and computer-electronic resume services. Participants were also asked which of the recruitment methods they felt were most successful and finally, whether they developed their recruitment materials in-house or contracted with outside professionals.

Results

Means and standard deviations for the various recruitment techniques surveyed are presented in Table 1.

Independent t-tests were performed to investigate significant differences in recruitment techniques utilized by public and private organizations. The results of these analyses revealed that public organizations relied on college recruiters significantly more often than did private organizations, $t(147) = 2.88, p < .01$. Public organizations also relied on help-wanted signs significantly more often than did private organizations, $t(147) = 2.51, p < .05$. Private organizations, on the other hand, utilized employee referrals significantly more often than did public organizations, $t(147) = 1.89, p < .01$.

Our study revealed that public organizations utilized newspaper advertisements as a recruitment tool 82% of the time, followed by both employee referrals and walk-in applications utilized equally 63% of the time.

Private organizations relied on employee referrals 80% of the time, followed by newspaper advertisements 78% of the time, and then walk-in applications 73% of the time.

Table 1
Means of percentage of time recruitment sources are used

Recruitment Source	Organization Type	
	Public	Private
Newspaper	35.54 (32.78)	30.08 (27.72)
College recruiter	7.89 (17.20)	18.98 (29.19)
Professional journals	6.05 (12.36)	6.03 (12.52)
Employment agencies	3.48 (12.38)	6.22 (14.02)
Employee referrals	8.38 (12.56)	14.02 (17.27)
Walk-ins	14.98 (24.57)	13.42 (17.24)
Help-wanted signs	7.75 (18.45)	2.40 (6.23)
Computer resume service	0.45 (2.45)	0.16 (0.91)

When asked to choose the recruitment tool they felt to be most effective, 48% of our respondents from public organizations choose newspaper advertisements and 15% choose employee referrals. For private organizations, 38% of the respondents choose newspaper advertisements followed by both college recruiting and employee referrals preferred equally 21% of the time.

Public organizations developed their recruitment materials in-house 92% of the time. Private organizations followed suit 85% of the time.

Discussion

Our survey discovered that both private and public organizations relied primarily on the same three recruitment tools: newspaper advertisements, employee referrals and walk-in applications. Our results are consistent with a 1982 survey by the Academy of Management that revealed these same three techniques as most commonly used by applicants during a job search. When looking for a job, candidates relied on friends 71% of the time (referrals), applied directly to the organization 42% of the time, and searched newspaper ads 26% of the time.

Having isolated the recruitment techniques used most frequently, and verified that these are the sources candidates check, it is useful to know what research has proven about successful application of these each of these three techniques.

Newspaper advertisements can be extremely effective when a local population can perform successfully in the advertised position. Newspaper advertisements are cost-efficient and often less time consuming than other recruitment methods. Research has shown that applicants recruited through newspaper ads tend to be male and older.

Successful newspaper recruitment advertisements provide thorough information about applicant qualifications, job responsibilities and contact information. One study has proven that attractive ad designs increase the number of applicants who respond (Fyock, 1988). Strategically placing newspaper recruiting ads in sections other than the classified section (i.e. sports, business), has also been proven to increase the number of applicants (Fyock, 1988). Bucalo (1983) said that ads should be written in a language that is familiar to the applicant, and emphasized the benefits of the position. Mason and Belts (1986), report that ads which specify job

qualifications screen out unqualified applicants.

Both private and public organizations used employee referrals to select and to hire new employees. Research indicates that referrals made by family members and long-term friends are most valuable and are often associated with higher tenure levels (Aamodt & Carr, 1988). Many organizations offer incentives to encourage employee referral. Research has shown that exorbitant rewards are not always necessary, \$500.00 rewards have proven to be just as successful as higher amounts (Stewart, Ellenburg, Hicks, Kremen, & Daniel, 1990).

Direct applications are used frequently in both private and public organizations. A relatively cost-efficient recruitment tool, direct applications may require a greater investment of time on the part of the personnel staff. Any organization accepting direct applications should treat all candidates equally and graciously. It is important to treat candidates with respect, both ethically and from a public relations perspective, and to encourage them to refer anyone who might be qualified for the position. Individuals who apply directly for a job tend to be female, younger and married.

Many of the techniques discussed are designed to increase the number of applicants who apply for a given position. Both of our subject groups utilized a combination of employee referrals and newspaper advertisements, a combination which has been proven effective in raising applicant yield. However, applicant yield is not the final word in a well developed recruitment campaign. One must also consider the number of qualified applicants from the total who applied, the number actually hired, and the number who prove to be successful. This is not a static relationship, these values change with each individual organization, job and applicant. Each recruitment manager must consider all these factors plus the cost and processing time per applicant before deciding on a recruitment plan. The successful recruitment campaign is planned well in advance, has concise, definable goals and is integrated before hand to allow for updates and improvements. A thorough job-analysis will provide important information about a job which could make useful recruiting or orientation material.

Much recruitment research needs yet to be done using criterion measures other than performance. Further research should explore the relationship between recruitment source and satisfaction, training and promotion.

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