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Sourcing: Identifying Recruits

Outline

Sourcing Top Talent at McAfee

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Global Sourcing

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Summary

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- Describe the role of sourcing in the staffing process.
- Explain what makes one recruiting source more effective than another.
- List alternative recruiting sources and match them with specific jobs.
- Create a sourcing plan.
- Explain how to best source nontraditional applicant pools.
- Explain the role geographic targeting plays in the sourcing process.

Sourcing Top Talent at McAfee

Global security technology company McAfee focuses on hiring smart, committed employees.¹ Due in part to increased competition from other employers, McAfee has begun to find it expensive and difficult to engage and recruit the top talent in its pipelines. Although it has been able to generate high-quality leads from known experts in the field, past employees, and other sources, it has had trouble keeping them engaged in McAfee and interested in pursuing job opportunities when they become available.² McAfee asks for your advice about how to build an engaged community of high-potential talent from which to effectively source future hires. After reading this chapter, you should have some good ideas to share with the company.

After using the job analysis and workforce planning processes to determine what to look for in new hires, the organization needs to find people with the characteristics it wants and convert them into recruits. This is no small task. People who never apply to an organization cannot become employees, making attracting enough of the desired types of applicants one of the most important criteria for an effective staffing system. Great employees are like a gold mine. Just as the skills and activities involved in finding a gold mine differ from the skills and activities required to extract the gold, sourcing quality talent requires a different set of skills and activities than does attracting and recruiting the talent. Because recruiting sources tend to generate different types of applicants, sourcing is the key to finding these employees.

The best applicant sourcing systems identify where the firm can find good potential job applicants who fit the organization and the job requirements and who are likely to be interested in pursuing employment opportunities with the organization. After identifying the objectives of the hiring effort (which might include prehire outcomes, including the number, quality, and diversity of applicants, or posthire outcomes, such as the time to fill the positions, new hire quality and diversity, or a mixture of both) recruiting sources are chosen to help meet these objectives.

Many organizations are also developing mobile sourcing and recruiting strategies to meet job seekers' needs and on-demand expectations. PepsiCo uses QR codes, videos, tweets, and blogs to help engage job seekers, and created a mobile app called "Possibilities" to provide users with company information. PepsiCo's app includes an "e-mail this job to me" button to encourage users to easily access job information. The company tracks the conversion rate of applicant starts to completed applications to optimize its mobile recruiting strategy.³

Many organizations discount the importance of strategically thinking about "where" to source applicants. Instead, they post the same job advertisement with the same recruiting source they have used for years. Other organizations see their applicant sourcing practices and strategies as a source of competitive advantage, and are reluctant to even talk about them. Genentech identifies targeted candidates early in their campus careers and builds relationships with them throughout their college years.⁴ In this chapter, we first explain what sourcing is and what makes a recruiting source effective. We also describe several alternative recruiting sources. Then, we describe how to create a sourcing plan and how to source from nontraditional applicant pools, and discuss global sourcing and geographic targeting. After reading this chapter, you will have a good understanding of the important role sourcing plays in the strategic staffing process, and you will know how to identify good strategic recruiting sources for any job.

WHAT IS SOURCING?

Marketing professionals try to understand who is likely to be interested in purchasing their products and where to find these people. Sourcing professionals do the same thing, but with jobs rather than products. As you learned in Chapter 1, sourcing is a part of the recruiting process. It is done for internal as well as external job candidates, and involves analyzing different possible sources of recruits to identify those best able to meet the firm's staffing goals. For firms that rely on promotions to fill leadership positions, sourcing also affects the quality and depth of a company's future leadership talent. Because the company is likely to have a much better idea of what type of person is the best fit with its needs, it makes sense for the company to identify and reach out to these targeted recruits rather than post a job advertisement and hope that the right people self-select themselves into consideration for the position.

ACTIVE JOB SEEKERS

people who need a job and are actively looking for information about job openings

SEMI-PASSIVE JOB SEEKERS

people who are interested in a new position but only occasionally look actively for one

PASSIVE JOB SEEKERS

people who are currently employed and are not actively seeking another job but could be tempted by the right opportunity

Sourcing strategies differ for different types of recruits. Companies generally find professional employees, including lawyers, doctors, and engineers, differently than they do customer service, manufacturing, or skilled labor workers. Sourcing strategies also differ for recruits who are active as opposed to passive job seekers. **Active job seekers** need a job and are actively looking for information about job openings. Traditional job advertising is usually sufficient to reach these people although the overall quality of this labor market may not be high. **Semi-passive job seekers** are interested in a new position but only occasionally look actively for one. Finding these people requires more proactive and strategic efforts because they are not regularly looking for job information. More high-quality candidates are in this labor market. **Passive job seekers** are currently employed and are not actively seeking another job but could be tempted by the right opportunity. Many high-quality candidates are usually in this group although it can be difficult to find them and interest them in your job opportunity. Because they are not actively seeking out information about other jobs, identifying passive job seekers requires a proactive and strategic effort.

Microsoft sourcers spend about 5 percent of their time on active candidate identification, and 95 percent of their time on passive talent identification.⁵ Because semi-passive and passive job seekers are not actively looking at traditional recruitment sources, such as newspaper ads, sourcing is most important for organizations focused on identifying and pursuing them.

Different recruiting sources are good at different things. Next, we discuss what makes a recruiting source more or less effective.

WHAT MAKES A RECRUITING SOURCE EFFECTIVE?

A recruiting source is effective if it helps a company meet its staffing goals for the position being filled. The firm's staffing goals might include speed, cost, and candidate and new hire quality. Given the goal of hiring high-potential employees able to perform well and contribute to a business's strategy execution, attending to the *quality* of the applicant pool is at least as important as attending to the *quantity* of applicants. It doesn't matter how many people apply to an organization if none of them meet the minimum hiring requirements. If the only applicant for a job opening is a perfect fit, accepts the job offer, and performs well, then the sourcing and hiring effort must be considered successful.

Different sources of employees have different strengths. Some sources are:

- Faster
- Cheaper
- Better at acquiring people who fit the corporate culture and work processes
- Better at acquiring high-quality people
- Better at acquiring people more likely to stay with the organization for a long time
- Better at acquiring people with previous work experience
- Better at generating large numbers of hires
- Better at generating professional hires
- Better for long-term needs
- Better for hiring in noncore competency areas of the company
- Better for finding diverse applicants
- Better for finding people not actively looking for a job.

Because recruiting sources differ in their strengths and weaknesses,⁶ and because recruiting sources are not equally effective for all positions, it is best to be familiar with a variety of techniques and approaches. Effectively managing your talent supply chain often requires the flexible use of multiple sources and combinations of sources. Many different recruiting sources exist, each with different strengths and weaknesses. Next, we discuss various recruiting sources and how to use each of them.

INTERNAL RECRUITING SOURCES

locate people who currently work for the company who would be good recruits for other positions

EXTERNAL RECRUITING SOURCES

target people outside the firm

WHAT RECRUITING SOURCES EXIST?

Recruiting sources can be thought of as being either internal or external to the company. **Internal recruiting sources** locate people who currently work for the company who would be good recruits for other positions. **External recruiting sources** target people outside the firm. Firms often try to fill positions internally first, turning to external recruiting sources if no suitable

TABLE 6-1 Internal and External Recruiting Sources

Internal Recruiting Sources	External Recruiting Sources
• Succession management • Talent inventories • Employee development • Internal job posting systems • Employee referrals	• Employee referrals • In-house recruiters • Written advertisements • Job and trade fairs • Observation • Résumé databases • Career sites • Online job boards • Search firms • Professional associations • State employment agencies • Military transition services • Acquisitions and mergers • Raiding competitors • Internet data mining • Networking • Schools • Previous employees • Non-U.S. citizens • Walk-ins • Creative sourcing • Outsourcing

internal candidates exist. Table 6-1 summarizes some of the most common internal and external recruiting sources.

Both internal and external sourcing have strengths and limitations. Internal candidates who don't get promoted may get discouraged and leave the firm, making it critical to discuss with unsuccessful internal job candidates the reasons why they did not get the jobs they were applying for and what they can do to be more successful in the future. A firm that relies on internal sourcing also runs the risk of limiting new ideas and insights. External candidates may be more likely than insiders to see challenges and opportunities in a new way and to bring fresh ideas to the company. External sourcing usually takes longer than internal sourcing and costs more as well. Research has found that external hires tend to perform lower for the first two years, have higher exit rates, and are paid 18 to 20 percent more than internal hires.⁷

Internal Recruiting Sources

Internal sourcing often lies at the core of an organization's staffing system. Current employees are usually considered first when a job becomes available, particularly for firms whose talent philosophy supports promotion from within. As we have explained, the skills and talents of internal recruits are better known than external hires. Because current employees can hit the ground running once hired for other positions, many firms first try internal recruiting sources to fill a position, and look outside the firm only if a suitable internal candidate cannot be found.

Succession management, talent inventories, employee development, and internal job posting systems are common internal recruiting sources. Next, we discuss each.

SUCCESSION MANAGEMENT Succession management is the ongoing process of recruiting, evaluating, developing, and preparing employees to assume other positions in the firm in the future. The goal of succession management is to enhance the firm's bench strength of talent to ensure an ongoing supply of highly qualified people for key jobs. Succession management is grounded in the organization's long-term business strategy and objectives and focuses on addressing employees' developmental needs to prepare them to assume leadership and other key

SUCCESSION MANAGEMENT
the ongoing process of recruiting, evaluating, developing, and preparing employees to assume other positions in the firm in the future

positions in the future. Ideally, at least one current employee is always ready and available to assume every key position in a firm if it should open up.

Obviously, not having the right talent in place can compromise a firm's ability to continue performing if key people leave. It takes time to recruit, hire, and train a replacement, and even longer for the new hire to perform fully in the job. Facing the imminent retirement of baby boomers, increased demands for diversity, and fierce competition for talent, many organizations are using succession management systems to enhance their internal labor supply chains. For example, PanCanadian Energy (now EnCana) looks across the organization for high-potential employees who it can prepare to assume leadership positions in the future.⁸ Firms whose staffing strategies involve internal development are likely to use succession management to plan future employee moves and identify employee development opportunities. Succession management will be covered in more detail in Chapter 10.

TALENT INVENTORIES As discussed in Chapter 5, talent inventories are manual or computerized records of employees' past performances, education and experience, promotability, languages spoken, career interests, and so on. Employees and their managers can be jointly responsible for updating and ensuring the accuracy of the inventories, which help identify employees who are ready and available for promotion or transfer. If they are kept accurate and updated, talent inventories can be a very effective way to quickly and cheaply source qualified internal candidates who can then be contacted to determine their interest in the opportunity. However, if the talent inventories do not contain all of the relevant skills, experiences, talents, and so forth that a company's employees have, some qualified internal candidates will be overlooked.

EMPLOYEE DEVELOPMENT

the training of employees to extend their capabilities and prepare them to assume other jobs and roles in the firm

LEADERSHIP DEVELOPMENT PROGRAMS

a specific type of employee development that develops the leadership skills of employees seen as having leadership potential

INTERNAL JOB POSTING SYSTEMS

systems that publicize a firm's open jobs to the company's employees

EMPLOYEE REFERRALS

a practice by which current employees identify and refer promising recruits

EMPLOYEE DEVELOPMENT Employee development is the training of employees to extend their capabilities and prepare them to assume other jobs and roles in the firm. Companies like GE and IBM regularly use developmental activities and assignments to ensure their employees' skills match the organization's needs, and to increase the supply of internal talent available to the company in the future. By tracking employees' performance in these development activities and updating employees' qualifications inventories with their new talents, it is possible to quickly identify which employees have the potential to fill various positions throughout the company.

Leadership development programs are designed to improve employees' leadership skills. Companies that utilize leadership development programs include Johnson & Johnson, L'Oréal, Raytheon, and GE. These firms use rotational programs that give participants the opportunity to work in a variety of areas. Many firms include training, coaching, developmental project assignments, and mentoring as part of their leadership development programs. Dow Chemical is one of these companies. Dow uses employee development activities including mentoring, coaching, on-the-job learning, and both Web- and university-based training programs to identify and develop promising internal talent. Eli Lilly's developmental tools include individualized developmental plans, 360-degree feedback, job rotation, and a formal mentoring program.⁹

INTERNAL JOB POSTING SYSTEMS Many companies rely on employees to "self-nominate" themselves for openings based on their interest in and perceived fit with other positions in the firm. **Internal job posting systems** publicize open jobs to employees. A posting describes the job's qualifications and requirements as well as information about the work itself, often on the company's intranet or on a bulletin board. An employee wishing to apply for another job in the firm can bid on the job and express his or her interest in being considered. Then, human resources typically reviews the internal bidder's candidacy and personnel file to confirm that he or she meets the requirements of the vacancy, and the employee is contacted if he or she is considered for the open position.

Internal job posting systems allow employees to apply for positions they are interested in, reducing the possibility of overlooking qualified internal talent. Internal job posting systems are relatively fast and very inexpensive to use but may miss some qualified recruits because not all qualified employees may look at the postings. Many firms use a combination of internal job postings and qualifications inventories to reduce the chances of missing a qualified internal candidate.

EMPLOYEE REFERRALS Employee referrals involve asking employees to refer coworkers for open positions. Because people are often aware of the talents and career aspirations of their

colleagues, and are familiar with their coworkers' job performance and work habits, they can help identify promising internal talent. Nearly a third of The Container Store's 2,500 workers were hired via referrals.¹⁰ Consulting firm Accenture's goal is to make current employees its top talent source. Accenture hires more than a third of its employees through employee referrals, and rewards employees with \$7,000 or more for successful hires with specific skills.¹¹

Silicon Valley-based communications product and service provider Aricent's dedicated five-person employee referral team guarantees action within 72 hours of a referral submission. Its help desk also guarantees a response to all inquiries within eight hours. Referral program representatives attend employee meetings, social gatherings, workstations, and so on, to educate employees about the program and solicit on-the-spot referrals. It also distributes a calendar to keep employees aware of projected needs and events, and at some events it even provides on-the-spot rewards to solicit referrals.¹²

When global consulting firm Accenture realized that the wording it used in job requisitions and postings was much more formal than the language used in day-to-day conversation, it changed it to be more consistent with how friends or colleagues would discuss a role or the company. This made it easier for employees to assess whether they knew anyone who might fit the position. It also lets referring employees monitor the status of their referrals via e-mails, text messages, and RSS feeds.¹³ Accenture makes 34 percent of its hires through employee referrals, and estimates it saves over \$700,000 in recruiting costs because of the program.¹⁴

External Recruiting Sources

At some point, all organizations rely on external recruiting sources to bring in needed talent. If a firm is growing or if it lacks needed talent internally, external sourcing can identify high-potential recruits outside the firm. Firms also bring in experienced people to acquire the expertise they need to launch new businesses or to expand into new markets. Next, we discuss a variety of common external recruiting sources and how to use them most effectively.

Employee Referrals

Asking your best talent to recommend the best people they've worked with in the past or people they feel would be good performers can generate high-quality leads. At Cognizant Technology Solutions in Teaneck, New Jersey, employee referrals account for more than 40 percent of the company's new software engineers and MBA graduates with six to eight years' work experience. Cognizant believes that referral hires remain longer and are a good fit compared to fresh recruits. Referring employees are rewarded with cash or reimbursements for external training after the new hire has successfully completed training.¹⁵ Thomas A. Morelli, vice president of human resources for Solelectron, comments, "Around the world, our current employees are our best recruiting source. They understand the soul and spirit of the company."¹⁶

Not all firms allow nepotism—that is, allow multiple family members to be hired by the firm. However, as part of their referral program, many companies do. James Coblin, Nucor Steel's general manager of personnel services, agrees: "People ask us, 'Do you hire families?' We hire entire clans. We've got brothers, sisters, cousins, husbands, wives."¹⁷ Southwest Airlines actively encourages nepotism and asks employees to recommend family members who might make good employees. The only rule is that one family member can't supervise another.¹⁸

Referral programs can be an effective way to acquire the names of high-quality potential applicants. Because they are putting their own reputations on the line and because the people they refer will be coworkers, employees generally provide accurate information about the people they refer.¹⁹ Moreover, because they have spoken with people who work at the company, employees hired via referrals are likely to have a more realistic picture of what working at the firm is like.²⁰

Employees need to believe the company is a good place to work, or they are not likely to recommend the employer to others. Also, it should be noted that people tend to know and, therefore, refer people who are like themselves. This can result in a firm being relatively homogeneous. Groups underrepresented at a particular company (e.g., women and minorities) could be adversely affected by a heavy reliance on word-of-mouth recruiting, as a result.²¹

Employee referral programs are popular and tend to be relatively inexpensive, although some organizations reward employees quite generously for making successful referrals.

However, the practice can be relatively fast. Research shows that employees who have been referred have lower turnover early in their tenure with the firm²² and are better performers.²³

According to one expert, an excellent internal or external referral program has the following design features²⁴:

1. The on-the-job performance of referrals is tracked, and a bonus is given if the employee is rated as a top performer.
2. Referrals for key positions are accepted regardless of whether there is a current opening.
3. Hiring managers have direct access to the candidate referral database.
4. Referrals are proactively sought from the employees most likely to know a top performer.
5. Drawings and contests for prizes are held and guaranteed bonuses given for every hired referral, with the reward varying depending on how critical the job is.
6. New hires in key positions are asked for referrals on their first day on the job.
7. There is an appeal process for individuals who feel they were unfairly denied a referral bonus.

IN-HOUSE SOURCERS

employees who rely on their own contacts and research and the organization's database of potential applicants to source potential recruits

IN-HOUSE SOURCERS Some organizations hire their own **in-house sourcers**—people who rely on their own contacts and research and the organization's database of potential applicants to find recruits. In-house sourcers have a great deal of experience in the fields in which they work and may develop relationships with promising talent to keep them in the pipeline as potential future recruits. In-house sourcers are useful at developing and maintaining a talent pipeline, and their in-depth knowledge of the firm's culture and business strategy can help them generate quality leads. Ernst & Young, Microsoft, Google, and Johnson & Johnson have employees dedicated to sourcing talent.

WRITTEN ADVERTISEMENTS Written job advertisements in newspapers, magazines, trade journals, or other printed materials are a good way to attract active job seekers. The ads can also identify some semi-passive job seekers if they are placed outside of the traditional "help wanted" section in newspapers and appear in trade journals instead. Many firms still rely heavily on written advertisements.

For example, skyrocketing demand for Silly Bandz, the fun shaped silicone-rubber bracelets, quickly increased the company's need for new employees. The company effectively recruited people through Craigslist job advertisements to find people to help with ordering, maintaining the Web site, and shipping.²⁵

Figure 6-1 shows an example of a more effective and a less effective written job advertisement. The ad on the left is difficult to read, does not stress what is unique or desirable about the bank or present an employer brand, and would not be as effective as the ad on the right is in capturing a reader's attention or persuading them to apply. The ad on the right presents a clear employer brand and value proposition, is easy to read, and gets the reader involved.

JOB FAIRS

sourcing and recruiting events at which multiple employers and recruits meet with each other to discuss employment opportunities

JOB AND TRADE FAIRS Job fairs are sourcing and recruiting events at which multiple employers and recruits meet with each other to discuss employment opportunities. They are common on college campuses. Some cities host them to help match residents with local jobs. Job fairs can be targeted to specific industries or have employers from multiple industries. They can be an effective way to source recruits, but it is important to ensure that the people who will attend the job fair are appropriately qualified.

Job fairs can take place on the Internet as well. Employers can post banner advertisements in a common area. Participants who are interested in learning more about an employer can click the banner and are sent to the firm's virtual area, which contains company literature, descriptions of open positions, and electronic applications. Online career fairs usually run for a limited time to allow potential employers to gather as many inquiries and applications as possible in a short period.²⁶ Online job fairs tend to be best for contacting active and semi-passive job seekers. Companies including GE Money, IBM, and Accenture are using Second Life to solicit candidates, and even hold virtual job fairs in the space.²⁷

Trade fairs gather people from a particular industry to learn about current topics and products in their field. Attendees are usually their companies' top salespeople, managers, researchers, and technical experts who are sent by their firms to learn about innovations and products in their industry as well as to sell their firms' products. The people attending a trade fair are usually

TRADE FAIRS

events that gather people from a particular industry to learn about current topics and products in their field



EnergySpace, Inc.
Sales Manager Openings

Our ten-year old company was founded by the Patterson family to audit and improve the energy efficiency of homes and small businesses. We have grown considerably over the past few years and are looking to hire additional sales managers to work in our Chicago office to serve our Chicago and north-west Indiana area markets. Our company has won numerous awards including the Chicago Green Building Council Blue Ribbon of Excellence and the Gold Level Illinois Green Efficiency Certification. We currently have 235 employees located in 5 offices in the Chicagoland area.

Sales manager responsibilities include leading a sales team, enhancing the customer service environment, and improving sales. Generating sales reports, documenting employee performance, and maintaining the sales lead database are also required.

Job requirements include knowledge of home and small business energy audits, strong math and Excel skills, strong sales skills, and the ability to plan and schedule site visits with customers. A bachelor's degree in a related field and 2 or more years of sales management experience are required. Strong communication and customer service skills are also necessary.

A comprehensive benefits package including medical, dental, and vision benefits is provided and pay is commensurate with qualifications and performance.

If you are interested in the position, would like more information, or want to apply, visit our website at www.energyefficientspace.com.



EnergySpace, Inc.
Improving Our World

Sales Manager Openings

Make a difference every day by coaching, motivating, and developing your sales staff.

People are the key to the success of our home and small business energy auditing business, and we rely on our managers to make our customer focused strategy come to life. If you are a creative, motivated sales leader interested in taking your career to the next level with our award winning Chicago company, we would love to hear from you!

Job requirements:

- At least two years of successful experience in sales leadership
- A bachelor's degree or higher in a related field
- A strong customer orientation
- A desire to motivate others to obtain high performance and lead by example

* Great Work Environment

* Competitive Salary

* Comprehensive Benefits

* Advancement

For more information or to apply, visit our website at

www.energyefficientspace.com

FIGURE 6-1 A More and a Less Effective Job Advertisement

passive or semi-passive job seekers, and their skill levels tend to be higher and more consistent than people attending job fairs.

OBSERVATION Observation involves watching people working in similar jobs for other companies to evaluate their potential fit with your organization. One of Nucor Steel's best sources of new steelworkers is the construction workers who build its plants. As managers monitor their construction sites, they also look for workers who demonstrate the work habits they value, and then hire them.²⁸

FirstMerit Bank's sourcing strategy for retail positions is founded on the idea that you can't hide great performers in customer-facing positions. To identify and assess potential recruits for its retail bank positions, FirstMerit routinely sends recruiters to visit nonbank retail stores to identify good customer service performers. The bank also sends recruiters to other banks, where they open bank accounts and note whether the people opening the accounts follow up when they say they will.²⁹ It is important to carefully consider the ethics of engaging in behaviors that cost the other firm money (e.g., the salesperson's or new account representative's time), but many organizations do visit other companies simply to observe and try to identify promising recruits.

OBSERVATION

watching people working in similar jobs for other companies to evaluate their potential fit with your organization

RÉSUMÉ DATABASES

searchable collections of prescreened résumés submitted to the company

RÉSUMÉ DATABASES Résumé databases are searchable collections of prescreened résumés submitted to the company. Many firms maintain a database of promising candidates who were not hired for other jobs or who were generated from continuous recruiting efforts. When a job becomes available, this often proves to be a promising source of candidates who have been preliminarily screened and perhaps thoroughly evaluated for other jobs. Microsoft is a good example of a company that does this. When Microsoft began reaching out to all the candidates in its résumé database—candidates who had previously declined job offers or interviews—to see if they would be interested in discussing opportunities with the firm again, the company's recruiters found that the majority of people were, indeed, interested. This initiative was so successful that it became one of Microsoft's core sourcing strategies.³⁰

CAREER SITES

pages on an organization's Web site devoted to jobs and careers within the company

CAREER SITES Career sites are pages on an organization's Web site devoted to jobs and careers within the company. Easy to find links to the career site are often placed on the other pages of the company's Web site. Career sites help current customers and people interested in the company easily learn about what it is like to work for the company, what job openings exist, and how to apply. Including low-cost video or other interactive technologies can improve job seekers' experience and help them evaluate whether or not to apply. Some organizations use multiple recruiting sources but require all applicants to apply through their career sites. This makes it easy to assemble a database of all applicants. Although the high volume of responses to a job posting on a career site can be problematic, many firms use applicant questionnaires and brief assessment tools to prescreen applicants and reduce the size of the resulting applicant pool. Some companies, including Fidelity and Intel, have created simpler mobile career sites that are optimized for mobile phone viewing.

Career sites are also very cost-effective, and allow an organization to communicate a lot of information about its values, philosophy, and job requirements to potential applicants. This, in turn, allows them to "self-select" out of the process if they don't feel they are a good fit for the jobs they are applying for. Enterprise Rent-A-Car's career site (www.enterprisealive.com) and Federated Department Stores's site (www.retailogy.com) are excellent examples of how companies are using career sites to source recruits. Federated invests a lot in its career sites. So do Bloomingdales (www.bloomingdalesjobs.com) and Macy's (www.macysjobs.com). The companies' recruiters say their data show that the sites are their most cost-effective and productive recruiting sources.³¹

Research by the Corporate Executive Board found that job seekers who target specific employers including a company's career site are more likely to be hired once they apply than are applicants who first visit through job aggregators or pay per click sources. The Corporate Executive Board found that as many as 72 percent of all hires start on a company's career site.³²

INTERNET JOB BOARDS

Internet sites that allow employers to post jobs and job seekers to post résumés and use a search engine to find one another

INTERNET JOB BOARDS Internet job boards are Internet sites that allow employers to post jobs and job seekers to post résumés and use a search engine to find one another. Job boards are used for both sourcing and recruiting applicants. Sourcing is done by searching the job boards to find qualified people who posted résumés. Although they are commonly used, "push" sources like job boards yield many more applications but fewer hires than do "pull" sources used by job seekers to target specific employers such as a search engine or a company's career site.³³

Both general (e.g., Jobs.com and Monster.com) and specialty job boards (e.g., Nursing jobs.org, BioSpace.com, and ComputerJobs.com) help employers source promising recruits by searching the résumés that potential applicants have posted. USAJOBS (www.usajobs.gov) is the U.S. Government's official online system for Federal employment information. Table 6-2 lists some popular Internet job boards used to source recruits.

SEARCH FIRMS

independent companies that specialize in the recruitment and placement of particular types of talent

SEARCH FIRMS Search firms or "headhunters" are independent companies that specialize in the recruitment and placement of particular types of talent. *Contingency firms* present their candidates to a number of organizations and charge a fee when one of them starts the job. Their fee is contingent upon making a successful placement. *Retainer firms* charge employers a fixed fee in advance of the placement. Retainer firms are usually used for senior-management level and technical jobs that need more aggressive sourcing and recruitment methods to identify and generate candidates.

When choosing a search firm, it is important to research the firms being considered and the qualifications of the people who will be doing the work. If you are a recruiter, you should speak

TABLE 6-2 Internet Sourcing Web Sites

www.jigsaw.com	An online business contact marketplace where marketers, recruiters, and salespeople can buy, sell, and trade business contact information
www.jobster.com	A place where candidates send information about job openings to their contacts, who forward, recommend, and can even inquire themselves about the positions
www.linkedin.com	Users activate links to people they know, which allows them to access information about the people their contacts know; contacts can be asked to introduce a user to someone they don't know (www.linkedin.com/hiring)
www.datafrenzy.com	A "résumé aggregate manager" that searches multiple job boards and a firm's own résumé database for résumés and automatically uploads them into a sortable database
www.hirediversity.com, www.minorityjobs.net, www.gaywork.com	Web sites that specialize in diversity hiring

with former clients of the search firm to identify their strengths and weaknesses. Find out how quality-oriented the search firm is and what recruiting sources will be targeted and why. Learn when you should expect to see candidates, what form of status reports will be provided to you and when. Find out if the firm will narrow its leads to the list of candidates they actually assess, and how they will identify the finalists sent to the company. Also, establish what happens if you are not satisfied with the candidates the search firm presents and/or if the new hire leaves within a short period of time.

In addition, ask about the search firm's placement and retention rate to see if the search firm's previous performance matches your company's needs. Find out if the firm is a member of the Association of Executive Search Consultants, a worldwide professional association for the retained executive search industry. If a search firm is not a member of the organization, ask if it is familiar with the AESC Code of Ethics and if they are willing to abide by it.

Some search firms focus on "raiding" high-ranking talent whose career paths are cut off at their current companies. Targeting the number two or three person on a successful project and offering them a chance for a job with greater responsibility can actually be an effective way to source talent. This practice is known as the "pull-up hire." Search firms often keep files on the bench strength at various organizations, looking for frustrated stars.³⁴ Because their networks are often very extensive, search firms can tap into a broader pool of talent than smaller or mid-size firms. Search firms are not necessarily fast or cheap, but they can greatly improve the quantity and quality of a firm's applicant pool.

PROFESSIONAL ASSOCIATIONS Professionals can often be found through the professional associations to which they belong. The Institute of Electrical and Electronics Engineers Inc. (IEEE) and the American Marketing Association are good examples of professional associations that provide job placement services to their members, including searchable résumé databases on their Web sites. Professional associations often prescreen their members for appropriate credentials, making them a good source of prequalified recruits in that profession. Most professional associations also host conferences for their members, which can be a great way to identify and network with promising leads.

STATE EMPLOYMENT AGENCIES The U.S. Employment Service and affiliated state employment agencies serve both employers and job seekers. State employment agency services can provide outreach, interviewing, counseling, testing, and training to better prepare job seekers for employment. Specialized services for veterans, people with disabilities, youths between the ages of 16 and 22, and older workers also exist.

MILITARY TRANSITION SERVICES Military transition services, such as the Army Career and Alumni Program, give employers access to an extensively trained, diversified group of separating professional and semiprofessional military members, veterans, and family members. The service serves the lowest-ranked enlisted members through general officers and provides a Web site (www.acap.army.mil) that allows employers to advertise job vacancies. The service has helped many employers hire highly qualified personnel ranging from skilled mechanics to junior executives. These can also be good sources of hires for people with disabilities who are fully capable of performing difficult and hard-to-fill positions. Microsoft has a dedicated landing page aimed at recruiting people leaving military service (www.westillserve.com) that includes a decoder to translate military skills into Microsoft jobs. Friday afternoon chat sessions connect job seekers with veterans and others to help with military-to-civilian transition questions.³⁵

ACQUISITIONS AND MERGERS Some firms acquire, or merge, with other companies to acquire their talent, rather than for their products or services. For example, it is not uncommon for big companies to acquire small companies with talented employees and then redeploy them. Rather than wanting the company as a whole, they are acquiring the people and their potential. This is obviously an expensive strategy and not appropriate for an immediate hiring need, but it has been an effective sourcing strategy for pharmaceutical and other firms. When Facebook struck a deal to hire all but one of the employees from Android photosharing app developer Lightbox, the company wasn't even included, only the talent.³⁶

RAIDING COMPETITORS

the practice of hiring top talent away from competitors

RAIDING COMPETITORS Raiding competitors, or "poaching," is the practice of hiring top talent away from competitors. Although this can create a vicious cycle of firms within an industry continuously poaching talent from each other, it can be a source of well-trained talent with relevant experience and a proven performance record. Raiding talent is often frowned upon and seen as unethical, and some industries have an informal agreement to not raid each other's talent. Nonetheless, during talent shortages, poaching may become more common. For example, when quality oil executives were in short supply, the oil company BP Plc hired a refinery manager from Royal Dutch Shell Plc to run its troubled Texas City plant. This broke an oil industry taboo against "poaching" employees from one's competitors.³⁷

Poaching outside executives is sometimes seen as a less risky alternative to acquiring an entire company. When AT&T wanted to enter the computer systems integration business, it was concerned about incorporating an entire company into its culture. Instead, AT&T had its recruiters locate the top 50 system integrators in the country. AT&T hired them and started its own systems integration business.³⁸ When hiring an employee from a rival company, it is important to ensure that the person is not bound by a nondisclosure or noncompete agreement.

Hiring a competitor's top performers does not guarantee that they will perform as well in your company.³⁹ Differences in culture, business strategy, and coworker skills influence performance and don't move with the employee. In one case, an insurance adjustor moved from a company focused on low costs to one focused on providing high-end insurance with a strong emphasis on customer service. The adjustor couldn't keep himself from "nickel and diming" customers on their claims, even though that behavior was in stark contrast with his new firm's culture and strategy.⁴⁰

The Internet has made it much easier to learn about your competition's workforce. A simple LinkedIn search can identify key employees' tenure, skills, and job information and even provide ways to contact them. Sites including Glassdoor.com can provide insights to talent competitors' strengths and weaknesses in the areas of talent acquisition and retention. It is important to remember that it is just as easy for your competitors to learn the same information about you, however, highlighting the importance of monitoring your employer image and reputation and developing a retention plan for valued talent.

INTERNET DATA MINING Some companies have found that over time, the same active job seekers often respond to newspaper ads, job postings on career Web sites, and Internet job boards, and that these methods often fail to attract sufficient numbers of qualified job seekers. **Internet data mining** involves searching the Internet to locate semi-passive and passive job seekers with the characteristics and qualifications needed for a position. Recruiters then try to convert these leads into applicants. In addition to scanning online chat rooms and newsgroups for promising

INTERNET DATA MINING

searching the Internet to locate passive job seekers with the characteristics and qualifications needed for a position

recruits, three techniques for Internet data mining are Boolean searches, flip searching, and using Web crawlers. We discuss each of these next.

Résumés and promising recruiting leads can be identified through the use of complex **Boolean searches**, an Internet search technique that allows a search to be narrowed by using special terms before the key words. Boolean searches allow the inclusion or exclusion of documents containing certain words through the use of operators such as AND, NOT, and OR. Although some Internet search engines do not support this type of searching, Google, AltaVista, and Yahoo do. The syntax may need to be altered for the different search engines. For example, on Google, you might use:

site:LinkedIn.com ("web designer" or "graphic designer") Chicago and not (eoe)

Whereas on Yahoo you might use:

site:LinkedIn.com ("web designer" or "graphic designer") Chicago-eoe

One major pharmaceutical company had a very difficult time sourcing doctors until it started using Boolean searching—with Boolean searching it became one of their easiest positions to source. This chapter's Develop Your Skills feature shows how to conduct this type of search.

As the Internet has evolved and privacy concerns have escalated, fewer people are willing to put their résumé, telephone number, or contact information online. Instead, many people are using social networking sites like LinkedIn.com or Facebook to network and look for jobs.

X-raying searches for pages that are all on the same host (like LinkedIn). Putting "site:linkedin.com" or "site:facebook.com" or "site:myspace.com" at the beginning of your Boolean search string limits your results to those on that site (e.g., try "site:linkedin.com (retail or clothing) (sales or professional) (Seattle)" (without the parentheses) to find retail sales professionals in Seattle who are on LinkedIn).

Flip searching, or *flipping*, identifies people who link to a specific Internet site. If you can identify a Web site often visited by desired recruits, identifying pages that link to the site can identify some of their résumés and personal Web pages. Flipping can be done with some of the major search engines, including Yahoo.com and AltaVista.com.

If a company is looking for an industrial-organizational psychologist to develop a new employee selection system, this technique can find the various sites and people that link to SIOP.org, the professional association of industrial-organizational psychologists. To do the search, visit a search engine such as Yahoo.com and enter "link:siop.org NY consultant" or "linkdomain:siop.org NY consultant." This searches for possible consultants in the New York area. Scroll through the results to find individual Web pages and résumés. The technique can be used in a variety of ways, including to identify people who currently work, or previously worked, for a competitor. Creating longer Boolean search strings can further streamline the search, and performing the searches on various search engines will give different results.

BOOLEAN SEARCHES

an Internet search technique that allows a search to be narrowed by using special terms before the key words

X-RAYING

searching for pages that are all on the same host site

FLIP SEARCHING

finding people who link to a specific Internet site

DEVELOP YOUR SKILLS

Conducting Boolean Searches on the Internet

If you are interested in developing your staffing skills, online courses are available in using Boolean searches to find passive recruits (see www.recruiting-online.com). Some companies offer even more comprehensive in-person and Web-based training and certification on active, Web-based sourcing strategies (see www.airsdirectory.com). Here is an example of how to use the Boolean technique to find Web designers located in the Chicago, Illinois, area able to use JavaScript.

1. Go to www.google.com
2. In the search box, type: site:LinkedIn.com (web designer or graphic designer) (San Francisco) and not (EOE).

The first part of the Boolean search string requests pages in the social networking site LinkedIn.com. The next part requests the skills "web designer" or "graphic designer" (each must be enclosed in quotation marks so it's recognized as a phrase). The last part of the request specifies the San Francisco area and screens out job postings (which typically contain "EOE"). Boolean search syntax is precise. If you encounter problems, check for spelling or punctuation errors and/or missing or extra spaces. Varying search terms with words and phrases job candidates are likely to use can further improve your results.

Recruiters face some ethical issues when they conduct flip searches because the searches can pull up company directories, e-mail lists, and other company related information. In fact, it is sometimes possible to flip search yourself into a company's internal intranet or restricted areas, which is private information and clearly unethical to hack into. Visitors leave an electronic footprint on every page and site visited so intrusions are likely to be noticed. Flip searching has its fans and critics, but clearly all companies should be careful about what content appears on their site.

WEB CRAWLERS

Web sites that continually search the Web for information about people with desirable talents and sell access to their database of potential recruits

Web crawlers are Web sites that continually search the Web for information about people with desirable talents and sell access to their database of potential recruits. Some Web sites have capitalized on companies' growing interest in reaching out to more passive job seekers by compiling publicly available information about them—especially company executives and people with in-demand talents. One such firm, ZoomInfo (formerly Eliyon Technologies) continuously searches more than 15 million Web sites for information and sells this information to recruiters. ZoomInfo "reads" news articles, press releases, company Web pages, and SEC filings, recognizing company and business professional data. In seconds, subscribers can search the over 20 million ZoomInfo profiles and locate top people in U.S. companies, including more than 11 million scientists, engineers, and other professionals. Because ZoomInfo copies Web pages permanently to its database, no link goes dead and both positive and negative information might be accessible forever.⁴¹ Because it helps to identify passive job seekers and provides information on potential candidate's accomplishments, companies such as Merrill Lynch use ZoomInfo for searches for their executive-level candidates.

NETWORKING

the process of leveraging your personal connections to generate applicants

NETWORKING AND SOCIAL MEDIA **Networking** is the process of leveraging your personal connections to generate applicants. Similar to employee referrals, asking good people who don't work for you for the names of other good people can generate promising recruiting leads. Although social media has only recently begun being used for sourcing and recruiting, its use is expected to increase because of its targeted search capability, and most recruiting software and applicant tracking systems have integrated them. Recruiters can quickly post job openings on social media sites, tap employees' social networks to identify promising candidates, and track which social channels have the best recruiting and hiring results.

Internet sites like LinkedIn.com, Ryze.com, Tribe.net, Facebook.com, BranchOut.com, and Spoke.com facilitate sourcing via social networking. When a person joins an Internet social networking site, he or she creates a profile that helps him or her find and be found by others. A person's network consists of his or her connections, his or her connections' connections, and so on, linking them to thousands of people. To help manage the increasing number of social recruiting Web sites, some companies including Jobvite.com provide comprehensive Web and résumé database search technology as well as the ability to broadcast communications through a variety of social network and digital communication platforms including Twitter. Table 6-3 describes a variety of social media recruiting sites that cater either to job seekers or employers. Some may help you get your next job!

To illustrate the power of social connections, when Robert Croak, creator of Silly Bandz, was behind on a deadline, he put up a post on Facebook and 20 people arrived within one hour to help.⁴² To contact someone, the information is entered on the social networking site, which checks the person's network to see how he or she connects to your target person. The site usually identifies a number of people who link to the target person, each of whom introduces the searcher to the next, along with an explanation of who he or she is and who he or she is trying to connect with. This gives job seekers a way to tap into broader networks and gives recruiters a way to reach potential recruits. Whenever an application is received, a recruiter can see which of the person's contacts knows people who have worked with the candidate and more easily check their references. Because users' profiles can be viewed by everyone, it is harder for applicants to misrepresent or inflate their credentials.⁴³ Another benefit of social networking technology is that it can increase the diversity of the talent pool accessible to recruiters. Although it can generate leads to more passive job candidates, social networking technology requires training and does not guarantee that the people identified will be interested in your job opportunity. It is also important to understand a site's privacy policy before searching for applicants or posting information there.

Osram Sylvania, the North American operation of one of the world's largest lighting manufacturers, fills hundreds of positions each year. To fuel its growth, it must be strategic

TABLE 6-3 Social Media Recruiting Sites

Company	Service Provided
BranchOut	A social networking site similar to LinkedIn but on Facebook
BeKnown	Job site Monster.com's professional networking app on Facebook
Career Sonar (https://www.careersonar.com/)	Provides a ranking of how well connected a job seeker is to a company with a job opening based on the person's Facebook and LinkedIn networks
Tomigo (tomigo.com)	Helps employers spread the word about job openings on social media using their employees' networks
Path.to (https://www.path.to/)	Mine a person's social graph to identify jobs that are a good match
Talent Bin (http://www.talentbin.com/)	Helps recruiters find talent through their social graph
Zao (www.zao.com)	Rewards employees and referrers (former employees, vendors, and the trusted business network) for referral hires to promote the distribution of job announcements across their social networks
Recmnd.me (https://recmnd.me/)	A recommendation building tool for job seekers
Jobvite (http://recruiting.jobvite.com/)	A recruiting platform to help source and engage candidates on the Internet, social media and through employee referrals
Bright (www.bright.com)	Uses an algorithm that evaluates a job seeker's résumé and produces a score employers can use to screen candidates
tweetMyJobs (http://www.tweetmyjobs.com/)	Enables employers to distribute automated job postings through more than 10,000 Twitter job channels and Facebook and mobile applications
Identified HealthRecruit (http://employers.identified.com/healthrecruit)	Health care-specific sourcing tool that uses social networks including Facebook to identify passive clinical professionals not on LinkedIn or job boards

and start filling its talent pipelines well in advance. The company has been very successful using LinkedIn to recruit for positions including chemical engineers. Because the notes associated with the profile for Osram's recruiter on the Web site indicate that she is always looking for chemical engineers, she receives inquiries from people who she would not normally be able to network with.⁴⁴ Because the candidates generated by social networking sites are often passive job seekers, the combination of high touch and high tech created by the social networking technology allows recruiters to source faster and gives candidates extra time to consider jobs.

Companies are also increasingly using the free social networking site Twitter.com to source recruits.⁴⁵ In addition to getting the word out quickly to targeted people, the message can get re-tweeted and reach an even wider audience. When one legal recruiter received an e-mail one morning that an insurance industry client needed 40 lawyers immediately for a big document review, she quickly sent a tweet to her 150 followers, which was re-tweeted by legal blogs that follow her. She had 10 replies waiting for her at the office and filled every post by lunch. She says, "With job boards it takes a couple days before people look. But Twitter is immediate."⁴⁶

Buzzwords can also be searched on Twitter to source recruits with specific skills or who live in a certain area (e.g., using hashtags like #jobs or #RKE for the Roanoke Virginia area). Using unique URLs (shortened to meet Twitter's 140 character maximum using sites like www.bit.ly) that link each open position to a page describing the application process, data can

be obtained about who clicks through to job postings and where they are located.⁴⁷ Twitter's Job Deck and www.twitjobsearch.com are increasing job seekers' use of Twitter by making it easy to find tweets advertising job openings.

There are downsides to using Twitter, including the possibility that a job posting quickly goes viral on Twitter in a negative way. When using Twitter or any social media recruiting tool it is also a good idea to prevent them from becoming a primary recruiting source for legal reasons as applicant diversity and legal discrimination risks may be negatively affected. Personal photographs on sites including Twitter and Facebook disclose the person's race, gender, age, disability, and possibly other protected categories that the firm otherwise would not have access to at this recruiting stage. Social networking sites also do not include the entire population and are often limited to certain social groups. For example, in 2013, only 7 percent of LinkedIn users were black and only 8 percent were Hispanic.⁴⁸ Social networking sites are also better for sourcing for technology-related positions due to the nature of the people using them.

To maximize the use of Twitter for your own job search, follow, re-tweet, and interact with employees and hiring managers at companies where you would like to work. Make sure that your Twitter profile contains a professional photo and keep your tweets non-offensive. It can also be helpful to create a 140-character résumé describing your skills, the type of job you're interested in, and how a recruiter could contact you.

A survey of over 160,000 recruiters found that 98 percent of recruiters used social media to recruit in 2012, with 22 percent using Facebook, 27 percent using Twitter, and 97 percent using LinkedIn.⁴⁹ Job postings were viewed an average of 179 times per job on LinkedIn, 45 times on Twitter, and 10 times on Facebook. Social media use was highest among recruiters for information technology, finance and banking, health care, and manufacturing positions.⁵⁰ Social media is also used to source passive job seekers who are not actively looking for a new job.

It is important to set guidelines for recruiters in using social media. Expectations about which social media outlets can be used, which jobs to target, and which metrics to track should be clearly communicated. A statement detailing the organization's strategic and practical intent in using social media for sourcing and recruiting helps recruiters to better understand when and how to use and when and how not to use these tools.⁵¹

Some companies are also creating their own networks with promising talent leads. As discussed in the opening vignette, global technology security company McAfee invites top talent prospects to participate in an online talent communities and provides them customized premium content and forums moderated by senior McAfee executives.⁵² Other companies monitor the social media contributions of potential recruits to identify expertise in particular areas.

SCHOOLS Colleges and universities are a common recruiting source for both graduates and interns. Companies often source from only a few universities for each job family, focusing on the programs whose graduates best meet the firm's needs. Microsoft tracks the schools from which its best workers come from.⁵³ Recruiting from a limited number of campuses also allows firms to develop a relationship with the university and its faculty, which can give it greater access to its students. Qualcomm funds labs and faculty research projects on targeted campuses, and has an on-campus ambassador program.⁵⁴ Some companies leverage this relationship by asking faculty members to pass along the names of the students who would be the best fits with the companies' needs. The National Association of Colleges and Employers' ethical guidelines for career service professionals and campus sourcers and recruiters, *Principles for Professional Conduct for Career Services and Employment Professionals*, is available online.⁵⁵

Internships can also be an effective source of new hires. Employers get a good look at potential hires during their internships, and the interns get the opportunity to evaluate whether the company is a place they would like to work. Interns become the majority of new hires at J.P. Morgan and Goldman Sachs.⁵⁶ A survey of more than 300 employers found that 30 percent of new college hires came from internship programs, and about 25 percent came from cooperative education programs.⁵⁷ Merrill Lynch gives three out of four summer interns a full-time job offer, sourcing them as early as their freshman year to build relationships sooner and increase the probability that it will be able to hire them.⁵⁸

Some firms, including Lockheed Martin, Agilent Technologies, and Deloitte & Touche, have even begun sourcing future hires for hard-to-fill jobs in engineering, accounting, and other areas from high schools. Likewise, the accounting firm Deloitte spends more than \$1 million

a year sending employees to 45 different high schools to mentor students in how to run virtual businesses. The mentors teach the students the skills and work ethic they will need in the working world, and generate a pipeline of smart, motivated talent.⁵⁹ Supermarket chain H.E. Butt Grocery Co. sponsors programs including internships and formal training programs to introduce high school students to its job opportunities. CVS Pharmacy launched Pathways to Pharmacy to expose children from the inner city and rural areas to science and math. The program also trains them in job skills and encourages them to consider a pharmacy career.⁶⁰

PREVIOUS EMPLOYEES Some organizations make it a point to stay in touch with departing employees and try to rehire them later. Apple Computer and Starbucks did this when they rehired Steve Jobs and Howard Schultz, respectively, as their CEOs. After the September 11 terrorist attacks, the FBI faced a serious challenge when it tried to launch a worldwide investigation. More than 40 percent of its agents around the world had no more than five years on the job.

To regain the experience it would need, the FBI hired dozens of its retired agents on a contract basis as intelligence analysts and evidence examiners.⁶¹ Similarly, because it can't easily or quickly train people with expertise in aircraft engine performance problems, the Navy keeps the addresses of retirees and other past employees in a database for use in the event they are needed.

When the Federal Deposit Insurance Corporation needed to prepare for an increase in failed financial institutions in 2008 it brought back 25 retirees, many of whom worked during the savings-and-loan crisis in the late 1980s and early 1990s.⁶² Companies including IBM and KPMG have set up Web sites for their alumni networks to keep in touch with former employees.⁶³ Software that analyzes the dynamics of each alumnus's connections helped one accounting firm rehire 31 boomerangs through its alumni network.⁶⁴

An employee who voluntarily leaves to pursue other opportunities may find that the new job is not what he or she expected, or the new venture simply may not work out. These "boomerang" employees are already familiar with the job and organization, and the company has a good idea of their talents and fit with the firm. They are also likely to get up to speed quickly, and have enhanced their skills while they were gone. It is a good idea to inquire about how they spent their time away from the company, and how they feel about returning. If they left because they felt mistreated, they may have low morale or an undesirable attitude.⁶⁵ One potential drawback is that if returning employees are given better positions than they had when they left, other employees may conclude that the only way to get ahead is to leave the company.

NON-U.S. CITIZENS Because recruiting globally dramatically increases the pool of available talent, some firms try to source foreign workers and sponsor a visa for them. Because some programs, including the most popular employment-based immigration program, the H-1B visa program, require a new employer to repeat the sponsorship application process if an employee wishes to leave his or her current organization, employees recruited this way often feel more obligated to stay with their employers than people hired domestically do. By increasing the likelihood that its workers will stay with the company for the duration of their visas, the program can increase the stability of a firm's employees and reduce the company's turnover costs.⁶⁶

In the United States, the Immigration and Nationality Act (INA) allows firms to hire only eligible aliens who are specifically authorized to work in the United States. Legal immigrants to the United States can become eligible by applying for a "green card" from the Immigration and Naturalization Service. Employers must verify the eligibility of all of their new employees, and applicants must show proof of their eligibility for U.S. employment by completing an I-9 form. The firm must keep I-9 forms on file for at least three years after the applicant is hired or one year after employment ends, whichever is less.

Other recruits who are not citizens may be approved for hire through the Labor Condition Application and Foreign Labor Certification programs administered by the Department of Labor's Employment and Training Administration. To hire seasonal help, employers must demonstrate that they have tried to hire U.S. citizens without success. Foreign professionals must also be paid the prevailing U.S. wage in their field. Some workers—nurses, for example—must comply with the certification procedures set forth by the Department of Labor. Although the process can take up to two years, it can be worthwhile for companies seeking highly skilled workers. If the hiring organization can show the Department of Labor that qualified workers are not available and that the wages and working conditions offered will not adversely affect those of

OFFSHORE LABOR

employees living and working in other, usually lower-cost, countries

similarly employed U.S. workers, a regional certifying officer can grant the labor certification. Several types of employment visas exist to meet different employment conditions.

Offshore labor refers to employees living and working in other, usually lower-cost, countries. Reducing a firm's labor costs is one of the most obvious reasons for offshoring, but the quest for talent is another motivation: By offshoring, companies are able to pursue top talent wherever it is located. Reliable and affordable communication infrastructure has made offshore labor feasible for many jobs. Although not a fast solution to a hiring need, sourcing offshore labor can help acquire quality talent at an affordable price.

Hiring employees is only part of the challenge when a firm offshores. The new workers must also be trained in the company's culture and practices. Because of the negative effects on U.S. jobs, offshoring has been a frequent topic of debate. Bank of America Corporation received negative media attention in recent years when it laid off hundreds of IT workers after requiring some of them to train their Indian replacements. But the company learned from its mistake, and now gives its workers six to eight months' notice before offshoring their jobs, which usually gives them enough time to train for new assignments or hunt for other jobs.⁶⁷ Firms must also balance the cost savings of moving some jobs to cheaper locations with the need to protect their sensitive technologies and business secrets. For example, to prevent its technology from being stolen, Symantec, producer of Norton AntiVirus, refuses to offshore or outsource its virus definitions or the engine that works with these definitions to prevent viruses.⁶⁸

WALK-INS

people who apply directly with companies

WALK-INS Walk-ins are people who apply directly with companies. Many employers post hiring signs on their properties to encourage people to do just this. Some walk-ins occur even when no openings exist. Walk-in applicants may be asked to complete a job application and given a quick interview to assess their qualifications. Depending on their policies, some organizations only accept walk-in applications for specific positions. Other organizations screen walk-in applications to keep promising recruits on file in case a position opens in the future.

CREATIVE SOURCING Some firms have utilized creative sourcing strategies, including recruiting at their own training events for employees of other companies, "speed hiring" sessions modeled after speed dating, and reading chat room postings and blogs to locate talented people. Some firms, such as Google, have even held talent competitions and made job offers to the winners.

While pink slips were being handed out at Yahoo's corporate campus, executives from Internet voice and video company Tokbox set up a taco truck across the street, offering affected employees and anyone else who wanted to chat a hot lunch and information about working for Tokbox. The novelty of their efforts generated hundreds of thousands of dollars worth of free PR and employment advertising.⁶⁹

To attract whiz kids, Google posted math puzzles on giant signs in subway stations, and a Web address for where to submit answers. Respondents were then directed to Google's recruitment site and encouraged to apply.⁷⁰ Cisco Systems regularly uses creative advertisements and stunts to draw job seekers to its Web site. Cisco sponsors coffee carts at industry conferences, asking patrons to fill out information sheets while waiting for their free coffee.⁷¹ When Cisco learned that members of their targeted applicant pool like to visit antique shows and micro-brewery festivals, Cisco's recruiters began attending them to identify potential recruits. Cisco regularly introduces new and innovative recruiting practices to replace old ones every 6 to 12 months.⁷²

OUTSOURCING Outsourcing tasks to other individuals or organizations able to do required work effectively and efficiently is another external sourcing option. Hiring consultants or vendors to provide services or perform needed work can be a relatively fast talent solution. For example, Amazon.com allows other businesses of all sizes to store their products in Amazon's fulfillment centers and have Amazon pick, pack, ship, and provide customer service for their products.⁷³ For many companies this is much more efficient than building and staffing their own fulfillment center. Web sites including Elance also make it fast and easy to find freelancers in a variety of areas including Web developers, programmers, writers, and marketers.⁷⁴

Table 6-4 summarizes the effectiveness of these external sourcing methods in terms of their speed, cost, and the types of applicants they tend to generate.

TABLE 6-4 The Effectiveness of Various External Sourcing Methods

Source	Speed	Cost	Types of Applicants
Employee referrals	Fast	Depends on rewards	All
In-house recruiters	Fast	Moderate	All
Written advertisements	Moderate	Moderate	Active
Job and trade fairs	Fast	Low	Active
Observation	Moderate	Low	Passive
Résumé databases	Fast	Low	Active
Career sites	Moderate	Moderate	Active
Online job boards	Moderate	Low	Active
Search firms	Moderate to slow	High	All
Professional associations	Moderate	Low	All
State employment agencies	Moderate	Low	Active
Military transition services	Moderate	Low	Active
Acquisitions and mergers	Slow	High	All
Raiding competitors	Moderate	Moderate	All
Internet data mining	Moderate	Low	Passive
Networking and social media	Moderate	Low	All
Schools	Slow	Moderate	Active
Previous employees	Moderate	Low	All
Non-U.S. citizens	Slow	Moderate	Active
Walk-ins	Fast	Low	Active
Creative sourcing	Depends on the source	Depends on the source	All
Outsourcing	Fast to moderate	Moderate	N/A

CREATING A SOURCING PLAN

A **sourcing plan** prioritizes which recruiting sources should be used to staff a given position to best meet staffing goals that include the cost, speed, and quality of new hires. When creating a sourcing plan, a firm should do the following:

1. Profile desirable employees
2. Analyze the effectiveness of different recruiting sources on an ongoing basis
3. Utilize different recruiting sources based on the firm's staffing goals and employee profiles

Next, we discuss each step in more detail.

Profiling Desirable Employees

Just as marketers use customer behavior profiles to better position their products in the marketplace, "employee profiles" help firms identify desirable talent. **Employee profiling** identifies what the firm's successful current employees like to do and how people like them can be recruited. To accomplish this, a firm can use a survey or focus group whereby the firm's top performers are asked about where they like to go, what media they use, what organizations they belong to, what events they attend, and how it's easiest for them to be reached. Identifying how top performers differ from poorer performers can also help a firm prioritize its recruiting sources.⁷⁵

Anecdotal evidence suggests that employee profiling can be extremely effective. For example, the Minneapolis-based chain Caribou Coffee realized that some of its best performers were women in their thirties who needed a job with flexible hours because of their families. After conducting focus groups of moms currently on staff, the company created a successful, low-cost recruitment campaign to appeal to this applicant pool.⁷⁶ When Chiron Corporation, a Silicon Valley biopharmaceutical firm, was having difficulty hiring a pharmacist in a tight labor market, it sent two recruiters to a local Walgreens to ask the pharmacists there for ideas about how they could get in touch with other pharmacists. After providing the recruiters with

SOURCING PLAN

prioritizes which recruiting sources should be used to staff a given position to best meet staffing goals

EMPLOYEE PROFILING

a process that helps a firm identify what its successful current employees like to do and how people like them can be recruited

information about the Web sites pharmacists might go to on the Internet, and how Walgreens would go about hiring another pharmacist, the staffers at the store even offered some leads from their own network of colleagues.⁷⁷ Chiron also uses focus groups and other research to profile its most talented employees.⁷⁸

Performing Ongoing Recruiting Source Effectiveness Analyses

There is no one best sourcing strategy in recruitment. What works for one job (or company) might not work for another job, or work for the same company in the future. For these reasons, all of a firm's sourcing strategies, both internal and external, need to be under constant review.

This involves tracking the following metrics:

- How applicants, top candidates, and successful new hires discovered the vacancies for which they applied
- How many recruits each source generated
- What quality of recruits each source generated, and what was the range of the quality from each source
- What were the demographic characteristics of the recruits from each source
- Yield ratios for each source
- Conversion rates from applicant to hire for each source
- Absence and turnover rates by source
- Job performance by source
- Promotion rates by source
- Data relevant to other staffing goals

Table 6-5 shows a hypothetical recruiting source analysis for an engineering position. Additional criteria could be tracked, including demographic information about applicants, hiring rates, and conversion rates from applicant to hire, but we will simplify the analysis for the purposes of demonstration. Assuming that for its engineers, the hiring firm values the quality of its new hires the most, followed by the associated costs of hiring them, and the speed with which they can be hired, the analysis indicates that college hiring has been the best source for new engineers. The time it takes to fill engineering openings from this source is rather long, however. The analysis shows that the second best source has been employee referrals. This method has proven to be relatively fast but modestly expensive due to the referral bonuses paid to employees for their recommendations. The third best source, career sites, is also relatively fast and costs less than the other two methods but produces lower-quality hires.

Yield ratios and other data should be collected for each recruiting source. For example, in Table 6-5, the fact that college hiring yields the best applicants but is slow could mean that another source would be better, or that the yield ratios and time lapse data for each step in the process should be examined to determine how to make each step more efficient.

Human resource professionals analyze *applicant flows* (how many and what type of applicants come from each recruiting source) and *selection ratios* (of the applicants coming from each recruiting source, what proportion of them are hired) to understand the effectiveness of the recruiting sources being used to fill a position. Problems are not likely to be identified or corrected without this information.

TABLE 6-5 A Recruiting Source Analysis for an Engineer's Position

	Average Speed (Months)	Cost per Hire (\$)	New Hire Quality
College hiring	8	5,500	Very High
Employee referrals	2	8,000	High
Career sites	2	2,500	Good
Search firm	4	15,000	Good
Walk-ins	1	500	OK
Newspaper ads	2	1,000	Poor

There are two relatively simple analyses of applicant flows and selection ratios that an employer can apply to evaluate its recruiting sources for a particular position. Applicant flow can be tracked using a recruiting yield analysis of the sources producing job applicants. A **recruiting yield analysis** simply tracks the recruiting source(s) that produced each applicant and evaluates each recruiting source on the basis of relevant criteria including the number and proportion of qualified applicants coming from each source and their demographic characteristics.

As an example, imagine that the only recruiting sources a firm used were a newspaper advertisement and word-of-mouth recruiting. Assume that 40 percent of the 500 applicants produced by the newspaper advertisement were hired for positions with the firm (a 40 percent selection ratio), and of them 95 percent were white males, and that 70 percent of the 150 applicants generated through word-of-mouth recruiting were hired, and of them 50 percent were white males. These numbers indicate that word-of-mouth recruiting was more effective in terms of both the quality of applicants and their diversity. Now consider adding a minority job board to the sourcing strategy. If eight of the ten people hired through the job board were minorities and the ad generated 30 applicants, the addition of the minority job board could result in greater diversity even if it generates fewer quality applicants overall.

The proportion of different types of applicants dropping out of the application process at different stages can also be tracked and evaluated. Organizations are well served by diversifying their recruiting methods and tracking each source's effectiveness on whatever criteria are relevant to it, including the quantity, quality, and diversity of applicants as well as the length of time new hires serve with the company, their performance level, and the costs of recruiting them. This information can enable the organization to balance its recruiting sources to increase the probability of the desired distribution of qualified applicants at a reasonable cost. For example, when the bank holding company Wachovia analyzed its past sourcing data, it found that although Internet job boards were the cheapest way to source new hires, the volume of applicants was overwhelming. When Wachovia tracked its sources of new hires in terms of quality of hire rather than number of hires, the analysis led to more limited and shorter-term posting of jobs through job boards.⁷⁹

It is important to note that as an organization begins to recruit differently and its workforce becomes more heterogeneous (diverse), the effectiveness of different recruiting sources can change. For example, as more women and minorities are hired, it will create a number of female and minority employee ambassadors who can recruit other minorities and women via word-of-mouth recruiting. This can improve the effectiveness of word-of-mouth recruiting over time in terms of reaching diverse applicants. If a substantial proportion of successful minority employees applied for the position because they were told that the organization was actively looking to hire women and minorities, then this information could also be actively incorporated into future recruiting efforts. Moreover, research has consistently found that applicants who apply directly for jobs and those who were referred by current employees are more likely to receive and to accept job offers than were applicants recruited via other sources,⁸⁰ probably because different recruitment sources tend to reach individuals from different applicant populations.⁸¹

An additional type of analysis can result in an increased understanding of from where qualified, diverse recruits are likely to come. By tracking the positions and organizations from which successful diverse employees come before being hired by the firm or moving into their current jobs with the firm, an organization can further identify its highest potential applicant pools and devote more resources to better tap them in the future. For example, if 30 percent of the successful minority employees are found to have previously worked in certain jobs elsewhere in the organization and transferred into the target position, the organization might be able to realize a substantial return on its investment by offering training programs to employees such as these who wish to transfer to the target position.

RECRUITING YIELD ANALYSIS

tracks the recruiting sources that produced each applicant and evaluates each recruiting source on the basis of relevant criteria including the number and proportion of qualified applicants coming from each source and their demographic characteristics

Prioritizing Recruiting Sources

The Corporate Executive Board's 2011 "Smart Sourcing" survey found that three out of four recruiters still rely on the volume of candidates a source provides rather than on candidate quality when selecting which sourcing channel to use. The highest performing recruiters instead prioritize their recruiting sources based on the staffing goals for the position, market conditions, and data-based evidence about the talent quality provided by each source. Referring again to

Table 6-5, for some hiring efforts, speed may be more important than for others. In the situation presented in Table 6-5, college hiring channels would not be the first recruiting source used to recruit engineers. Instead, employee referrals would be given priority.

It is important to consider the advantages and disadvantages of each recruiting source before picking which one is most appropriate for a specific business need. At one point, the human resource department of General Telephone and Electronics (GTE) was under pressure to focus on efficiency and lower its costs. To hire applicants faster, recruiters began tapping temporary agencies and job banks rather than graduating college students and experienced professionals. The time to fill positions in one region fell to 50 percent below GTE's company average at a lower cost per hire. But the turnover rate rose to twice the company average and customer service levels fell. An analysis revealed that by changing its sourcing strategy to meet the cost and efficiency goals, the sourcing process became less selective and the recruits' poorer fit with the job and organization led to less-skilled hires, higher training and turnover costs, and lower levels of customer service.⁸² In other words, for GTE, the relative importance of different staffing goals influenced the prioritization of different recruiting sources, which dramatically changed the outcomes of the staffing process.

Little research has systematically addressed how organizations can and do make systematic and effective applicant sourcing decisions. From a cost and time perspective, targeting the most active job seekers is usually the best choice. If a company can find sufficient numbers of high-quality active job seekers using job boards or basic employee referral systems, it may be hard to justify doing more than this. But when the company can no longer find enough good people this way, the firm's recruiters might be tempted to try recruiting from these same sources more intensely, which is ill advised. One survey found that almost 75 percent of recruiters use volume rather than quality criteria to determine which sourcing channels to use.⁸³ Although it is obviously important to be able to hire sufficient numbers of employees, promoting applicant quantity over quality obviously risks a decreased yield of quality hires. Organizations should have multiple sourcing methods in their arsenal from which to choose depending on the specific needs and goals of each hiring effort.

By having a sourcing plan in place and managing it using appropriate metrics, a company can quickly adjust its sourcing methods when it needs to.⁸⁴ Valero Energy Corporation gives each staffing project a risk factor and ranks every applicant source using a dependability index. When critical high-risk projects come in, only sources with high dependability index scores are allowed to work on the project. An automated system automatically assigns positions associated with the staffing project to various sources based on the labor type, job characteristics, speed, cost, quality, and source's dependability.

Informal recruitment sources tend to outperform more formal recruitment sources.⁸⁵ In particular, research on the effectiveness of different external recruiting sources has generally found that employees recruited through informal sources, particularly referrals, seem to have the highest rates of job survival and performance.⁸⁶ This suggests that if low turnover is a primary goal of a recruiting effort, formal recruiting methods like advertising in print media and simply posting jobs on the Internet may be less effective than informal methods like networking and employee referrals. Despite a modest amount of research on the effects of recruiting source on posthire outcomes, the findings have been relatively weak and inconsistent.⁸⁷ Research has suggested that recruiting sources influence job satisfaction, turnover, and absenteeism through realism processes,⁸⁸ which could partially explain why informal recruiting sources tend to outperform more formal sources.

SOURCING NONTRADITIONAL APPLICANT POOLS

Research on why and when organizations successfully target alternative labor markets and the short- and long-term consequences of doing so is lacking. That said, many organizations try to gain a competitive staffing advantage by focusing on potential applicants generally overlooked by other employers.⁸⁹ "Nontraditional" applicants who differ from typical hires in terms of their educational background, previous employment, age, and so forth can be very good performers. One organization, Microboard Processing, a Connecticut-based assembler of electronic components, sources one-third of its assemblers from high-risk groups including former drug addicts, people with criminal records, and welfare recipients. The recruits are often given simple landscaping jobs first to see how well they do before they are moved to the assembly operation. They

are also given a lot of slack during the first few months on the job while they are adapting to the discipline of factory work. The company says that in return, it has hardworking employees who are grateful and loyal to Microboard for giving them a chance.⁹⁰

As another example, during the economic expansion of the late 1990s, many of the top consulting firms were expanding and unable to hire sufficient numbers of the top MBA students from the elite institutions where they had already recruited without compromising their standards. For McKinsey, rather than dipping farther down into the graduating MBA class and hiring from the top 10 percent rather than the top 5 percent, the company widened its candidate search and looked into many disciplines globally for the best talent it could find. These people were bright—many of them had earned PhDs, MDs, and law degrees. As such, they were easily trained to be quality consultants via McKinsey's own mini-MBA program for new hires.⁹¹ By reassessing the value of sourcing from different labor pools, McKinsey successfully adjusted its sourcing strategy to maintain a supply of quality talent. As the projected talent and labor shortage in the United States⁹² increases, firms are likely to tap increasingly different applicant sources such as these. Next, we discuss three nontraditional applicant pools: workers with disabilities, older workers, and welfare recipients.

Workers with Disabilities

Qualified persons with disabilities are an underutilized labor source. The unemployment rate for people with disabilities is high, despite the fact that two-thirds of the currently unemployed persons with disabilities would rather be working.⁹³ The truth is, however, that disabled workers can be as productive as or more productive than nondisabled employees. People with disabilities are often creative problem solvers due to the challenges they face in their daily lives. Some disabilities can even be enabling in particular work contexts. For example, people who are deaf can communicate in noisy environments using American Sign Language. A study of Walgreens' distribution centers found that its workers with disabilities had a 48 percent lower turnover rate than its nondisabled population, as well as 67 percent lower medical costs and 73 percent time-off expenses.⁹⁴

Employers who look at people's abilities and not their disabilities often benefit from the talents of a diverse workforce. Walgreens proactively created a disability-friendly environment in its distribution division by creating two distribution centers designed specifically to employ people with physical and cognitive disabilities. At one facility, 40 percent of 400 employees have disclosed physical or cognitive disabilities. Because the technology and process changes originally intended to accommodate workers with disabilities improved everyone's jobs, the facility's overall efficiency rose 20 percent since opening.⁹⁵

Temporary staffing agencies are one way to effectively source people with disabilities because they focus on the individual abilities, job skills, and interests of all job seekers. Staffing services use job assessment services, temporary job assignments, and skills training to help individuals with and without disabilities find appropriate employment. These services provide job seekers with opportunities to build a work history, experience different types of jobs, and increase their employment marketability and earning potential.⁹⁶

The Labor Department's Office of Disability Employment Policy⁹⁷ facilitates sourcing people with disabilities by distributing a free CD-ROM database in which employers can search from a pool of prescreened applicants in fields including computer sciences, business, communications, and engineering. The federally funded Job Accommodation Network is a free consulting service of the Office of Disability Employment Policy. The network provides employers with suggestions on how their workplaces and equipment can be modified to accommodate disabled employees.⁹⁸ Although some employers worry about the cost of accommodating people with disabilities, many affordable technologies exist—80 percent of available accommodations technology costs less than \$1,000.⁹⁹

Older Workers

The United States' population and that of the world is aging. The United Nations estimates that by 2050, individuals over age 60 will comprise a larger segment of the population than will those individuals younger than age 15.¹⁰⁰ But the surge in retirement-eligible workers will be a challenge many companies will have to manage long before 2050. By 2050, it is projected that nearly 17 percent of the global population will be age 65 and over, up from 8 percent in 2013.¹⁰¹

Facing business-threatening demographic shifts and skill shortages, some organizations have begun recruiting and retaining workers over 50. For example, to more than double its over-55 workforce, which represented 16 percent of the company, CVS drugstore recruiters went to senior centers and pitched the company as a great place for older people to work. "Of the 100 people who came to the presentation, only 10 wanted to work, but those were the 10 we wanted," a CVS manager said.¹⁰² Walmart also makes recruitment pitches at senior centers. Borders bookstores and Home Depot have started "snowbird" programs that allow workers to transfer to stores in warmer regions during the winter. Many organizations are also rethinking ways of retaining older workers by offering them reduced or flexible hours, enhanced benefits packages, and the opportunity to work part time. The AARP, the advocacy group for retired people, posts on its Web site links to "featured employers," including MetLife, Pitney Bowes, Borders, Home Depot, Principal Financial, and Walgreens—firms that recruit older workers by offering them health benefits, training, and flexible work schedules. Tens of thousands of seniors use the Web site monthly to search for job information.¹⁰³

Some people believe that workers become more costly as they grow older due to more medical problems and more missed workdays. But Dan Smith, senior vice president for human resources at the Borders Group, says that "overall costs are not much different based on the age of employees. Training and recruiting costs are much lower than for younger workers. It all evens out."¹⁰⁴ After years of encouraging workers to take early retirement as a way to cut jobs, many firms are seeking older workers because they have lower turnover rates and, in many cases, perform better. For large organizations, improved retention rates can be worth millions of dollars annually.

Welfare Recipients

Federal and state governments have made moving welfare recipients from the public assistance rolls to employer payrolls a top priority. Business Interface Inc.¹⁰⁵ (www.welfaretowork.org) develops and implements employment strategies and services that directly address employers' reservations about hiring underserved populations. Historically, nontraditional applicant pools, such as welfare-to-work participants, are most likely to be utilized during labor shortages, when the jobs being recruited for are unattractive and the skill levels required for them are flexible.¹⁰⁶ Nonetheless, it is possible for organizations to regularly make use of the people in these pools when the risks associated with their employing workers such as these are relatively low. Retail drug and pharmacy giant CVS has hired over 60,000 low-wage and welfare-to-work participants.¹⁰⁷

The hotel company Marriott International has a "Pathways to Independence" program, which is a six-week, preemployment, life and occupational skills training program designed to help people receiving public assistance transition to a productive career in the hospitality industry. Marriott's Community Employment and Training Programs Department provides participants with 60 hours of classroom instruction and 120 hours of occupational skills training. Participants learn the importance of job acquisition skills, safety, communication, personal life skills, and job retention. Participants who successfully complete the program receive full-time job offers with benefits from Marriott. The retention rates for Pathways graduates are among the highest in the high-turnover hospitality industry. Eighty percent of participants graduate, 90 percent stay with Marriott for at least 90 days, and over 55 percent stay with the company for at least one year.¹⁰⁸

GLOBAL SOURCING AND GEOGRAPHIC TARGETING

Another issue facing many organizations is the sourcing of recruits wherever they are located in the world. Companies seeking to expand globally also need to source local talent to staff their new operations abroad. International recruiting can be an important part of a company's strategic recruiting effort because it can create a substantially larger pool of talent from which to identify, attract, and hire employees with key skills. Particularly for high-level skills or skills in short supply, recruiting from a global labor market may be necessary in a tight domestic labor market or if an organization wishes to employ the best talent.

In sourcing recruiting internationally, sensitivity to cultural differences is important. Flexibility in the execution of the recruiting strategy is critical, and recruitment methods that work best in each location must be identified. A database of potential candidates who live outside the United States can also be developed from customers, referrals, and people from around the

world who contact the organization. It can be helpful to learn as much as possible about targeted recruiting regions and countries, including the kinds of people available and their primary interests and skill levels as well as their motivations and recruiting strategies that particularly appeal to them. It is also important to become knowledgeable about visa requirements and the issues involved in bringing people to the United States to work. It is not necessarily difficult or expensive to do this, but it is important to be aware of the relevant legal and immigration regulations. Next, we discuss some additional issues related to global sourcing.

Global Sourcing

Global sourcing is the sourcing of employees on a global basis. Global sourcing requires planning, developing, implementing, and evaluating staffing initiatives on a worldwide basis to ensure that staffing goals and objectives are met. Sourcing and staffing a global workforce offers a substantially different set of challenges than does sourcing and staffing a domestic workforce. Implementing recruiting and staffing policies across a range of countries, each with its own cultural, legal, economic, and political characteristics, is much more complex.

One of the primary challenges of sourcing and managing a global workforce is the need to strike a balance between two competing objectives: integration and differentiation. *Integration* refers to the coordination of a single global staffing strategy that gives the organization adequate control over its local operations. *Differentiation* refers to the need to acknowledge and respect the diversity of local cultures and a firm's employees' expectations in those cultures. For example, firms need to give some latitude to their local managers to tailor their strategies and practices to meet the needs of their locations. In Mexico, for example, personal relationships are often important in business, and job candidates are often recruited by someone with whom they already have a relationship.¹⁰⁹

When analyzing the potential of various international locations, *local employment agencies* can be a useful source of information about the characteristics of the local labor force. These characteristics can include such factors as the local population's skill base, local wage rates, employee turnover rates, and the cultural and legislative issues related to operating in the international location. Companies are wise to analyze whether an international locale has a sufficient amount of talent to support the firm's planned operations and to consider a number of different locations before making a final decision.

After choosing an international location, companies sometimes rely on local employment agencies to staff them. Although the key employees located internationally are likely to be expatriates of the parent country, at least some host-country nationals with local experience are usually hired. The labor markets and the firm's business needs will determine the balance of expatriates and local nationals for global companies, unless the hiring is highly regulated in the new location. (Some countries require international firms to employ a certain percentage of local workers, for example.) Companies can try to attract managers from competitors, or rely on local headhunting companies. Given the difficulty in forecasting demand in the new location, companies often try to keep their labor force as flexible as possible until it is clear that the new venture will succeed. Generally they do this by heavily relying on temporary staffing. Companies can also choose to work with a combination of both local employment agencies and global operators, which can service their requirements in a number of new markets.¹¹⁰

Cultural awareness is an understanding of how our own culture can influence our behavior, assumptions, and values, and is an important skill when staffing globally. Global recruiting programs must understand and respect the nuances of local culture and business styles and deliver a positive candidate experience to optimize the talent pool and hire successfully. Because of the many opportunities for misunderstandings due to different communication styles, etiquette, or expectations, advertising, written correspondence, and interviews should be tailored to the local culture.¹¹¹

Geographic Targeting

Geographic targeting, or sourcing recruits based on where they live, is also commonly done by organizations. Lower-level positions in an organization are typically filled from the local labor market, and the geographic boundaries for a sourcing effort tend to widen as the position moves up the organization's hierarchy. For example, searches for lower-skilled jobs are usually local, and CEO searches are generally national, if not even global in nature. Although

GLOBAL SOURCING

sourcing employees on a global basis

CULTURAL AWARENESS

an understanding of how our own culture can influence our behavior, assumptions, and values

GEOGRAPHIC TARGETING

sourcing recruits based on where they live

very little research has been done on the organizational decision-making processes related to geographic targeting, several studies do indicate that a job's geographic location is very important to applicants. For example, research on the job searches of college graduates indicates that many graduates do not consider job opportunities located outside their preferred geographic areas.¹¹² The importance of location does not seem to be limited to lower-level employees and college graduates.¹¹³ In fact, experienced employees with greater family obligations and community ties¹¹⁴ are probably less likely to want to relocate to certain areas than college graduates are.

Geographic targeting can be done by focusing on the local labor market, focusing on labor markets in locations similar to the organization's location in terms of city size, cost of living, climate, cultural and recreational opportunities, and other characteristics, or targeting individuals likely to find the organization's location attractive. Individuals tend to have preferences for communities with specific characteristics and are more willing to relocate to areas such as these.¹¹⁵ Research has also found that when people relocate to areas and communities that are similar to where they previously lived, it's easier for them to adjust.¹¹⁶ Identifying communities similar to an organization's own location and targeting your recruiting efforts in these areas can be a promising sourcing strategy. For example, because it was difficult for Allied Signal, a multinational fiber manufacturer, to recruit new production employees in the tight Arizona labor market, the company (which is now a part of Honeywell Inc.) targeted qualified production workers currently living in cold-weather cities. To recruit them, Allied Signal ran newspaper advertisements that tempted candidates with stories about Arizona's warmth and paid to relocate them.¹¹⁷ Other companies have moved their manufacturing plants to locations where an abundant and qualified workforce already exists. After a large employer in Lima, Ohio, lost its government defense contract and laid off a large number of skilled manufacturing employees, Siemens Automotive moved one of its manifold assembly plants from Windsor, Ontario, to Lima to take advantage of the availability of talent.¹¹⁸

In addition to better sourcing, another advantage of attending to the importance of geography is that it can help an organization to manage its retention rates. A technology company might find that having a location in Silicon Valley allows it to tap into cutting-edge talent. And because the turnover rate is high in Silicon Valley, given the ease with which employees can switch employers, the firm may be able to continually refresh its talent. That said, high turnover could jeopardize a research and development project with a long lead time. In this case, establishing a separate, long-term research facility in a location such as a rural community, in which highly skilled semiconductor employees are not in great demand, can increase employee retention rates. Intersil, a semiconductor designer and manufacturer, is a good example: When the turnover rate in the semiconductor industry was at 20 percent, an Intersil semiconductor facility located in rural Pennsylvania had an average turnover of only 2 percent.¹¹⁹ Locating a facility in a location where local labor does not have access to many jobs due to transportation limitations can also increase the supply of labor as well as improve retention. Also, people with young families are sometimes interested in relocating to smaller, more rural communities, and may find it hard to leave the area once they have put down roots in those communities. When GE had trouble finding people willing to move to "dreary" Erie, Pennsylvania, the company began sourcing junior military officers. Having been used to working in foxholes, these people found that Erie wasn't such a bad place to be. The program was so successful that GE soon expanded it throughout the company.¹²⁰

Sourcing Top Talent at McAfee

McAfee adopted a two-step approach to creating and maintaining an engaged talent community from which to source future hires. First, its premier talent community membership is by invitation only. McAfee sends a personal invitation to targeted talent to invite them to participate in the online talent community. Second, the company engages these high potential leads by providing customized premium content including discussion forums moderated by senior McAfee executives, company news, executive profiles, and multimedia forums in addition to periodic job postings.¹²¹ On the landing page of its career site McAfee also invites job seekers to provide an e-mail address and complete a personal profile to receive information about upcoming company events and opportunities.¹²²

Its SocialMatcher feature also allows job seekers to identify available jobs that fit their education and experience to make it easier for people to identify opportunities at McAfee for which they are good fits.¹²³

Developing a community of talent focused on its top recruiting prospects helped McAfee to better focus on and engage high potential future recruits, leading to a solid return on its investment. Time to fill for critical positions was reduced from 35 to 11 days, search firm expenses were dramatically reduced, and information about the quality of the top talent in its recruiting pipelines was greatly enhanced. By keeping its identified top talent prospects aware of and engaged in the company McAfee was better able to convert these leads into applicants and, ultimately, hires.

Summary

Sourcing talent is an important part of the recruitment and staffing process. Because it identifies the talent pools and the people who will eventually become applicants and new hires, it lays the foundation for a successful staffing effort. For firms pursuing quality passive job seekers who are not paying attention to traditional recruitment methods, a well-thought-out sourcing strategy is essential for staffing success. Because effective sourcing improves the quality of the applicant pool, it also decreases the burden placed on the candidate assessment and selection system because more applicants would be good hires. As the competition for talent further intensifies, the ability to source talent is likely to be an increasingly important factor in firms' abilities to find and attract the talent they need to execute their business strategies and maintain a competitive advantage.

A variety of sourcing strategies exist, and firms are getting more creative in identifying quality semi-passive and passive job seekers to target during later recruitment efforts. The increasing number of sourcing methods and the pressures of sourcing job applicants in a tight talent market can create pressure to source in ways that may be legal, but unethical. Stretching the truth, poaching candidates from competitors, and using the Internet in deceitful ways are not ethical and can harm an employer's reputation. By profiling desirable employees, performing ongoing recruiting source effectiveness analyses, and prioritizing recruiting sources based on staffing goals and employee profiles, firms can increase the return on their staffing investment and increase the probability of efficiently and effectively finding and hiring the right talent.

Takeaway Points

1. Sourcing is done to identify and locate high-potential people who will later be recruited by the firm. The quality and quantity of a company's new hires and the firm's return on its staffing investment are affected by its sourcing decisions.
2. Recruiting sources differ on many dimensions, including their cost, the quality of the recruits they generate, the time it takes to hire, the number of hires they generate, the types of talent they generate, and the diversity of the applicants and new hires they generate.
3. Different recruiting sources are appropriate for different types of positions. Sourcing executive talent might involve global targeting, search firms, and raiding competitors. Sourcing talent for a manufacturing line might involve local targeting, employee referrals, relationships with local schools, and job fairs.
4. A sourcing plan prioritizes different recruiting sources based on their ability to help the firm reach its staffing goals. Staffing goals aimed at hiring speed and low-cost hiring are likely to result in a sourcing plan that prioritizes newspaper ads and employee referrals over search firms and college recruiting efforts.
5. Sourcing nontraditional applicant pools can require more creative sourcing activities. A key component is identifying where and how people with the desired characteristics can be reached so that a recruitment effort can be developed to effectively target them.
6. Geographic targeting helps firms restrict their sourcing activities to geographic locations likely to generate promising applicant leads. Firms usually source talent in local labor markets to fill lower-level positions. By contrast, the geographic boundaries for a sourcing effort tend to widen the higher up the position is in the organization's hierarchy.

Discussion Questions

1. What could an organization do to be a more appealing employer to people with disabilities?
2. What sourcing strategies do you think would be most effective for finding entry-level managers for an on-campus, fast-food restaurant? Why?
3. If a firm wanted to recruit people like you, how could they best identify you and where could they put a recruiting message where you are likely to see and respond to it?
4. What could go wrong if a firm only sources recruits using one method?
5. How might a company's preferred recruiting sources differ when it is looking for local retail managers versus doing a national search for managerial talent?

Exercises

1. *Strategy Exercise:* Ringtone and Phones-R-Us are both successful companies in the cellular phone retail sales business. On the one hand, Phones-R-Us pursues a low-cost strategy and has fairly high employee turnover rates. The firm relies on a high volume of phone sales to generate revenue. On the other hand, Ringtone pursues a competitive advantage based on customer intimacy and has very loyal employees. Ringtone sells expensive, high-quality phones and relies on its employees to provide high-quality customer service to generate sales.
The sales representatives for both companies “bring in the bacon.” As such, these people are a key factor to the firms’ success. How should each company source recruits for the position?
2. *Develop Your Skills Exercise:* This chapter’s Develop Your Skills feature contains information about performing a Boolean search to identify passive job seekers. Adapt the Boolean terms presented in the feature, and do your own search to identify at least three recruiters in your area.
3. *Opening Vignette Exercise:* This chapter’s opening vignette illustrated how McAfee created a more engaged talent community to improve its sourcing of top talent. If you had to choose only three metrics for McAfee to use to evaluate the effectiveness of its talent community in sourcing top talent, what would they be? Why did you choose them? What other ideas do you have about how McAfee can keep its talent pipeline full of high quality potential job applicants?

CASE STUDY

When Marissa Mayer became CEO of Yahoo, one of the first things she focused on was upgrading the company’s talent assets.¹²⁴ Because top technology talent is in such high demand, and because Yahoo’s declining performance had made it an unattractive employer, Yahoo was not having much success attracting top talent through conventional means. Mayer understood that many talented employees had resigned from Yahoo over the previous few years, and recognized that they could be very important to Yahoo’s talent turnaround and future success.

Yahoo also realized that, because hiring and developing new employees can take years compared to hiring back experienced people, it could be faster and more effective to reach out to ex-employees. Recruiters sent official Yahoo employee welcome packets titled “Yahoo! welcomes you” to ex-VPs, project managers, and lower-level engineers with the word

“Back!” hand written after the title.¹²⁵ The contents of the packet describe how much the company has changed under the new CEO, and how Yahoo wants to speak with the recipient about “big opportunities.”

The unorthodox strategy seems to be working. Within a year 14 percent of Yahoo’s new hires were boomerangs, or one in every seven new employees.¹²⁶

Questions

1. Think of the previous jobs you have held. Are there any previous employers to which you would consider returning? What would it take for the companies you used to work for to get you to reapply with them?
2. What are some advantages and disadvantages for Yahoo of its boomerang hire program?

Semester-Long Active Learning Project

Develop a sourcing plan for the position you have chosen. Critically analyze the recruiting sources currently used to staff the position and recommend other recruiting sources that are likely to work. Be sure to explain why your recommendations are likely to be effective. Using what you learned in Chapter 3, identify how your sourcing plan will enable the company to comply with EEO and other legal

requirements. Then identify a geographic area from which to source the job and perform a Boolean search using the information in this chapter’s Develop Your Skills feature. Revise your search until you have identified at least three promising leads for staffing the position. Print out the candidates’ résumés or biographies and append them to your report.

Case Study Assignment: Strategic Staffing at Chern’s

See the appendix at the back of the book for this chapter’s Case Study Assignment.

Endnotes

1. McAfee, “Careers at McAfee,” 2013, <http://careers.mcafee.com/>.
2. Weiss, D., “McAfee: Building a Community of Talent,” *Talent Management Magazine*, February 2012, 22.
3. Minton-Eversole, T., “Innovation: An Integral Part of Talent Management,” *Society for Human Resource Management*, April 16, 2013, <http://www.shrm.org/hrdisciplines/staffingmanagement/Articles/Pages/PepsiCo-Innovation-Talent-Management.aspx>.
4. Sullivan, J., “Amazing Practices in Recruiting—ERE Award Winners 2009,” *ERE.net*, 2009, <http://www.ere.net/2009/04/20/>