

6.8: Why It Matters- Recruitment and Selection

Why learn about recruitment and selection strategies, processes, and laws?

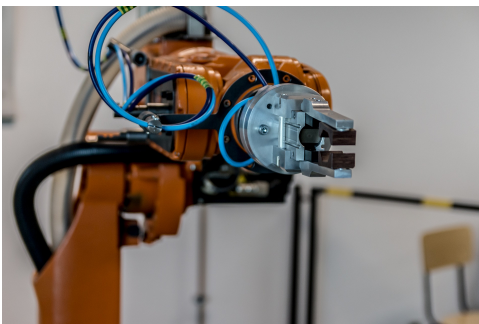


While we tend to focus on products and experiences—for example, the latest iPhone or streaming series—it’s important to remember that it’s people who make the magic happen. It’s people who, to quote Döhler’s tagline, “bring ideas to life.” And it’s people who create customer and, ultimately, business value. As an aside, it’s also people who create value on a national level, as reflected in intellectual property law and recent trade wars over, ostensibly, intellectual property.

As analytical software and service provider SAS’ former president Jim Goodnight observed, “95% of my assets drive out of the gate every evening. It’s my job to maintain a work environment that keeps those people coming back every morning.”^[1] And it’s a recruiters job to identify those assets—those individuals—that can drive value creation and get them to show up: to apply, to interview and, ultimately, to accept an offer. It’s always been a challenging prospect, but current economic and demographic trends make it even more so today.

Let’s consider our operating environment:

- Unemployment is at record lows—the U.S. unemployment rate for May 2019 was 3.6%, unchanged from April and the lowest rate since 1969 in 49 years^[2]
- Slower population growth and lower labor force participation is projected to limit the supply of labor in the U.S.^[3]
- The U.S. economy is experiencing a historical term of expansion—the economy has grown for 121 months, the longest (although not the most robust) expansion cycle since 1854^[4]
- Employee confidence and expectations of both employers and the workplace has increased significantly, reflecting both economic and employment trends
- Younger Americans tend to prioritize the work experience—enjoyment, making a difference—and are more inclined to entrepreneurship or working in the gig economy^[5]
- The labor force is becoming more racially and ethnically diverse, with much of the change driven by immigration^[6]



Although the next phase in the industrial revolution—referred to as Industry 4.0 or the Industrial Internet of Things (IIoT)^[7]—may offset some of the impacts of labor shortages in the manufacturing and services sectors, it is expected to exacerbate the shortage of and competition for higher-skilled talent that is already scarce. For perspective, economic consultancy Oxford Economics projects that by 2030, robots will replace up to 20 million manufacturing jobs globally. However, the firm also noted that increased automation is expected to yield productivity benefits that will increase growth and that, at a global level, the number of jobs created will match the number of jobs eliminated.^[8] The net net: it’s expected to be a seller’s market for the foreseeable future, with the balance of power—and power of choice—tipped to workers who possess in-demand skills. As we will discuss further in Module 15: Corporate Social Responsibility, the health of the economy has also given workers greater confidence in pursuing their demands for changes in workplace policies and practices.

Given heightened employee expectations and increased competition for a smaller pool of workers, recruiters will need to demonstrate not only core human resource competencies but a sales and marketing sensibility. Specifically, human resources personnel will have to become adept at cultivating and communicating the organization's culture as well as an engaging employer brand. Greater labor pool diversity—in particular, if organizations are trying to increase minority representation—will also require recruiters to be aware of unconscious bias and the potential for discrimination and proactive in implementing changes to address adverse impacts. In this section, we'll discuss the recruiting and selection process broadly, including the importance of employer branding, how to avoid discrimination and unconscious bias and the use of technology in the recruiting process.

1. "[Jim Goodnight, Co-founder & Chief Executive Officer](#)." SAS. Accessed July 15, 2019. ↵
2. "[United States Unemployment Rate](#)." Trading Economics. 2019. Accessed July 15, 2019. ↵
3. Holzer, Harry J. "[The U.S. Labor Market in 2050: Supply, Demand and Policies to Improve Outcomes](#)." Brookings. May 31, 2019. Accessed July 15, 2019. ↵
4. Li, Yun. "[This Is Now the Longest US Economic Expansion in History](#)." CNBC. July 02, 2019. Accessed July 15, 2019. ↵
5. White, Gillian B. "[Career Goals For Younger Americans Aren't the Same as Their Parents](#)." The Atlantic. June 12, 2015. Accessed July 15, 2019. ↵
6. Cohn, D'Vera, and Andrea Caumont. "[10 Demographic Trends That Are Shaping the U.S. and the World](#)." Pew Research Center. March 31, 2016. Accessed July 15, 2019. ↵
7. "[What Is Industry 4.0?: The Industrial Internet of Things](#)." Epicor. Accessed July 15, 2019. ↵
8. "[Robots to Replace up to 20 Million Factory Jobs' by 2030](#)." BBC News. June 26, 2019. Accessed July 15, 2019. ↵

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