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Chapter 14: Recruitment Strategy

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CHAPTER 14

RECRUITMENT STRATEGY

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14.1. INTRODUCTION

Several developments have had a profound impact on organization's recruiting activities. First, many firms such as Lockheed, collaborating with competitors, have found innovative ways in staffing practices to adjust to peaks and troughs in labor demand (Cappelli 1999). In addition to these instances of co-opetition (Brandenburger and Nalebuff 1996), temp agencies (e.g., Manpower) and outplacement firms (e.g., Drake Beam Morrin) have formed strategic alliances useful for recruiting. At the same time, the Internet has made recruitment both more efficient and effective. On the one hand, the Internet has helped to cut down recruiting costs and times dramatically, but on the other it has also made applicant pools virtually unlimited (Cappelli 2001). Not only does the Web allow companies to attract passive job seekers, but it also helps them to contact them more quickly and start negotiations sooner. Thus, new Web-based recruitment may be a double-edged sword as it may also facilitate voluntary turnover of a firm's most talented employees. In 2001, 90% of large U.S. companies used the Internet as a recruitment tool (Cappelli 2001). Today this percentage is likely to be 100%. Unfortunately, scholarly research on the positive *and* negative influence and context of Web-based recruiting has almost exclusively focused on the individual level of analysis (for reviews of this literature, see, e.g., Anderson 2003; Viswesvaran 2003).

These and other organizational, social, and technological trends are bound to increase the importance of recruitment, as well as the implementation of innovative recruitment strategies. The "new deal at work" means that employers are increasingly relying on the market for processes that organizations had traditionally internalized (Cappelli 1999). With this increasing externalization of human resource management (HRM), turnover of the most valuable employees may become a considerable problem that requires novel solutions (Cappelli 2000). Most importantly, organizations now face a strategic mandate to improve, if not optimize, their recruiting practices because, in today's institutional environment of HRM, recruitment might be the "most critical human resource function for organizational success and survival" (Taylor and Collins 2000: 304).

This chapter provides an overview of the theoretical and empirical contributions that have been made to the literature on recruitment strategy. Recruitment can usefully be defined as "those practices and activities carried out by the organization with the primary purpose of identifying and attracting potential employees" (Barber 1998: 5). This definition highlights the important difference between two HR functions that are typically seen as indivisible, or at least difficult to distinguish, namely recruitment and selection. Whereas selection is the HR function that pares down the number of applicants, recruitment consists of those HR practices and processes that make this paring down possible—by building the pool of firm-specific candidates from whom new employees will be selected.[1] As the first stage in the strategic HRM value chain, recruitment controls and limits the potential value of such "downstream" HR processes as employee selection or training and development. When the "pattern of planned human resource deployments and activities [is] intended to enable an organization to achieve its goals" (Wright and McMahan 1992: 298), HRM can be said to be strategic. More specifically, for recruitment to become strategic, HR practitioners must find effective answers

[1] Of course, these conceptual boundaries between recruitment and selection become more fluid in practice.

to the following five questions (Breaugh 1992; Breaugh and Starke 2000): (1) Whom to recruit? (2) Where to recruit? (3) What recruitment sources to use (e.g., the Web, newspapers, job fairs, on campus, etc.)? (4) When to recruit? (5) What message to communicate? For example, the size and quality of the initial applicant pool may be crucial in determining the effectiveness of recruitment overall (Carlson, Connerley and Mecham 2002; Collins and Han 2004).

Surveying the organizational recruitment literature, this review builds on and extends previous reviews (such as Breaugh and Starke 2000; Rynes 1991; Rynes and Barber 1990; Rynes and Cable 2003; Taylor and Collins 2000). At the same time, it highlights the importance of contextual variables at the *organizational* level of analysis. Because strategy is primarily concerned with the causal relationships between organization-level practices and organizational performance, a *prescriptive* angle seems most suitable to coverage of the recruitment *strategy* literature, as opposed to the descriptive approach taken by, for example, Rynes and Barber (1990).

Mirroring the tension between general "best practice" approaches and contingency approaches (cf. also Boxall and Purcell 2003), the chapter has a dual focus: (1) How, or why, does recruitment affect organizational performance? (2) Under what conditions (in what context) does recruitment matter? First, it reviews current knowledge with respect to the main effects *of* recruitment on organization-level outcomes. Then, it discusses organization-level contingencies *on* recruitment. In both sections, I critically appraise the state of knowledge about recruitment strategy. Adopting Rynes' (1991) practice, I present key findings chronologically in two summary tables for a quick overview. I conclude my review with some important trajectories for theoretical development, future research, and management practice and summarize the conclusions of the literature review.

In taking a strategic perspective on recruitment, I assume that HR laws and regulations function as sectoral, regional, or national "table stakes" (Boxall and Purcell 2003: 30, 81-82; Hamel and Prahalad 1994), which entire industry sectors might have in common. Thus, "table stakes" might present strategic implications for levels of analysis higher than the individual organization, but do not, and cannot, serve as organization-level differentiating factors. Because adherence to laws regulating the recruitment function (e.g., Affirmative Action) cannot strategically differentiate effective from ineffective employers, in my view a legal focus would be misplaced theoretically. In addition, focus on HR rules and regulations would be impractical as they often represent nationally or regionally specific baselines for organizational activities. Of course, the lack of discussion of cultural differences in regulating recruitment does not imply at all that employment rules and regulations are unimportant (far from it!), but only that they are unlikely to create a competitive advantage for *individual firms*. One could in fact conclude that abiding by legal and ethical rules, which are often culturally specific, is the price of admission that a firm will have to pay in order to identify, pursue, and attract talented individuals who are able and willing to contribute to its bottom line.

Another important assumption is about the level of analysis to which this review applies. Anything in the empirical recruitment literature that is explicitly analyzing recruitment inputs, processes, and outcomes from an individual-level perspective will be omitted from this review. Sometimes, this scope delimitation has resulted in the exclusion of seminal studies in the recruitment literature. For example, Boudreau and Rynes (1985) presented a landmark contribution in their development of recruitment utility. They prescriptively modeled the extent to which recruitment might make positive financial contributions to a firm's performance. Utility models represent a mathematically quite complex application of decision theory to assess the economic impact of recruitment activities

and practices on organizations (Boudreau 1991). Recruitment utility models may give organizations greater understanding of why a particular recruitment practice may have *firm-specific* net benefits rather than net costs. Because of this utilitarian calculus, it is not true, for example, that all organizations should all the time attract applicants with outstanding credentials or maximize applicant pool size (Breaugh 1992: 12-13).

However, utility analysis also has a number of drawbacks. First, utility estimates are typically afflicted with notoriously large confidence intervals. The uncertainty generated by these large confidence intervals implies that even small changes in assumptions can make a big difference in utility estimation (Brian E. Becker and Gerhart 1996). Second, the increasing computational and measurement complexities of these models (see, e.g., Carlson et al. 2002) require more systematic recruitment evaluations, which will add to the costs of recruitment activities and probably make the most accurate utility models useful only for the most valuable jobs. Third, because the predictors of utility tend to be at the individual level of analysis and, thus, insufficiently systemic, they will always fail to capture certain information, despite their complexity (Boudreau 1991). A more comprehensive and appropriate evaluation of recruitment strategy would examine how its organization-wide *alignment* with other HR practices might generate superior outcomes at the organizational level (Brian E. Becker, Huselid and Ulrich 2001).[2] Finally, and perhaps most importantly, there is empirical evidence indicating that practitioners are incredulous toward utility estimates (Latham and Whyte 1994). Because of all these problems with utility analysis, it hardly comes as a surprise that the recruitment utility model proposed by Boudreau and Rynes (1985) has generated little empirical follow-up research (Barber 1998). Prior research on the predictors of the recruitment utility model has primarily generated mixed results, which limit their generalizability (Rynes 1991; Rynes and Cable 2003).

[2] Interestingly, recruitment strategy is hardly mentioned in Becker et al.'s (2001) strong advocacy of such HR system alignments.

Although utility analysis remains one path toward the systematic, analytically precise evaluation of the general pay-offs from different recruitment strategies and practices, a more systemic answer to the question of *why* and *under what conditions* recruitment and recruitment strategy can enhance organizational success has been attempted by the resource-based view of the firm (RBV).

14.2. KEY INSIGHTS FROM LANDMARK STUDIES

14.2.1. Why and How Does Recruitment Matter? The Resource-Based View of the Firm

In the 1990s, RBV, as a mathematically less complex framework, has supplanted utility analysis in the evaluation of possible organization-level benefits of recruitment. Taylor and Collins (2000: 317-321) argue how recruitment satisfies Barney & Wright's (1998) five RBV criteria, which might offer a competitive advantage. First, recruitment might add *value* by enhancing labor cost efficiencies and/or spilling over to customer perceptions of the firm's products or services. Second, recruitment strategy might identify and tap talent that is *rare* in the labor market. Third, an organization's set of recruitment practices might be such a complex bundle of tactics that it is virtually *inimitable*. Fourth, recruitment may be a *non-substitutable* organizational practice to the extent that the recruitment strategy is innovative and idiosyncratic to one organization. Fifth, for maximum leverage, recruitment must be *aligned* with other HR practices, so that recruitment can support and enhance the benefits of the other HR functions, such as compensation, selection, or performance appraisal. When these five conditions are met, recruitment would be expected to make a contribution to a firm's financial performance.

Albeit small in number, there are a few studies that examined recruitment at the organizational level of analysis and suggested ways in which recruitment might affect organizational effectiveness. Some details about these studies are listed in Table 14.1 and

discussed in the following section. In general, these studies point to the strategic importance of several recruitment-related practices.

TABLE 14.1 ABOUT HERE.

Two studies found that the extent to which firms analyze and evaluate recruitment practices may be associated with higher organizational performance (Koch and McGrath 1996; Terpstra and Rozell 1993). Koch and McGrath (1996) combined an item about the formal evaluation of recruitment and selection practices with an item about HR planning. Of the three HR indexes they examined (see Table 14.1), this first measure showed the largest association with labor productivity ($\beta = .27$). Similarly, Terpstra and Rozell (1993) found that firms that analyze recruiting sources for their effectiveness in generating high-performance applicants had greater annual profitability in the manufacturing and wholesale/retail industries, greater overall performance in service and wholesale/retail industries, and greater sales growth in service industries. They also combined the item measuring recruitment evaluation with four other items measuring the use of (1) selection validation studies, (2) structured interviews, (3) intelligence tests, and (4) biographical information blanks as selection devices. Overall analyses showed that an index comprised of these five practices was related to profitability, profit growth, and overall financial performance.

A set of studies by Huselid and his colleagues showed relationships between recruitment intensity and a few indicators of organizational performance. Recruitment intensity is defined as the number of applicants per position and may also be called the "selection ratio." Huselid (1995) found that when recruitment intensity was combined with other items measuring "employee motivation," it was related to productivity (logarithm of sales per employee) and one measure of financial performance (Tobin's *q*), but not to another

financial performance measure (gross rate of return on capital) or employee turnover. The regression coefficients with the former two effectiveness measures were statistically significant, at b = .15 (standard error = .04) and b = .23 (*s.e.* = .09). Huselid also established that recruitment strategy interacted with other HR practices in an internally consistent "high-performance work system," with these indirect, internal-fit effects going above and beyond the direct main effect (b = .19, *s.e.* = .14). Delaney and Huselid (1996) examined the effects of number of applicants per position (staffing selectivity) separately and showed that, while it was not associated with perceived organizational performance, it was linked to perceived *market* performance, with unstandardized regression coefficients (b) ranging from .13 to .15. Though not reported in the article, Delaney and Huselid mentioned the general robustness of their results, showing no differences between for-profit and nonprofit organizations. When Becker and Huselid (1998) added 2 recruitment-related items (HR planning and selection ratio) to 22 other items that might constitute "high-performance work systems," they found similarly positive associations across two broad industry sectors (manufacturing and nonmanufacturing).

Investigating the impact of organizational characteristics *on* recruitment effectiveness, two other organization-level studies had a slightly different focus than the studies mentioned so far. One other organization-level study focused on compensation policy as a predictor of recruiting effectiveness (Williams and Dreher 1992). Because pecuniary inducements may be considered one of the three basic applicant attraction strategies (Rynes and Barber 1990), it is pertinent to this review. As shown in Table 14.1, a number of observations were consistent with Williams and Dreher's hypotheses, while others were unexpected. The study provided evidence that pay level was positively associated with measures of (proximate) recruitment effectiveness, but also suggested that the observed commercial banks might have used compensation in a reactive fashion. In other words, organizations may adjust pay levels as a

response to prior difficulties with recruitment, which would explain the study's surprising fifth finding listed in Table 14.1.

Another study (Turban and Greening 1996) showed that high pay or benefits levels may not be the only variables increasing an organization's ability to attract applicants. Rather, corporate social performance, the extent to which a firm's policies and programs exhibit a social and environmental concern with a variety of stakeholder issues, may enhance corporate reputation, which in turn will attract more employees. Product quality and employee relations have been identified as the two elements of social performance particularly pertinent to recruitment at the organizational level of analysis (Turban and Greening 1996). In addition, an individual-level study elaborated on those organization-level outcomes in that more reputable organizations attracted not only more applicants, but also a greater quality of applicants (Turban and Cable 2003). While several individual-level studies found evidence supportive of brand-equity in attracting applicants (e.g., Collins and Stevens 2002; Gatewood, Gowan and Lautenschlager 1993), there has been no research stressing the strategic importance of applicants' perceptions of "employer of choice" for *organization*-level outcomes. In fact, some of these individual-level studies (e.g., Turban and Cable 2003) questioned the generalizability and practical applicability of a lot of previous research on organizational reputation, employee branding, and applicant attraction. However, in general, the findings of this research stream, in combination with the findings by Trank and colleagues (2002), suggest that pay may not be the only leverage that organizations can use in attracting high-quality applicants.

The most recent study of recruitment effectiveness, by Collins and Han (2004), regressed applicant pool quantity and quality on various recruitment practices, corporate advertising, and firm reputation. Of the aforementioned independent variables, the amount of corporate advertising, as measured by the firm's selling, general, and administrative costs, had

the greatest and most consistent statistical effect on the prehire outcomes of applicant pool quantity and quality. While both corporate advertising and firm reputation were related to the number the applicants and perceived applicant quality, only advertising was also associated with positions filled, applicants' work experience, and applicants' grade point average (GPA). Early recruitment strategies, whether low-involvement practices (i.e., general recruitment ads, sponsorship) or high-involvement practices (i.e., detailed recruitment ads, employee endorsements), showed variable main effects on prehire outcomes. Interestingly, high-involvement generally did not have greater impact than low-involvement recruitment practices. In fact, one of the largest effects ($\beta = .28$) between recruitment practices and prehire outcomes was between sponsorship and interview ratio, which is the number of applicants divided by number of interviews a company conducted. Only employee endorsements had a greater association with one other prehire outcome, applicant GPA ($\beta = .29$). However, these recruitment practices were also shown to interact with advertising and reputation in several interesting ways, as discussed later, in the section on contingencies. It may be fair to conclude that, based on the aforementioned studies and some individual-level research (e.g., Allen, Van Scotter and Otondo 2004; Collins and Stevens 2002), the positive effects of recruitment seem to be primarily cognitive or social-psychological rather than economic in nature.

In summary, to some extent the few studies that investigated recruitment in relation to organizational effectiveness are reassuring because they point to a number of potential general benefits of recruitment and predictors of recruitment effectiveness. Recruitment intensity may enhance labor productivity and several different financial performance outcomes. In turn, organizations can attract more applicants (and, thus, increase recruitment intensity) by highlighting their reputation for social responsibility or benefits levels in their recruitment

practices. At the same time, the studies also showed considerable variability suggestive of a range of contingencies, which will be explored in the next section.

Yet, there are also several theoretical and methodological problems with this research stream. One problem concerns the theoretical framework. Most of the aforementioned studies either explicitly (e.g., Brian E. Becker and Huselid 1998; Koch and McGrath 1996) or implicitly adopted the RBV as the main causal explanation of the postulated relationships. Such a perspective ignores the major theoretical problems inherent in this economic perspective. One criticism is the charge that the RBV does not capture the complexity inherent in HR systems and, therefore, must be developed further (Colbert 2004). More importantly, various statements in the RBV can be shown to be true by definition (tautological) and, thus, cannot be disconfirmed empirically (Powell 2001; Priem and Butler 2001). In other words, the RBV seems to fall short with respect to core criteria of theory evaluation (cf. also Sutton and Staw 1995; Weick 1989). Hence, scholars in HRM should not uncritically adopt any theoretical framework whose validity has fundamentally been questioned by the field that generated it.

Additional methodological problems with organization-level research of the kind reviewed above include the lack of attention to path models that specify both proximate and distal dependent variables that might capture the effectiveness of given recruitment practices more fully. Most recruitment research has omitted any detailed descriptions of such direct and indirect path effects. The only exception is Huselid (1995), who tested his expectation that turnover and productivity—as more proximate endogenous variables—would mediate the impact of recruitment practices (and other “high-performance work practices”) on financial performance. However, as shown in Figure 14.1, the HR variable that included recruitment intensity was not related to one mediator and one dependent variable, so the only mediation effect found was through productivity (as mediator) to Tobin’s *q*, the ratio of a firm’s market

value to the replacement cost of its assets. Of course, one way to circumvent this problem of the causal uncertainty inherent in the links of recruitment to distal organizational outcomes is a greater focus on proximate prehire outcomes. More specifically, analyzing proximate recruitment prehire outcomes in an organization-level study, Collins and Han (2004) did heed this important prescription by Rynes (1991) for more meaningful recruitment research.

FIGURE 14.1 ABOUT HERE.

In addition to the empirical underspecification of mediating variables between recruitment and relatively distal organizational outcomes, other methodological problems concern the measurement of recruitment-related variables. Often, recruitment was combined with other variables to form a latent construct, when in fact the factor structure was quite ambiguous with respect to the recruitment item (see Table 1 in Huselid 1995: 646). This makes it difficult to discern the postulated separate effect of recruitment. In addition, the meaning of the recruitment items can often be questioned (cf. Rynes and Cable 2003: 57) because they may, in fact, be confounded in that they reflect other unmeasured influences (such as company reputation or visibility).

14.2.2. Organizational Contingencies of Recruitment Strategies

Based on various theoretical and practical perspectives, it would be unrealistic to expect particular recruitment strategies to be superior to all others, regardless of contextual influences. Even the most ardent proponents of “best practice” models in strategic HRM acknowledge the importance of a variety of contingency factors (e.g., Pfeffer 1998: 56, 99-128). Although there are no studies investigating the effect of the fit between recruitment and context on organizational effectiveness (Rynes and Cable 2003), we can, to an admittedly

limited extent, use descriptive research on organizational context and recruitment to speculate about the possibly strategic imperative of such context-aligned recruitment practices.[3]

As mentioned before, the studies reviewed in the previous section point to the existence of several contextual and contingency factors affecting both the practice and effectiveness of recruitment. The lack of large, generalizable, direct effects of recruitment practices suggests that the effectiveness of recruiting and recruitment strategies typically depends on a number of other contextual variables. From an instrumental perspective, some of these contingencies have already been highlighted above, first and foremost sectoral, or industry, moderators. The following section expands on this review and adds a few other studies that have a descriptive (i.e., noninstrumental) focus, examining how the practice of recruitment may be influenced by several contextual variables. Although other context variables (such as institutional norms) might be important (Rynes and Cable 2003), broader organizational attributes and strategies tend to be the variables that have been investigated the most, as shown in Table 14.2.

TABLE 14.2 ABOUT HERE.

The most clearly articulated description of the impact of organizational context on recruitment strategy is in Windolf's (1986) seminal article. Windolf proposed five distinct recruitment strategies, which can be placed in a parsimonious two-by-two matrix of contingency variables, as depicted in Figure 14.2. The two variables, classified as either high or low, are the firm's labor market power and a firm's organizational intelligence, which was defined as the "capacity of the firm to use professional knowledge, to collect and process

[3] The approach covered in section 14.2.2 assumes that, to be effective, company processes and structures must be aligned with a number of contingency factors. Thus, although the contingency approach may not be explicitly prescriptive, it implicitly is most certainly so. Generally, neoclassical economics, contingency theory, and neo-institutional theory highlight the effectiveness of organizational adaptation to organizational contexts.

information, and to work out complex labour market strategies" (Windolf 1986: 239). (a) The *innovative* recruitment strategy is concerned with attracting a heterogeneous group of creative applicants, drawing on a wide range of recruitment sources. To reduce risk, rigorous prescreening and screening techniques are applied. It is used by firms that have high labor market power (e.g., multinational corporations) and high organizational intelligence. (b) A second recruitment strategy occupying the same high-high quadrant is the *autonomous* strategy, which starts with a precise definition of the ideal candidate in terms of skills, age, or sex. Therefore, autonomous firms, isolated from labor market fluctuations, tend to use narrow and specific recruitment channels (either the Job Centre or professional journals and newspapers). As innovative and autonomous firms do not differ with respect to labor market power and organizational intelligence, Windolf invokes a third variable, the technical complexity of the product and the production process, to differentiate these two recruitment strategies. According to Windolf, innovative recruitment strategies are more appropriate for organizations scoring high in technical complexity, while autonomous strategies fit with relatively low levels of technical complexity.

FIGURE 14.2 ABOUT HERE.

The three remaining recruitment strategies occupy the other three quadrants. (c) The *status-quo* strategy is focused on attracting a homogeneous set of applicants, especially as far as demographics and socio-economic status are concerned, and, thus, deliberately relies on social networks and referrals. In status-quo firms, even changes in technology or job requirements will not change recruitment practices. Status-quo firms are characterized by low organizational intelligence and high labor market power and have a traditional, or conservative, strategic stance rather than an innovative one or one defined by scientific

management (which is characteristic of *autonomous* recruitment). (d) *Flexible* recruitment strategies are adopted by firms with weak market positions, thus being forced to adapt to changing environmental conditions. Strategic control is typically well thought out and centralized in those firms with low market power (e.g., because of low wages or unpleasant working conditions), but high organizational intelligence. (e) *Muddling-through* recruiters, located in the low-low quadrant, draw on less strategic thinking or professional expertise than flexible employers. Their recruitment and selection techniques are often unsophisticated. Therefore, *muddling-through* firms generally have higher turnover than firms located in the other quadrants.

Empirically, Windolf (1986) examined the differential use of recruitment channels for firms located in the four quadrants of his typology. For unskilled workers, status-quo firms clearly relied most on social networks to attract new employees (53%), whereas for white-collar workers, innovative/autonomous firms and status-quo firms equally relied on social networks (45% and 44%, respectively). This finding, inconsistent with the typology, can be explained by the fact that autonomous firms are typically very large and embedded in vast personnel networks, which in turn may be used to reinforce a sense of community.

Windolf (1986) also investigated how company location (Great Britain versus West Germany) and size may influence recruitment practices with respect to unskilled or manual labor. He found that approximately twice as many firms in Germany as in the UK used newspaper ads as recruitment channels for unskilled workers. Instead, UK firms were far more likely to rely on Job Centres and their internal labor markets for recruitment of unskilled workers. UK firms faced a far greater (regulatory or collective-bargaining) restriction on external job postings for manual workers than German firms. Similarly, German firms were less likely to observe seniority rights for internal promotion of manual workers. Overall,

Windolf's study shows that the reliance on internal labor markets for recruiting is typically a function of increasing organizational size and geographic location.

Another European study (Schwan and Soeters 1994) confirmed the impact of (Mintzbergian) organization type on internal versus external recruitment strategies. Integrating the theoretical perspectives of Mintzberg (1979), Doeringer and Piore (1971), and Williamson (1975), Schwan and Soeters conceptualized organizational boundary crossing as vacancy-filling and connected it to overarching organizational strategies and configurations. The four cases they investigated were generally consistent with the authors' expectation that in machine bureaucracies, internal recruitment would be more frequent than external recruitment. In the studied production plant, a private-sector machine bureaucracy, 78% of positions were filled internally. Similarly, in the social security office, a public-sector machine bureaucracy, 66% of all positions were filled through internal recruitment. In contrast, the two types of professional bureaucracies, an accounting firm and a hospital, relied more on external recruitment (external recruitment was used as vacancy-filling method for 76% and 64% of open positions, respectively). So, to some extent, this empirical analysis showed (internal versus external) recruitment to be dependent on configurational types of organization. However, Schwan and Soeters also provided cross-type generalizations in that new positions tended to be filled through external recruitment channels (except in the hospital). Similarly, when labor turnover was high, external recruitment was the generally preferred method in the three-year study period.

Unsurprisingly, Schwan and Soeters' (1994) study confirms previous findings from econometric studies, which had highlighted the interdependence between labor market conditions and recruitment strategies. For example, Hanssens and Levien (1983) showed that in times of tight labor supply, organizations are forced to use more expensive and intensive recruitment methods. Earlier studies also demonstrated that tight labor supply might cause

organizations to cast a wider geographic net in recruitment (Malm 1955) or lower hiring standards (Thurow 1975). Hence, the research reviewed so far clearly suggests that recruitment strategy is influenced by broader strategic and environmental contingencies.

Less theoretically grounded, but statistically more sophisticated research highlighted the importance of considering other contextual factors. Rynes, Orlitzky, and Bretz (1997) showed that greater focus on the recruitment of experienced employees (i.e., individuals with 2 or more years of postcollege work experience) was associated with greater organizational growth, short-term focus in staffing strategies, older current employees, and less dynamic environments. Unlike Rynes *et al.* (1997), who did not find statistically significant associations for firm size, Barber and her colleagues showed how firm size affected a range of recruitment practices, including number of recruitment sources, planning, and timing as well as recruiter training (Barber, Wesson, Roberson and Taylor 1999). One of the most interesting of their findings was that smaller firms were slightly more likely to use internal recruitment sources (employee referrals and networking), with a standardized regression coefficient of -.12 for employer size. Conversely, larger firms were less likely to use external agencies and advertising in their recruitment (employer size βs of -.16 and -.36, respectively). Instead, large firms were far more likely to rely on campus recruiting than small firms (β = .47).

It is important to note that the *existence* of these contextual influences does not allow us to draw any conclusions about the *effectiveness* of considering a variety of organizational contingencies in recruitment practice. In fact, there is a dearth of research investigating the effectiveness of fit between recruitment strategies and features of the environment. The little, inconclusive evidence we do have is generally based on survey respondents' perceptions of recruitment success. For example, Rynes and her colleagues (1997) found very few organizational factors related to the success of experienced recruiting—only the use of

effective sources[4] (where effectiveness of source use was defined by one respondent within each firm), median employee age, and relatively high salary offers. In addition, Barber and her colleagues (1999) found evidence that organizational size affected firms' definitions of recruitment success. Compared to small firms, relatively large firms were more likely to use goal attainment (β = .28) and less likely to use new hire performance (β = -.24) or retention (-.30) as metrics that define recruitment effectiveness. Thus, any future theory of the context dependence of recruitment strategy must not only pay tribute to the wide variety of contingency factors, but also to the fact that different organizations may define recruitment success differently, which invariably adds theoretical complexity.

Focusing on the organization-level consequences of recruitment activities, two studies (which have already been reviewed in section 14.2.1) examined the impact of industry context from a slightly different contingency perspective. First, Terpstra and Rozell (1993) showed that, in manufacturing firms, the systematic evaluation of recruiting sources was related to annual profitability (β = .23), but not to other organizational performance measures. In service firms, organizations' systematic evaluation of recruitment was associated with sales growth (β = .53) and overall performance (β = .35), whereas in wholesale/retail firms they were shown to have a large impact on profitability and overall performance (β = .79 and .73, respectively). In financial companies, no statistically significant effect was found for any of the four observed organizational performance criteria. In sum, Terpstra and Rozell found that the systematic evaluation of organizational recruiting practices may not matter across the board, but is most likely moderated by several industry contingencies.

Second, Koch and McGrath (1996) showed how the capital intensity of a firm (logarithm of assets per employee) might positively interact with HR (including recruitment)

[4] Respondents were asked questions about nine recruitment sources (listed in decreasing order of perceived effectiveness): informal referrals, newspaper ads, private search firms, formal referrals from other companies/business units, direct applications, college (alumni) placement services, professional associations, temp agencies, and on-line recruitment. Today, this last source perceived to be least effective in the mid-1990s would presumably be seen as much more useful with the rapid spread of the Internet.

planning to bring about greater labor productivity (β of interaction effect = .29). That is, recruitment planning and assessment were more important in capital-intensive industries, possibly because any labor effect may be leveraged by costly capital assets (for which Koch and McGrath derived an economic proof in the appendix of their article). Unfortunately, Koch and McGrath (1996) did not focus on recruitment *per se* nor investigate more fine-grained industry interactions.

Another study shows that industry effects are not the only contextual factors affecting recruitment. Analyzing the recruitment of top managers, Williamson and Cable (2003) drew on social contagion and institutional theory to demonstrate that firms' network ties, the number of other firms hiring from the source firm, and the organizational size of those other firms affected top-management hiring patterns. In general, the study suggests that, descriptively, institutional determinants often accompany rational influences—in recruitment as much as in other areas of HRM (see, e.g., Gooderham, Nordhaug and Ringdal 1999). Specifically, firms were more likely to recruit top managers from other firms with which they shared network ties. Mimetic isomorphism shaped recruitment activities, with previous hiring and other firms' size being more important predictors of top management recruiting than other firms' financial performance, that is, outcome imitation. Unfortunately, because the authors only reported unstandardized regression coefficients, the magnitude of the different effect sizes found cannot be compared directly. Also, future research will have to investigate whether these institutional influences are also prescriptively meaningful (that is, have an impact on either recruitment or organizational effectiveness of top managers *and* other employee groups) and morally defensible.[5]

[5] The existence of these environmental-institutional factors does not imply researchers or managers can use this evidence to justify hiring patterns that reduce employee diversity and may even constitute *prima facie* evidence of discrimination against network outsiders. That is, the moral implications of Williamson and Cable's (2003) findings must be scrutinized.

Sometimes, the lack of generalizability of direct effects presents an impetus for the search for moderator, contingency, or interaction effects. In an interesting study, Collins and Han (2004), which has already been discussed above, found strong support for the hypothesis that low-involvement recruitment practices (i.e., general recruitment ads and company sponsorships of scholarships, etc.) only mattered when applicants were not aware of firm image, that is, when companies had not previously invested in advertising or reputation enhancement. Conversely, there was also strong evidence that high-involvement practices (i.e., detailed recruitment ads and employee endorsements) only mattered when a company had already established awareness of itself through company advertising or reputation. In combination, these two findings indicate that company advertising and reputation represent contingency factors in the organizational context shaping recruitment strategies.

Other interesting research connects recruitment to competitive strategy. Rao and Drazin (2002) found that young and poorly connected investment fund firms may use recruitment from competitors as a strategic response to their lack of product innovation. To some extent, this response in hiring new talent makes strategic sense because external recruitment of talent generally was shown to be associated with investment funds' greater product innovation. Furthermore, three of four recruit characteristics (rival investment funds' performance, size, and age) enhanced product innovation over and above recruitment. Whereas organizational age did not interact with recruit characteristics, external linkages were found to be important situational contingencies. That is, when firms were particularly isolated, the effects of recruitment on product innovation were more pronounced. All in all, this study shows that recruitment can be used as a strategic response to overcome organizational resource constraints.

In a related vein, Gardner's (2005) study showed that poaching of talent by competitors may often set in motion retaliatory-defensive strategy dynamics. Results showed

that recruitment by competitors outside the target firm's local labor market, as well as the value and transferability of human capital, exacerbated retaliatory-defensive actions. Contrary to predictions, however, overlapping product markets were not associated with retaliatory-defensive recruiting actions at a statistically significant probability level. Probably the most interesting finding was the interaction between the value and transferability of human capital. When both are high, the likelihood of defensive retaliation (e.g., retaliatory recruitment of employees from previous poacher) increased dramatically. On the other hand, when human capital is nontransferable, its value did not make a difference in defensive retaliation (compared to no response). This study suggests that recruitment can represent, in a broad repertoire of organizational actions, an activity that is used to defend against, or retaliate for, talent raiding—in particular when other companies' poaching involves highly transferable and valuable employee skills.

In summary, the previous review of the literature on recruitment strategy showed that there is little consensus on the meaning of the term. Definitions and contexts of recruitment strategy varied widely, so that not a lot of knowledge has been accumulated—despite many commendable attempts to heed Rynes and Barber's (1990) call for elevating the level of analysis from the individual to the organization. Although the direct effects of recruitment practices were either nongeneralizable, modest in size, or uncertain in terms of causal attribution (Rynes 1991; Rynes and Cable 2003), research has made major advances in identifying organization-level contingencies of recruitment. However, as long as there is no generally accepted typology or taxonomy of recruitment strategies, it is difficult to determine the theoretical importance of these empirically verified contingencies.

14.3. IMPLICATIONS OF THE RECRUITMENT STRATEGY LITERATURE

The lack of theoretical integration points to needed trajectories for future theory development, research, and management policy. Future research could ameliorate the lack of solid knowledge, which is due to three root causes: insufficient theoretical development, little organization-level prescriptive research, and the academic-practitioner gap (see also Taylor and Collins 2000).

14.3.1. Future Theory Development

More sophisticated theory development is required to clarify the dimensions of recruitment strategy. One obvious dimension is internal versus external recruitment (Heneman and Judge 2003), which is supported by two seminal European, small-*n* studies of recruitment strategy (Schwan and Soeters 1994; Windolf 1986). Barber's (1998: 6-13) "dimensions of recruitment" are not so much dimensions of recruitment strategy as they represent a unifying framework for categorizing both individual- and organization-level research on recruitment or assessing the state of knowledge. Barber's five different "dimensions" or categories are actors (applicants, organization, organizational agents, and outsiders), activities, outcomes, context, and phases. As no study can focus on all five dimensions (not even a book-length literature review), Barber (1998) used the last dimension, recruitment phases, in her detailed overview of the recruitment literature. However, to advance recruitment research further, recruitment scholars need to develop a comprehensive, theoretically coherent, and succinct model of recruitment strategies. Such a model could then be used to circumscribe more definitively our knowledge of *how* and, most importantly, *why* recruitment works or matters.

Whereas Barber's (1998) framework may be too broad to be useful as defining the dimensions of recruitment strategy, an earlier framework (namely, Rynes and Barber 1990) might need more detailed conceptual development. Rynes and Barber's model conceptualized applicant attraction strategies broadly as comprising (1) recruitment, (2)

targeting different applicant pools (i.e., nontraditional applicants or less-qualified applicants), and (3) pecuniary and nonpecuniary inducements. Thus, in a way, this model anticipated Boxall and Purcell's (2003: 141) concern that Windolf's (1986) typology omitted inducements as a key dimension of recruitment strategy. Within the first "strategy," Rynes and Barber mention elements of recruitment (namely, organizational actors, messages, sources, timing), but not really strategies that explicitly differentiate one firm from another economically. Also, the distinction between "strategies" (1) and (2) may be helpful from an expositional perspective, but it is not entirely clear why HR directors would not think about recruitment strategy and applicant pools simultaneously. That is, changes in (1) typically result in changes in (2), and (2) might in fact be conceptually subsumed under (1).

The recruitment literature so far has pursued middle-range theory (Merton 1968) and foregone grand theorizing. However, when systems must be explained at both micro and macro levels, theoretical linkages must be established on a grander scale (Turner and Boyns 2001). Empirical research suggests that most effects of recruitment strategy are likely to be cognitive-psychological, so that meso-research bridges need to be built to connect the micro-level processes with the macro-level proximate and distal outcomes of recruitment (cf. Klein and Kozlowski 2000a; 2000b for a broader discussion of multilevel theorizing).

There is no dearth of approaches from which theoretical inspiration may emerge, and some approaches may be more fruitful avenues to pursue than others. Though currently one of the most popular theories among HR scholars (Boxall and Purcell 2003), the resource-based view of the firm (RBV) may have a number of theory-inherent flaws, as discussed before. In addition, because recruitment is the only HR function that is situated at the boundary between labor markets and organizations, a primarily internal theory of organizational advantage and competitiveness, such as RBV, may not be as useful for clarifying the theoretical mechanisms as theories that focus on the market/organization

boundary. Kaufman's (2004) proposition of transaction cost economics (Coase 1937; O. Williamson 1975, 1985) promising theoretical traction might be particularly applicable to the HR function of recruitment. On the one hand, recruitment may be more important for organizations with internal labor markets, that is, when the transaction cost attributes of asset specificity, uncertainty, and frequency are high, and performance is difficult to measure (Boxall and Purcell 2003). On the other hand, the importance of recruitment strategy may be more salient to line managers and HR managers when they must regularly sign spot or fixed-term contracts with contingent labor attracted from the external labor market. Related theoretical work was advanced by Lepak and Snell (1999), who integrated transaction cost economics with the RBV and human capital theory (G. Becker 1964) to start building a comprehensive typology of organizations' HR configurations. Importantly, Lepak and Snell's theoretical effort satisfies the aforementioned criterion of meso-theorizing, connecting the macro to the micro.

Economic theories may help us determine under what conditions internal recruitment or external recruitment matter more. However, they may also leave out important considerations of cognitive-psychological processes, communication, and language in social systems (Boje, Oswick and Ford 2004; Luhmann 1995). Because an effective recruitment strategy is supposed to create mental models of "employer of choice" in language (see, e.g., Allen *et al.* 2004), more focus on sociological-linguistic theories may be important in the future to build the micro-macro theory bridges. Prescriptively, we must study which features of recruitment communications have the greatest organizational impact. At the same time, we must descriptively examine how line managers and HR professionals actually make decisions about the aforementioned five central questions related to recruitment strategy (Breaugh 1992; Breaugh and Starke 2000; Rynes and Cable 2003). Generally, better theory can help us

think about the causal mechanisms between predictors and outcomes of recruitment strategies, about which we presently do not know much (Barber 1998; Rynes and Cable 2003).

14.3.2. Future Empirical Research

Recruitment researchers must work toward greater accumulation of knowledge. In most cases this will mean more empirical replications must be performed (Tsang and Kwan 1999), which generally are not valued as much in academic circles as completely new research (Donaldson 1995). Unfortunately, the academic obsession with empirical and theoretical novelty may stunt paradigm development (Pfeffer 1993). With more cumulative research, we could examine empirically how much the findings vary across samples and study settings and whether such variability is due to sampling error, measurement error, and a variety of other study artifacts rather than theoretically important contingency factors (Hunter and Schmidt 2004). Because of the lack of cumulative knowledge (Rynes 1991; Rynes and Cable 2003), the only recruitment-related studies that integratively investigated mediators, moderators, and artifacts were four meta-analyses on realistic job previews (McEvoy and Cascio 1985; Phillips 1998; Premack and Wanous 1985; Reilly, Brown, Blood and Malatesta 1979). Ultimately, similar meta-analyses will be required on other organization-level determinants and outcomes of recruitment strategies, but they can only happen if empirical knowledge is generated cumulatively. To facilitate this cumulative knowledge growth, more programmatic recruitment research will be necessary (see also Berger, Willer and Zelditch 2005)

Future empirical research must also address the dramatic changes in the organizational practice of recruitment (Rynes and Cable 2003; Taylor and Collins 2000). For example, the Internet recruiting may present opportunities *and* threats for organizational recruitment (Cappelli 2001). Although there have been some early, fairly sophisticated studies from the perspective of Web applicants (e.g., Dineen, Ash and Noe 2002), research on the use and

usefulness from the organization's perspective must be conducted with the same methodological rigor as this individual-level research. Moreover, organization-level research on Internet recruitment must add a prescriptive angle to its so far more descriptive research questions (e.g., Backhaus 2004). Future research must examine to what extent the innovative recruitment practices mentioned in the Introduction are in fact related to recruiting effectiveness and organizational effectiveness. Most importantly, although there is an integrative organization-level model of broad applicant attraction strategies (i.e., Rynes and Barber 1990), its propositions have largely remained untested (Barber 1998; Taylor and Collins 2000). Most importantly, Rynes and Cable (2003: 70-72) suggested many other fruitful areas for future research, covering a wide variety of topics ranging from recruitment sources to organizational characteristics to various recruitment-related processes. Many of these proposed research questions will affect recruitment strategy.

Any empirical investigation of the contribution of recruitment to strategic HRM and overall organizational effectiveness requires simultaneous attention to the multidimensionality of effectiveness (Boxall and Purcell 2003), organizational contingencies, and such general workplace trends as the demise of internal labor markets (Cappelli 1999, 2000). To evaluate the effectiveness of recruitment, researchers will not only have to examine its cost effectiveness and economic effects on labor productivity. Rather, recruitment, like other HR functions, must also serve the purpose of greater organizational flexibility (Boxall and Purcell 2003; Wright and Snell 1998). Finally, social legitimacy and corporate social performance should not only be treated as antecedents of recruitment success, but should also be investigated of one of several possible outcomes of recruitment (Orlitzky and Swanson in press). In short, analyzing the impact of recruitment practices and strategies on broader (i.e., higher-level) organizational goal achievement requires attention to the three goal domains of labor productivity (i.e., cost effectiveness), organizational flexibility, and social legitimacy, or

employment citizenship (Boxall and Purcell 2003: 7-13). These different organizational goal domains may exhibit several strategic tensions that recruitment strategy may help to resolve.

14.3.3. Implications for Management Practice

For practitioners, there is very little evidence about any generalizable “best-practice” takeaway from the recruitment literature. Staffing professionals at many large companies such as DuPont seem to have realized this a long time ago, though (see an HR executive expressing the sentiment that "there is no best way to recruit new employees" in Breaugh 1992: 39). Even positive effects of recruitment practices that logically should be superior to their alternatives, such as realistic job previews, have been found to be either inconsistent across studies or only modest in magnitude. At the organizational level, even prescriptions that are seemingly sensible across the board, such as maximizing applicant pools, may have to be qualified because any apparent recruiting-practice benefits must be weighed against its costs. In turn, benefits and costs depend on a number of contextual influences, or contingencies. Consequently, high recruitment intensity, for example, might be one of the myths that should not be implemented uncritically by organizations (see Breaugh 1992: 12-13 for other examples of such questionable assumptions). The only generalizable advice in which we can have fairly high confidence comes from individual-level research (not reviewed in this chapter): recruiters that possess greater interpersonal skills and warmth may be an important reason why applicants decide to accept job offers (Barber 1998; Taylor and Collins 2000).

Interestingly, organizations have in practice relied on some of the applicant attraction strategies proposed by Rynes and Barber (1990), such as the recruitment of special applicant groups (e.g., unskilled workers at Tracor, a defense contractor) or generous signing bonuses for referrals (Taylor and Collins 2000). However, there is little evidence that academic

research has had a causal impact on organizations' recruiting activities (Taylor and Collins 2000: 315).

In fact, reviewers of the recruitment literature usually bemoan the fact that academic research has had little relevance for recruiting practice (Breaugh and Starke 2000; Rynes 1991; Rynes and Cable 2003). Relevance may not only be enhanced by more attention to prescriptive organization-level issues and processes (Rynes and Cable 2003; Taylor and Collins 2000), but also a cross-disciplinary widening of the research lens. Practitioners need knowledge that is not narrowly defined by disciplinary boundaries. Thus, in my view, particularly informative for practice would be studies by research teams that rely on cross-disciplinary and practitioner-academic dialogues (see also Rynes, Bartunek and Daft 2001). This way, researchers could discern whether practitioners believe the dramatic changes in labor markets and organizations over the last decade (Cappelli 1999) are here to stay—and what important questions these changes may raise with respect to recruitment and recruitment strategy. As mentioned before, what is regarded as one of the most sophisticated approaches to the evaluation of recruitment strategy by scholars, namely utility analysis (cf. Barber 1998: 128), may be ignored or even rejected by practitioners (Latham and Whyte 1994). The use of cross-disciplinary research teams most likely would highlight the need for parsimony and simplicity counterbalancing the ever-increasing accuracy and complexity of academic frameworks .

14.4. CONCLUSION

This review has shown the context dependence and contingent nature of recruitment practices. The evidence from previous studies seems to suggest that whatever works for one organization may not work for others in terms of recruitment strategy. The chapter structure reflected the tension between possible "best-practice" principles (section 14.2.1) and

contingency factors (section 14.2.2). As shown above, there is little evidence that there are recruitment practices that will always “work” or matter. Instead, some of the best recruitment research has shown that the adoption of recruitment strategies may depend on the hiring practices of other firms, labor market conditions, and industry context, among other variables.

However, this conclusion about the existence of several contingency effects (as shown in Table 14.2) may have to be qualified by two caveats. First, study artifacts (e.g., sampling error) may mask generalizable effects. Second, the mere existence of contingencies does not prove the superiority of a contingency approach to recruitment. Only psychometric meta-analysis can investigate the former caveat about study artifacts, but a future meta-analysis in recruitment requires a research program whose theoretical foundation is less piecemeal than prior research in recruitment. The second caveat requires a more in-depth examination of the causal mechanisms linking recruitment, its prehire outcomes, and posthire consequences. Broad strategic HR frameworks that have integrated a variety of theories (e.g., Lepak and Snell 1999; Wright and Snell 1998) may be valuable starting points for the development of causally persuasive research programs in recruitment. The first step in that direction would be the development of a parsimonious model of recruitment strategy whose effectiveness criteria are theoretically connected to these broader strategic HR frameworks. Without a comprehensive yet parsimonious typology and theory of recruitment strategy, recruitment scholars and practitioners will not have any criteria by which to judge the effectiveness of such new activities as Internet recruiting or co-opetition in recruitment strategy.

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Table 14.1 Summary of Previous Research Investigating the Main Effects of Recruitment on Organizational Effectiveness

Study	***Sample***	***Independent Variables (IV)***	***Dependent Variables (DV)***	***Results***
Williams & Dreher (1992)	352 U.S. banks	Compensation policies	Recruitment outcomes: 1. Applicant pool size 2. Acceptance rate 3. Length of position vacancy	1. % of compensation allocated for benefits was positively associated with applicant pool size. 2. Pay level was positively associated with acceptance rates. 3. Benefits level was negatively associated with days required to fill a position. 4. (Contrary to expectations) benefit flexibility was negatively related to applicant pool size. 5. (Contrary to expectations) pay level was positively associated with days required to fill a position.
Terpstra & Rozell (1993)	201 U.S. companies with over 200 employees (for a 23% response rate)	Companies' analysis of recruiting sources for effectiveness in generating high-performance employees	1. Annual profitability 2. Profit growth 3. Sales growth 4. Overall performance	1. IV was not, or only to a minor extent, correlated (in zero-order correlations) with DVs 1-4 overall. However, study also showed moderator effects: 2. In manufacturing firms, IV and profitability were related ($\beta = .23$). 3. In service industry firms, IV was associated with sales growth ($\beta = .53$ and $r = .50$) and overall performance ($\beta = .35$). 4. In wholesale/retail firms, IV was associated with profitability ($\beta = .79$) and overall performance ($\beta = .73$).
Huselid (1995)	968 publicly held firms from Compact Disclosure (28% response rate)	Intensity of recruiting efforts (selection ratio) part of one of two factors constituting High Performance Work Practices (Factor = Employee Motivation)	1. Turnover 2. Productivity 3. Tobin's *q* (financial performance) 4. Gross rate of return on capital	1. Factor Employee Motivation related to productivity and Tobin's *q*, but not to turnover or return on capital. 2. Some evidence of horizontal/internal systems fit with other Factor of Employee Skills & Org. Structures.
Delaney & Huselid (1996)	727 U.S. organizations drawn from National Organizations Survey (51% response rate)	Number of applicants considered for each position (staffing selectivity): 3 items for 3 different positions ($\alpha = .66$)	1. Perceived org. performance 2. Perceived market performance	1. Staffing selectivity generally not related to perceived org. performance, but to perceived market performance. 2. Generally robust results: no moderator effects differentiating for-profit and nonprofit organizations.

Koch & McGrath (1996)	495 U.S. business units (for a 7% response rate)	Recruitment practices included in 2 of 3 HR indexes: 1. HR planning index: Staffing plans and evaluation of hiring practices 2. Investments in hiring: Recruitment intensity and evaluation of recruitment sources	Labor productivity: Net sales per employee	1. HR planning index positively associated (β = .36 and .27, respectively) with productivity. 2. Hiring index positively associated (β = .10 and .07, respectively) with productivity. 3. Both indexes interacted with capital intensity (betas of interaction terms were .29 and .04, respectively).
Turban & Greening (1996)	189 U.S. companies	Corporate social performance (CSP)	Employer attractiveness	CSP—especially the dimensions of employee relations (β = .16) and product quality (β = .19)—positively predicted employer attractiveness, above and beyond the effects of asset size (β = .14) and profitability (β = .19).
Becker & Huselid (1998)	691 U.S. firms	Two items (selection ratio and formal HR planning that considers recruitment and succession) combined with 22 other items forming an HR system latent construct	1. Market value (ln) 2. Market value/book value (ln) 3. Sales/employee (ln) 4. Gross rate of return 5. Turnover	Generally—in both manufacturing and nonmanufacturing sectors—positively related with first four DVs and negatively with turnover (as expected).
Collins & Han (2004)	99 companies recruiting on U.S. campuses (response rate of 43%)	1. Early recruitment practices: High- vs. low-involvement strategies 2. Corporate advertising 3. Firm reputation	Applicant pool quantity and quality	1. Corporate advertising and firm reputation are positively related to number of applicants and perceived applicant quality. 2. Corporate advertising was directly related to organization-level average applicant GPA (β = .24) and applicants' work experience (β = .29). 3. Effects of high- and low-involvement recruitment strategies variable (βs ranging from -.09 to .29). 4. Interactions between advertising and recruitment strategies as well as reputation and recruitment strategies.

Table 14.2 Summary of Previous Research Investigating Contingency Effects of/on Recruitment Practices and Strategy

Study	*Sample*	*Contextual Variables Investigated*	*Independent Variables*	*Dependent Variables*
Windolf (1986)	Case studies of about 75 UK firms, about 85 (West) German firms	1. Labor market power (environment) 2. Organizational intelligence (internal resources) 3. Nationality 4. Firm size	1. Labor market power (environment) 2. Organizational intelligence (internal resources) 3. Technical complexity of product and production process	Recruitment strategies: (a) innovative (b) autonomous (c) status-quo (d) flexible (e) muddling through
Rynes & Boudreau (1986)	145 large organizations that engage in campus recruiting	Industry	Organizational characteristics, including perceived competitive advantage, accuracy of communications, importance of recruiter selection, information recorded about colleges, extent to which recruiter informed, etc.	Recruiting practices Perceived recruiting effectiveness
Terpstra & Rozell (1993)	201 U.S. companies with over 200 employees (for a 23% response rate)	Industry	Companies' analysis of recruiting sources for effectiveness in generating high-performance employees	1. Annual profit 2. Profit growth 3. Sales growth 4. Overall performance
Schwan & Soeters (1994)	4 Dutch organizations (962 vacancies)	Industry Organization type	Organization type (à la Mintzberg)	External versus internal recruitment strategy
Koch & McGrath (1996)	495 U.S. business units (for a 7% response rate)	Industry Capital intensity	Recruitment practices included in 2 of 3 HR indexes: 1. HR planning index: Staffing plans and evaluation of hiring practices 2. Investments in hiring: Recruitment intensity and evaluation of recruitment sources	Labor productivity: Net sales per employees
Rynes, Orlitzky, &	251 organizations from	Firm characteristics	1. Long-term staffing	Hiring of experienced employees

Bretz (1997)	population of National Association of Colleges and Employers (for a 21% response rate)	Industry	strategies 2. Median age of workforce 3. Environmental dynamism 4. Use of effective recruitment sources (as defined by respondents) 5. Competitive offers	(extent and success)
Barber, Wesson, Roberson, & Taylor (1999)	119 small organizations, 184 large organizations (for an overall response rate of 19%)	Firm size (small firms ≡ firms with less than 500 employees; large firms ≡ firms with over 1,000 employees)	Firm size	1. Recruitment management: a. Dedicated HR staff b. Recruiter training 2. Recruitment planning and timing 3. Recruitment source use 4. Metrics of recruitment effectiveness
Rao & Drazin (2002)	588 U.S. mutual fund families	1. Organizational age 2. Organization's external linkages	1. Organizational age 2. Organization's external linkages 3. Performance of rivals from which new hires have been recruited 4. Size of rival fund family 5. Age of rival fund family	1. Product innovation 2. Recruitment of talent from rivals 3. Industry tenure of new recruits
Williamson & Cable (2003)	505 firms from various *Fortune* data sets	1. Board interlocks (network ties) 2. Number of others firms hiring from source firm (frequency-based imitation) 3. Size of other firms hiring (trait-based imitation) 4. Financial performance of others firms hiring from source firm (outcome-based imitation) 5. Industry 6. Organization size 7. Source prestige 8. Source ROA	1. Board interlocks (network ties) 2. Number of others firms hiring from source firm (frequency-based imitation) 3. Size of other firms hiring (trait-based imitation) 4. Financial performance of others firms hiring from source firm (outcome-based imitation) 5. Industry 6. Organization size	Sources of an employer's top management team hires in 1990-1994 (organizational hiring patterns)

			7. Source prestige 8. Source ROA	
Collins & Han (2004)	99 companies recruiting on U.S. campuses (response rate of 43%)	1. Corporate advertising 2. Firm reputation	1. Early recruitment practices: High- vs. low-involvement strategies 2. Corporate advertising 3. Firm reputation	Applicant pool quantity and quality
Gardner (2005)	661 U.S. software firms (response rate of 73%)	1. Product-market overlap 2. Locality of labor market 3. Value of human capital 4. Transferability of targeted human capital 5. Interaction of value and human capital	1. Degree of threat (poaching) 2. Locality of hiring firm outside the target firm's local labor market 3. Value of human capital	Retaliatory-defensive recruitment activities (as part of a larger set of retaliatory-defensive reactions to poaching)

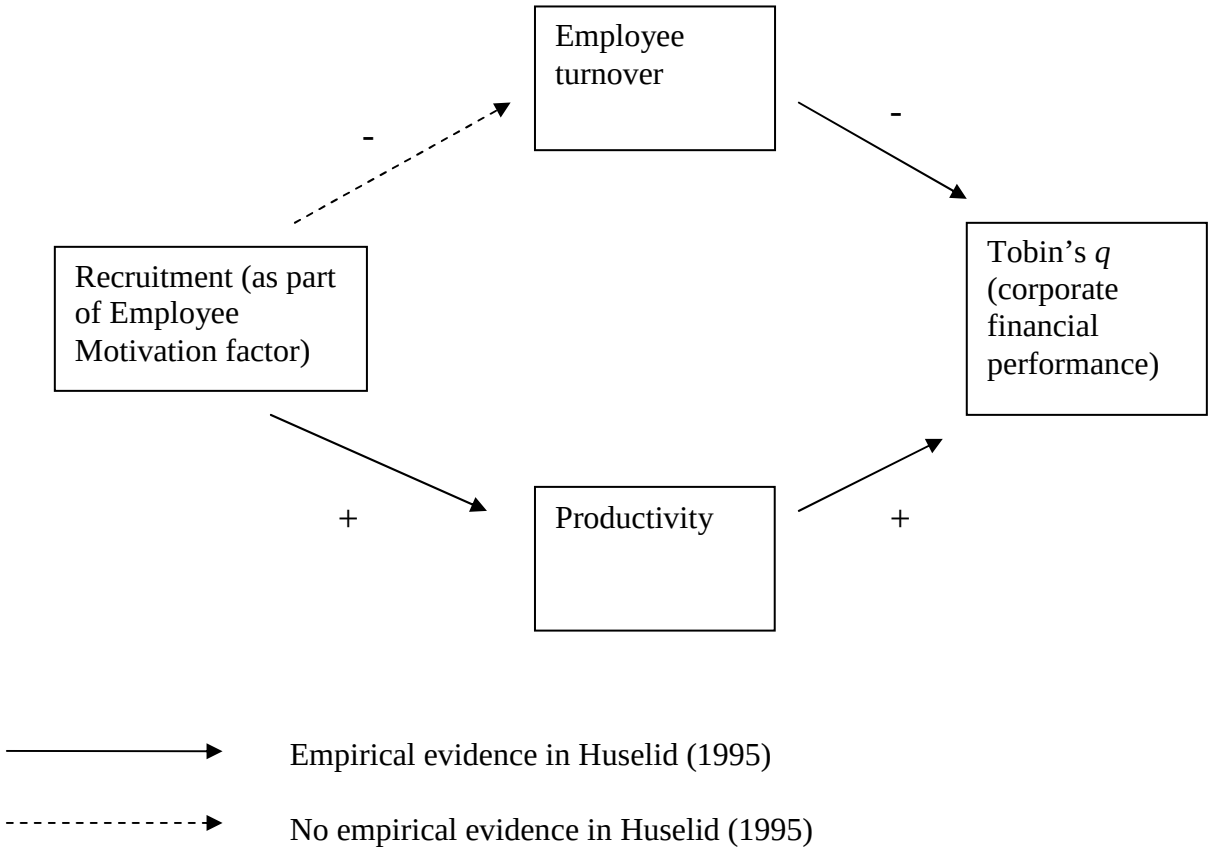

Figure 14.1 Mediation Effects of Recruitment on Organizational Effectiveness

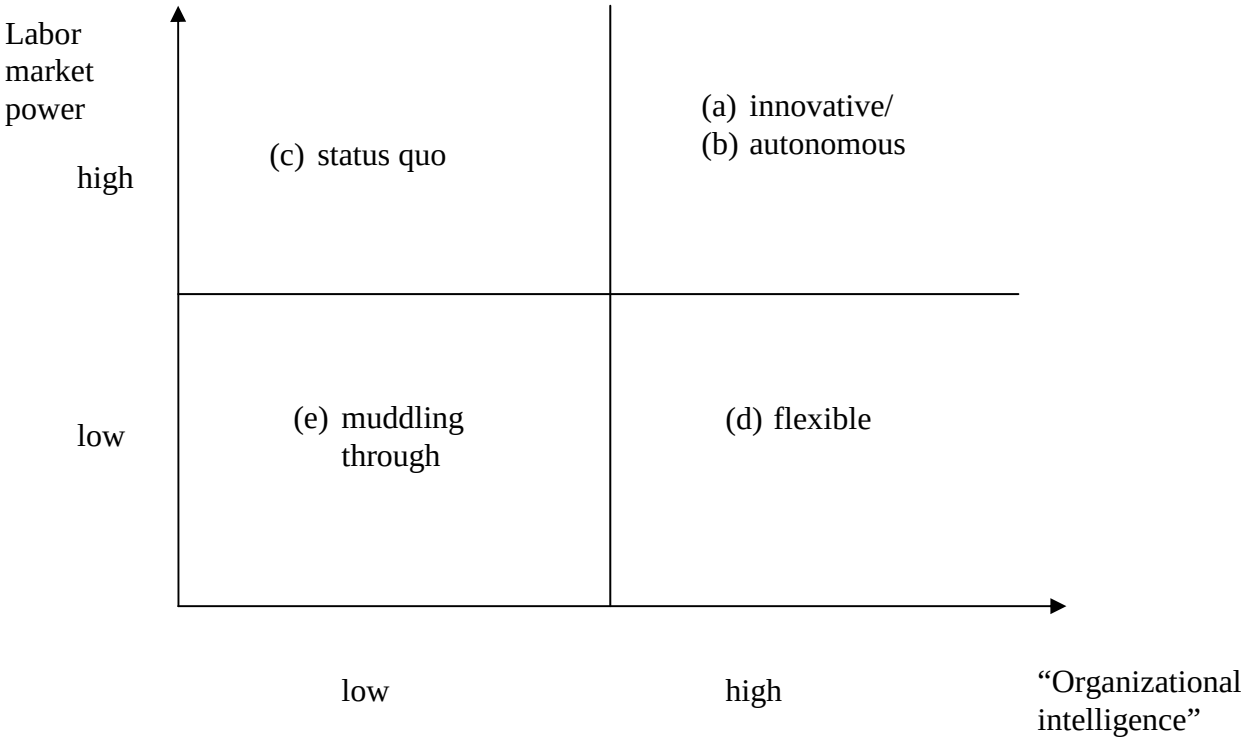

Figure 14.2 Windolf's Typology of Recruitment Strategies
Source: Windolf (1986)