
The Relationship Between Recruitment Source and Employee Behavior

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Personnel professionals have long been interested in the best ways in which to recruit potential employees. This interest stems from two main ideas. The first idea is that certain recruitment methods will yield higher numbers of acceptable applicants, thus making the recruitment process less expensive (Kirnan, Farley, & Geisinger, 1989). For example, if a \$100 newspaper advertisement results in 50 applicants for a job compared to two applicants resulting from a \$3,000 fee paid to an employment agency, then an organization might be better off recruiting through newspaper ads.

The second idea is that certain recruitment methods will attract applicants who, once on the job, perform better than employees recruited by other methods. That is, even though newspaper ads in the previous example yielded more applicants, it is possible that none of the 50 will perform as well or stay with the organization as long as would the two from the employment agency. Thus, the savings obtained in recruitment costs would be nullified by the increased training expenses and the reduction in employee performance. Although both ideas are important, published research has generally centered on investigating the ideas that certain recruitment methods will yield better employees than will other methods.

It was the purpose of this paper to investigate the effectiveness of recruitment source by:

1. Conducting a meta-analysis of related research
2. Collecting new data to investigate if successful employees refer better employees than do unsuccessful employees
3. Collecting new data to investigate the relationship between applicant characteristics and applicant utilization of various recruitment methods.

Meta-Analytic Review of Previous Research

Five studies were found that investigated the relationship between recruitment source and employee performance and 11 studies were found that investigated the relationship between recruitment source and tenure. Traditional meta-analytic procedures were made difficult due to the small number of available studies, the variety of criteria used, unreported data, and the comparison of different recruitment sources in each study.

So, the first step in this review process was to determine a way of standardizing the data reported in the literature. For example, in one study, the tenure data were reported in months employed whereas in another study, the data were reported as percentage of employees whose tenure was greater than 12 months. To standardize the time frame, we took the raw scores for each recruitment methods and divided them by the mean for the entire sample. For example, a study reported that applicants answering newspaper ads had an average tenure of 8 months, those who were referred by a friend had an average tenure of 12 months, and those who just walked-in and applied has an average tenure of 10 months. The mean for the study would be 10 months, and the standard scores for each of the methods, reported as a percentage of the overall study mean, would be 80 for media recruitment, 120 for employee referral, and 100 for direct application.

Once each score in each study was standardized, the scores were averaged across studies to indicate an overall level of relative effectiveness for four recruitment source categories: Employee referral, direct application, media advertisement, and employment agency.

As can be seen in the table below, recruitment source had a significant effect when tenure was the criteria but not when performance was the criteria. More specifically, employee referrals resulted in the highest tenure whereas media sources resulted in the lowest tenure.

Recruitment source	Criterion	
	Performance	Tenure
Employee referral	95.50 (2.89)	120.36 (19.05)
Direct application	102.66 (7.89)	98.89 (7.77)
Media advertisement	98.29 (4.82)	88.92 (17.56)
Employment agency	101.17 (4.88)	91.50 (15.84)

Differential Effects of Employee Referral

As indicated in the previous table, employee referrals result in higher tenure than do the other recruitment methods. This finding raises questions about whether all employee referrals are alike. In the only study investigating different types of employee referrals, Hill (1970) compared the performance appraisals received by employees who had been referred by a close friend with the appraisals of employees who had been referred by employees with whom they had only a casual acquaintance. Hill (1970) found not significant differences between the two groups for 105 employees in two organizations.

The participants in the current study were 141 former retail and restaurant employees. Each participant was asked to indicate the number of months that he/she worked for the company, who referred them, and the number of months that the referrer had worked at the company at the time he or she made the referral. Referrers working for the company at least 7 months at the time of the referral were designated as, "high tenure referrers" and those who had worked less than 7 months were designated as, "low tenure referrers." Due to the small number of family members in our sample making referrals, family members were not segmented into high and low tenure groups.

As indicated in the table below, participants referred by high tenure employees and by family members had significantly higher tenure than did participants who were referred by low tenure employees. There was not significant difference between the high tenure and the family member groups. These results suggest that only referrals made by high tenure employees or by family members should be used in recruiting applicants.

Referral Type	N	Average Tenure	SD
Family member	17	12.88	11.78
Long tenure friends	69	11.13	11.81
Short tenure friends	55	7.69	8.12

Such a finding makes a great deal of sense. Research on interpersonal attraction indicates that people are attracted to others who are similar to them on such variables as personality, interests, and attitudes. Thus, an applicant referred by a friend currently employed by the organization is likely to be similar to that friend. If the current employee enjoys his/he job, then it is logical to assume that a similar person would as well. Further research is needed to determine if the same pattern will hold for performance measures and if high and low tenure family members differ.

Utilization of Recruitment Source

Two theories have attempted to explain the differential effects of recruitment source on employee performance and tenure. One theory states that informal recruitment sources are superior to formal sources because they provide an applicant with more complete and accurate information than do informal sources. This theory has received empirical support from Quaglieri (1982) and Breugh and Mann (1984) who found that applicants using informal recruitment sources had more accurate information about the job than did applicants using formal recruitment sources.

The second theory postulates that differences in recruitment source effectiveness are due to the fact that formal and informal sources research and are used by different types of applicants. Research indicates that:

- Applicants who use media sources tend to be male, older, and possess lower self-esteem (Breugh & Mann, 1984; Ellis & Taylor, 1983).
- Applicants who directly apply for a job tend to be female and younger (Swaroff, Barclay, & Bass, 1985; Breugh & Mann, 1983)
- Applicants who use employee referrals tend to be younger whereas applicants using employment agencies tend to have low self-esteem and be single (Ellis & Taylor, 1983; Breugh & Mann, 1984).

To investigate this issue further, 104 students were asked to indicate each job at which they had worked, as well as how they had heard about the job. In addition, the students were given the Employee Personality Inventory (EPI) and asked to indicate their high-school GPA, their sex, and their family income. The five scales of the EPI as well as the responses to the demographic questions were correlated with whether the subject used any of the four main recruitment strategies in look for any one of their jobs (dummy coded 0 for no, 1 for yes). The correlational analysis indicated that, with the exception of a small correlation between GPA and hearing about the job through a sign posted at the potential place of employment, none of the individual difference variables were related to use of recruitment sources.

	Recruitment Method Used			
	Advertisement	Friend	Sign	Walk-in
Sex (0=male, 1=female)	-.14	-.07	.12	-.03
GPA	.08	-.09	-.21*	-.04
Income	-.01	.01	.09	.04
Personality Trait				
Thinking	-.09	.02	.05	.14
Directing	.10	.09	-.17	-.04
Communicating	-.05	-.06	-.07	-.01
Soothing	.05	.01	.10	.03
Organizing	-.04	-.04	.06	-.07
Job Information Source				
Advertisement		-.23*	-.04	-.07
Friend			-.27*	-.24*
Sign				.02
Walk-in				