

## RECRUITING FUNCTION CASE ANALYSIS

### 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, methods and adequate staffing.

### Procedure:

Using the data provided in Figure 1, do the calculation of yield ratio on FORM 1. 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.

### Background

Hilton Hotel is a 260-room hotel in a metropolitan city in Europe. During the last decade the hotel operated with employees of approximately 450 executives and experienced a turnover rate of about 25% per year. The turnover rate was average for the continental during the time period. However, it has accelerated to an average of 35% over the last 3 years.

These higher turnover rates have put additional pressures on the recruiting process to provide large number of qualified candidates. However, Sam Burnett, Director of HR, has reported more and more difficulty locating qualified executives over the past 3 years. Burnett's office has prepared the recruitment data as shown in Figure 1. The data shown that 273 applicants (from all sources) had been screened to produce 52 qualified candidates who accepted a job offer. One year later 19 of these 52 had left the Hotel. The last column shows the direct and indirect costs of recruitment by source, including administration time, and direct costs such as travel and postage. The HR Dept. has also conducted a telephone survey of all the executives they could locate who *did not* accept a job offer from the hotel during the most recent 3 years. Reasons for such rejections are as shown in Fig. 2:

John McCarthy, a senior manager in HR, has been conducting all the off-site recruitment for many years. This includes both Job Fair and Hotel Association meeting. He has begun to feel "burned out" because of all his external recruiting and internal evaluation of candidates over the years.

At a recent meeting, he suggested that an outside group (your group) be brought in to analyse the whole recruiting process, identify problems and opportunities and suggest improvements. Since recruiting of new executives has begun to fall behind turnover of executives employed at Hilton Hotel, the vacancy rate has begun to increase. The percentage of this is 23% compared to 11% the past decade. One result has been an increasing workload on the existing staff. In addition to increased turnover, the symptoms of staff burnout (ie stress, conflict, absenteeism) are becoming more evident.

Question:

- (i) What and How would you advice the HR Director of the existing recruiting process?
- (ii) What is the best recruitment method?

Fig 1 Data on Recruitment Sources for Executive at Hilton Hotel, Europe (1996- 1999)

Recruitment Source	Number of Applicants	Potentially Qualified	Invitation for Interview	Qualified and Offered Job	Accepted Job	One-Year Survival	Above-Average Rating	Total Recruitment Cost
1. Direct application write – ins walk – ins	53 64	42 47	30 38	20 24	13 11	8 5	4 2	\$ 1,550 1,500
2. Employee referrals	13	12	7	5	4	3	2	400
3. Newspaper ads	24	16	8	4	2	1	0	750
4. Journal ads	19	18	10	8	4	2	2	450
5. Educational institutions junior colleges hotel- based schools university programs	16 8 24	13 8 24	11 3 16	6 2 14	2 1 10	2 0 8	1 0 7	1,200 800 1,300
6. Private employment agency	9	9	8	5	2	2	1	4,000
7. Public employment agency	8	4	2	1	1	0	0	300
8. Direct mail	15	14	4	3	1	0	0	450
9. Job fair	13	7	5	3	1	1	1	900
10. State <i>Hotel</i> Association	7	7	4	3	0	0	0	1,150
TOTALS	273	221	146	98	52	33	20	\$ 14,750

FORM 1 Yield Ratios at Each Step in the Recruitment Process and Recruitment Cost per Executive Hired, 1996-1999

Num.	Recruitment Sources	Yield Rates						
		Potentially Qualified	Accepted Interview	Offered Job	Accepted Job	One-Year Survival	Above-Average Rating	Average Cost Per Nurse Hired
1	Direct applications							
2	Employee referrals							
3	Newspaper ads							
4	Journal ads							
5	Educational institutions junior colleges, hotel based schools university programs							
6	Private employment agency							
7	Public Employment agency							

cost \$498

8	Direct mail								
9	Job fair								
10	State Hotel Association meeting								
Averages for all sources									

Fig 2 Reasons for Executive Rejection of a Job Offer from Hilton Hotel, 1996 – 1999

Reason	Number	Percent
<b><i>Recruitment Processes</i></b>		
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
<b><i>Job Attributes</i></b>		
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

## HR FORECASTING EXERCISE

Assume a 500-rooms hotel expects to expand to 1,200 rooms over the next five years. The director of human resource wants to forecast the requirement for supporting staff. The human resource director decides to determine the relationship between number of rooms and number of supporting staff required. He calls five similar hotels of various stars and gets the following figures:-

<i>No. of Rooms</i>	<i>No. of Supporting Staff</i>
200	240
300	260
400	470
500	500
600	620
700	660
800	820
900	860

One way to determine the relationship between the size of hotel and the number of supporting staff is to draw a scatter plot. Plot a line to estimate the number of supporting staff needed for the given number of rooms.

### Quiz

A National Hotel has a current number of existing chains of 45 across the country. The National Hotel expects to add 9 additional hotels by next year 2006. Calculate the demand and supply requirement for the hotel.

Key Position	(A) No. of Employees	(B) Ratio of E. and Hotels	(C) Projected Demand	(D) % Quit	(E) No. of Present Employees	(F) Projected T/O	(G) Employees Leftover	(H) Projected Labour Demand	(I) Projected New Hires
H.R Manager	9			47					
Sales Manager	12			38					
Controller	35			29					
F.B. Manager	23			57					
Resident Manager	14			69					