

## 38 EXERCISE

### Evaluating the Recruiting function

#### I. OBJECTIVES

- A. To make you aware of the necessity of evaluating the efficiency and effectiveness of various recruitment sources.
- B. To provide you with practice analyzing data, drawing conclusions, and planning a strategy to remedy identified problems or deficiencies.
- C. To make you aware of the linkages among staff turnover, recruitment sources, recruitment methods, and adequate staffing.

#### II. OUT-OF-CLASS PREPARATION TIME: 2 hours

#### III. IN-CLASS TIME SUGGESTED: 45 minutes

#### IV. PROCEDURES

Read the entire exercise, including the background on St. Vincent's Hospital. Then, using the data provided in Exhibit 2.16, do the calculations on Form 8. A yield ratio is the number of applicants necessary to fill vacancies with qualified people. It is the relationship of applicant inputs to outputs at various decision points. For example, the yield ratio for all recruitment sources in Exhibit 2.16 shows that 273 nurse applicants were generated over the three-year period from 2005 to 2007. Since only 221 were classified as potentially qualified, the yield ratio is  $273/221$  or 1.24 to 1. The yield ratio for "potentially qualified" among "walk-ins" is 1.26 ( $53 \div 42$ ). The average cost per nurse hired among "walk-ins" is \$119.23 ( $\$1,550 \div 13$ ). Students should form groups of two to four students each and calculate the yield ratios for each recruitment source at each stage of the recruitment process on Form 8. These data show that the hospital needs to start with more than five times as many applicants as it needs to fill job openings and more than 13 times as many applicants as it hopes to have as above-average performers.

Do the calculations for Form 8 on your own prior to class. Think about the implications of these data for future recruitment at the hospital. Then look at Exhibit 2.17 in conjunction with the background description and think about the implications for the recruiting process. During the class period, form groups of three to five, which will act as a consulting team for the hospital. With your group, discuss and answer the questions at the end of this exercise. At the end of the class period, have a spokesperson for each group discuss the group's answers and rationale with the entire class.

#### BACKGROUND

St. Vincent's Hospital is a 260-bed hospital in a northeastern city affiliated with the Roman Catholic church. The administrator is Sister Claire, a 56-year-old member of the Daughters of Charity religious order.

During the last decade, the hospital operated with a nursing staff of approximately 450 registered nurses and experienced a nursing turnover rate of about 25 percent per year. The turnover rate was average for the city during this time period. However, it has accelerated to an average of 35 percent over the past three years.

These higher turnover rates have put additional pressure on the recruiting process to provide larger numbers of qualified candidates. However, Sam Barnett, director of human

resources, has reported more difficulty locating qualified nurse candidates over the last three years. Barnett's office has prepared the recruitment data shown in Exhibit 2.16. The data show that 273 applicants (from all sources) had to be screened to produce 52 qualified candidates who accepted a job offer. One year later, 19 of these 52 had left the hospital. The last column shows the direct and indirect costs of recruitment by source, including clerical time, supervisor time, and direct costs, such as travel and postage. The human resource department has also conducted a telephone survey of all the nurses they could locate who did not accept a job offer from the hospital during the most recent three-year period. Reasons for such rejections are shown in Exhibit 2.17.

Sister Mary Louise, the 62-year-old director of nursing service, has conducted all off-site recruitment for many years. This includes both the nursing job fair and the State Nursing Association meeting. She has begun to feel burned out as a result of all her external recruiting and internal evaluation of candidates over the years.

At a recent meeting, she suggested that an outside group (your group) be brought in to analyze the whole recruiting process, identify problems and opportunities, and suggest improvements. Sister Claire and Barnett readily agreed to an outside consultant because they are aware of current severe nursing shortages due to declining nursing school enrollments. St. Vincent's itself contributed to this enrollment decline by closing its own School of Nursing due to fewer applications and the high cost of operation.

Since recruitment of new nurses has begun to fall behind turnover of nurses employed at St. Vincent's, the vacancy rate has begun to increase. Five years ago, only 11 percent of staff

**EXHIBIT 2.16** *Data on Recruitment Sources for Registered Nurses at St. Vincent's Hospital, 2005–2007*

Recruitment Source	Number of Applicants	Potentially Qualified	Invitation for Interview	Qualified and Offered Job	Accepted Job	One-Year Survival	Above-Average Rating	Total Recruitment Costs
1. Internet applications	83	72	60	38	21	12	5	\$1,145
2. Walk-ins	34	17	8	6	3	1	1	900
3. Employee referrals	13	12	7	5	4	3	2	400
4. Newspaper ads	24	16	8	4	2	1	0	750
5. Journal ads	19	18	10	8	4	2	2	450
6. Educational institutions								
Junior colleges	16	13	11	6	2	2	1	1,200
Hospital-based schools	8	8	3	2	1	0	0	800
University programs	24	24	16	14	10	8	7	1,300
7. Private employment agency	9	9	8	5	2	2	1	4,000
8. Public employment agency	8	4	2	1	1	0	0	600
9. Direct mail	15	14	4	3	1	0	0	450
10. Job fair	13	7	5	3	1	1	1	900
11. State Nursing Association meeting	7	7	4	3	0	0	0	1,150
<b>Totals</b>	<b>273</b>	<b>221</b>	<b>146</b>	<b>98</b>	<b>52</b>	<b>33</b>	<b>20</b>	<b>\$14,045</b>

**FORM 8** *Yield Ratios at Each Step in the Recruitment Process and Recruitment Cost per Nurse Hired, St. Vincent's Hospital, 2005-2007*

Exercise 38 • Evaluating the Recruiting Function

Recruitment Sources	Yield Rates						Average Cost Per Nurse Hired
	Potentially Qualified	Accepted Interview	Offered Job	Accepted Job	One-Year Survival	Above-Average Rating	
1. Internet applications							
2. Walk-Ins							
3. Employee referrals							
4. Newspaper ads							
5. Journal ads							
6. Educational institutions							
Junior colleges							
Hospital-based schools							
University programs							
7. Private employment agency							
8. Public employment agency							
9. Direct mail							
10. Job fair							
11. State Nursing Association meeting							
Averages for all sources	1.24	1.87	2.79	5.25	8.27	13.65	

**EXHIBIT 2.17 Reasons for Nurse Rejection of a Job Offer from St. Vincent's Hospital, 1996–1999**

<b>Reason</b>	<b>Number</b>	<b>Percent</b>
<i>Recruitment Processes</i>		
Job attributes not communicated	2	4.3
Negative perception of recruiter	12	26.1
Negative perception of hospital	2	4.3
Lack of timely follow-up	13	28.3
Perceived lack of honesty in recruitment process	1	2.2
Negative information from recruiter	1	2.2
<i>Job Attributes</i>		
Location of hospital	3	6.5
Salary offer	2	4.3
Hours of work	2	4.3
Promotional opportunities	0	0.0
Fringe benefits	0	0.0
Working conditions	3	6.5
Perceived poor job "match"	5	10.9
Totals	46	100.0

nursing positions were unfilled. This percentage has now increased to 23 percent. One result has been an exhausting workload on the existing nursing staff. In addition to increased turnover, the symptoms of staff burnout (i.e., stress, conflict, absenteeism) are becoming more evident.

**QUESTIONS**

1. How would you evaluate the nurse recruiting strategy currently being used by the hospital? Is the hospital using too few or too many recruiting sources? Why?
2. If you feel the hospital is using too many recruitment sources, which ones would you eliminate and why?
3. What stage or stages in the recruitment process seem to be most amenable to improvements? What specific improvements would you suggest to decrease the yield ratios? Why?