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Significance of e-recruitment in the modern Human Resource Management arena- a Literature Review

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Abstract

E-recruitment refers to posting vacancies on the corporate website or on an online recruitment vendors' website. It allows applicants to send their resumes electronically through an email or in some other electronic format. The e-recruitment methods and systems have helped to reduce much of the routine administrative tasks involved in recruitment. The study tries to identify the overall concept of e-recruitment. It aims at collecting information regarding methods viz; e-mails, corporate websites and commercial job boards etc. of e-recruitment. It includes the general advantages and disadvantages of e-recruitment.

Key words: E-recruitment, Internet, Human Resources, E-HRM.

Introduction:

Using electronic resources, typically the internet but also HR software, to guide or assist the hiring process in order to reduce the administrative and financial burden of recruitment and gain access to a wider pool of talent. Much of e-recruitment centres on major job sites which categorise open positions by location, industry and seniority. Businesses, or recruitment companies working on behalf of businesses, advertise open positions on these sites and provide instructions for applicants to follow. The initial sift of applications will either be performed by the recruitment firm or the business. Social media is increasingly being used in e-recruitment as a way to quickly reach out to potential candidates. The targeted nature of social media makes it useful for headhunting. Companies may build their e-recruitment platforms in-house, use e-recruitment HR software or employ recruitment agencies that utilise e-recruitment as part of their package. E-recruitment may not be as suitable for senior positions where the pool of prospective candidates is much lower. Some of the disadvantages of e-recruitment include responses from a large number of unsuitable candidates which need to be sifted through and technology issues that come from standardising the application process (e.g. some peoples' computers may not be able to handle PDF formats). Making your job stand out in a sea of others can also be difficult and attract significant costs.

Paradigm of on-line recruitment:

Online recruitment uses the power of the internet to match people to jobs. Fundamentally, it is about advertising vacancies on either job sites or corporate websites. At this very basic level it is particularly effective at getting a high level of response. While it may generate hundreds more applications than traditional print advertising, simply attracting more candidates is only part of the job. The current view is that truly effective online recruitment could be as low as 10% of the top blue-chip corporate companies. The real strength and power of online recruitment, when done

properly, lie in harnessing internet technology to not just attract candidates but to deal with them too. In this sense it is also about streamlining the recruitment process -so busy HR departments can give a better recruitment service to their colleagues in finance, marketing, sales and manufacturing. Plus it frees up more of their time for more value-added tasks.

A specialist software provider, such as HR Portal, can develop bespoke application programmes for recruiters that will save time, effort and money. They can automate the pre-selection process by setting 'killer questions' (that only the top candidates will answer correctly), profiling and scoring, psychometric tests and automatic CV scans to look for key words such as qualifications and experience (Introduction to Online Recruitment, n.d.).

Human resource information system and e-recruitment:

Human Resource Information System (HRIS) is one of the most important Management Information Systems. It contributes to the administrative activities related to human resources of an organisation. HRIS provides vital information on how many people work for (and with) a concern, where they are and what do they do so that one can manage them. (Noe et al., 2007) stated that HRIS is used as a computer system that acquires stores, manipulates, analyses, retrieves, and distributes the information regarding human resources. It has become an important tool as it collects, manages and reports information to make decisions. HRIS help organisations to organize most of the HR planning functions including recruitment of employees in an organisation. Recruitment and selection represents one of the core HR activities that need to be planned and conducted in efficient and effective manner organizations to attain success. (Darrag, Mohamed and Aziz, 2010) identified recruitment as a linking pin between the potential candidates and vacant positions in an organization. The use of job centers, employment agencies and databases is done by the concerns to fill the gap. (El-Kot & Leat 2008), mentioned a wide range of selection practices which can be used for recruitment i.e. applications forms, psychometric testing, assessment centers, job specific aptitude or knowledge tests, group-based activities etc. But, they have not focused their attention on how new technology, especially HRIS which can enhance and strengthen the recruitment process of an organisation. One of the most popular non-traditional forms of recruiting practice is e-recruitment (Smith, 2004). E-recruitment has been defined as the use of the internet to identify and attract potential employees (Breaugh & Starke, 2000). It refers to the practice of advertising job vacancies online, and the formal sourcing of information about the jobs online (Galanaki, 2002).

Scenarios of e-recruitment trends through past research studies:

E-recruitment market is one of the vital aspects in the process of recruiting the talent. Internet has completely changed the role of the traditional recruiter. An iLogos survey in 2002 found that 91 per cent of the global 500 companies were using their corporate websites for recruiting as

compared to 60 per cent and 29 per cent in 1999 and 1998 respectively (McManus & Ferguson,2003) Earlier, cold calling and candidate networking were the only options available for identifying the new potential candidates. But, now it is possible to search one desired resume out of thousands, placed on the websites. E-recruitment enhances the effectiveness of the recruitment process (Stone-Romero & Stone, 2005). In a candidate-starved market, organizations are facing a continuous challenge to bridge the gap between the recruitment processes and decrease in the numbers of resources to administer the recruitment process. The words e-recruitment, online recruitment, cyberuiting, or internet recruiting are synonymous. They imply formal sourcing of jobs online (Ganalaki, 2002). It is a complete process which includes job advertisements, receiving resumes and building human resource database with candidates and incumbents. (Vidot et al., 2000), suggested that e-recruitment is the use of internet to attract high quality candidates, screening of suitable profiles, streamlining the application and selection process. Internet has made an impact on the human resource field (Bussler & Davis, 2002). Organizational recruitment efforts have increasingly relied on computer technology and one area that has evolved in recruiting via the internet, otherwise known as e-recruitment (Mottl, 1998). From the relevant literature, there is an argument that e-recruitment is needed to be used in conjunction with other techniques. It has been argued by Caggiano(1999) & Borck (2000) that internet-based recruiting will not replace traditional practices in recruiting but a well-implemented e-recruitment strategy can.

According to Othman and Musa (2006) some demerits of e recruitment process would be, it effects on ethnic minorities, certain demographics groups, resume overload and inability to target top executive candidates. This was supported by the questionnaire respondents. This was further supported from the interview conversation with HR Manager 4, that internet recruitment does not benefit certain group who does not have regular access to the internet. In relation to advantages E-recruitment is cost effective; this was further supported by The University of Melbourne (2009) that communication is made easier can helps reduce additional costs. Apart from this it reduces manpower spending rather human workload. In the time saving aspects, according to Marr (2007) the application is processed quickly and shortens time in hiring a candidate. Barber (2006) supports these findings states that making online application is very fast and speeds up the front end process of an organization by updating information quickly. Arkin and Crabb (1999) conclude that executive job applicants still prefer personal contact. Similarly, Hays (1999) reports that the best candidates are not found on job sites or corporate Websites but are recommended by a company's present employees. This situation may be changing, however.

E-Recruitment has more effective advantage that helps the employer's in time saving there by proving efficient benefits to the employer's. E-Recruitment provides recruiters with the ability to work simultaneously with

traditional recruitment processes. This means that firms are able to source and process the application quickly, thus saving long hours of hiring process (Marr, 2007). Time saving is a strategic measure in the hiring process. According to the study of Barber (2006), the ease of completing online application form and the time taken to process applications are done in minutes faster than weeks, the advantage of this, is that recruiters and job seekers are saved time. The hiring time is saved by pre selecting the application and receiving quick response electronically. The most important variance would be that, companies can update their information quickly by typically speeding up the front end processes Othman and Musa (2006), According to the Bussler & Davis (2002) E-Recruitment can reduce the amount of time used for hiring in the recruitment process by two thirds. Breaugh (1992) has suggested that if this theory is correct, then a personís direct prospective supervisor or work colleague should be more informative, and have more of a recruiter effect, on potential candidates than other recruiters who have less first-hand knowledge (eg. an employee from the human resources department). Results for this theory have been mixed. Taylor and Bergmann (1987) produced findings to suggest that a positive relationship did exist between direct line managers and applicants and reported lower organisational attractiveness ratings for applicants who were interviewed by recruitment/personnel specialists. This theory however was not supported in Harris and Finkís (1987) study, with no differences found by recruiter function across any of the four dependant variables of instrumentality of perceived job attributes; expectancy of offer; intention to accept offer; and, regard for company. The applicants obtain employment as a result of informal sources and that these sources are associated with more positive post-hire outcomes (Rynes, 1991; Saks, 1994; Saks & Ashforth, 1997). The major advantages and disadvantages of e-recruitment are precisely discussed as below:

Key advantages and disadvantages of e-recruitment:

In addition to the cost and time saving benefits identified with E-Recruitment, there are various other merits in the E-Recruitment process. The access to the candidate pool is wider when compared to the traditional recruitment methods to the candidate pool. This would range from National, International to local levels that provides greater chances in finding the suitable candidates for job roles. This provides opportunities in the online graduate recruitment of more diverse graduate pools responding with opening all doors. This would better show off best recruitment techniques across the business units allowing more recruitment information (Barber, 2006). Another benefit would be brand reputation as a key account of benefits to E-Recruitment by promoting the corporate brand and corporate image of an organisation. Corporate websites gives values of choices with an indication of better values and better organizational culture. It also gives a better feel of the candidate to share why they would want to work in the organisation. When any candidate applies for a job with the firm, sometime it mostly rely on the way they are treated. At this context if candidate have bad experience it would ultimately give negative impact to the brand

(Barber, 2006). E-Recruitment would provide proper access for the passive job seekers who are the individuals already working or already in a job. It gives opportunity to apply for better job roles advertised on the Internet. These are the type of job seekers of better quality due to the fact that they are not desperate for change in job when compared to the active job seekers who are frustrated in finding a new opportunity (Richardson, 2005).

Othman & Musa (2006) said that traditional recruitment being the firms who wants to post jobs, announces the job opening at the marketplace through proper advertisements or through a job fair , or to an executive recruiter or through other medium's. From this source candidates submit their profile for the announcement. Newspaper advertisements are used more widely than any other source of traditional recruitment. On the other hand, the traditional recruitments are used in majority of recruitment processes and are effective while other types of recruitments are proved to be appropriate in specific situations. The employers use different methods based on different positions. Human resource management approaches towards any business process would be based upon focusing the core objectives of an organization and realization of strategic plans by training the individuals or personnel that would be beneficial to the organization, thus improving its performance and profits (Korsten, 2003). Internet recruiting ought to be one of many tools used to find and recruit applicants. Likewise, even though the organizations see the advantages of e-recruitment, there is a tendency to adopt more conventional methods in the form of newspaper advertisement, personal referrals, and search agencies for most of their recruiting. Organizations therefore tend to view the Internet as a vital additional tool (Pearce and Tuten, 2001). Hopkins &Markham (2003) observed that to speed up the recruitment process, online recruitment is considered as the best practice. Online recruitment is also effective in terms of performing talent management process. Hart, Doherty & Ellis-Chadwick (2000) identified that online recruitment is effective in terms of giving competitive edge to the firms, enhanced company reputation, increase in quality of candidates. Grocery firms use online media for their recruitment process in higher degree in comparison to other process and activities. Gravili (2003) supported that investment in the use of internet for recruitment and selection process was around 105 million dollars. Again, it is identified that around 60% increase in online recruitment was recorded in 1999 by Electronic Recruiting Index. Tong (2009), it is discussed that some organizations have concern about website privacy, as online sharing of personal data may be used by other employers that further can cause harm to the organization. So, it can be argued that this is a drawback of using online recruitment in terms of website privacy.

In reviewing the impact of e-recruitment on the organisational recruitment process there have been a number of disadvantages identified in many philosophies. Capelli, (2001) could identify certain disadvantages of e-recruitment as of major concern is the perception that internet recruitment will generate a high quantity of applications. This outcome is attributed primarily to the diversity and geographical reach of

the source, which becomes both an advantage and a disadvantage to recruiting online. As the Internet has a globalised market, then it can be assumed that more potential applicants can access and view the job being advertised from anywhere in the world. In addition, as the majority of job seekers store their resume electronically, submitting an application via electronic means requires less effort and involves fewer costs for the individual than traditional methods (Galanaki, 2002; Gutmacher, 2000; Smith & Rupp, 2004). As a result, an assumption has been made that the number of applications received by the organisation for jobs advertised on the internet will increase. Whilst an increase in the size of the applicant pool allows the organisation to be more selective, potentially resulting in superior candidates being hired and subsequent improvements in organisational performance, a large applicant pool can also have the negative effect of increasing costs in administering recruitment and selection systems (Carlson et al., 2002). Barber et al., (1998) noted, small applicant pools provide the organisation with few options about which applicant to recruit, whilst large applicant pools place heavy burdens on the organisations administrative system and may lead to the most suitable applicant being overlooked if the recruitment and selection process is insufficient. Epstein and Singh (2003) also explored the source superiority theory associated with recruitment by attempting to ascertain the quality of applicants recruited via the internet as opposed to other recruitment sources through turnover measures. A review of the literature on e-recruitment has identified numerous perceived. There are also privacy concerns for passive job candidates not interested in being targeted whose details are accessed via back-door measures by head-hunters through corporate websites (Piturro, 2000). Some commercial websites and organisations are attempting to address this issue by introducing passwords to limit access and protect confidentiality, and by including privacy and job security statements on their career websites (Lee, 2005). Other key issues that have been identified with e-recruitment include difficulties in posting resumes and applications; poor navigational links within and between sites; network problems in web searches; difficulties in accessing relevant information about jobs on web-sites (Eg. job descriptions, salary levels, location of job and travel requirements); and lack of follow-up from organisations about the status of the job (Feldman et al., 2002; Galanaki, 2002). Dessler (2002) mentioned that the amount of realistic information to provide, the job title, design and content of the advertisement in terms of the employment benefits advertised influences potential applicants either positively or negatively, and can impact on their decision to apply for a job. He also found that the job title, design and content of the advertisement in terms of the employment benefits advertised influences potential applicants either positively or negatively, and can impact on their decision to apply for a job.Breaugh & Stark (2000) identified that a crucial element in the establishment of the recruitment strategy as what is offered by the employer to applicants is as important as how the recruitment process is implemented.

Discussion

This study is mainly focusing on the major advantages and disadvantages that are associated with e-recruitment process. The biggest disadvantage cited is the potential for large quantities of applications being received which bury quality applications and place extra burdens on the organisation in culling the applicant pools. From an applicant perspective, the large number of job boards increases the difficulties with locating suitable vacancies. Furthermore, the privacy and security issues in relation to personal information retained on the internet are also of concern. From an organisational perspective, there can be problems with the marketing of jobs and information portrayed that could positively or negatively influence potential applicants. Other disadvantages associated with e-recruitment include technological problems, lack of follow-up by organisations, and difficulties for candidates in identifying with the pre-established job classifications used by job boards. Finally, diversity has been highlighted as both an advantage and disadvantage of e-recruitment. From a negative perspective a digital divide still exists where not everyone can access the internet and demographic characteristics also have the potential to affect e-recruitment usage. On the other hand, the use of the internet as a recruitment source has been demanded within the literature as vastly improving an organisation recruitment process as well, there is a need for further research on its significance in hunting potential applicants. The advantages and disadvantages highlighted. However, within the literature on e-recruitment provides numerous avenues for future research on this subject.

Conclusion

Use of online recruitment and selection process offers advantage in the form of economies of scale. Therefore, this feature of e-recruiting would attract lot of corporations to invest their resources in developing e-recruiting supply chain. Only limited researchers have been conducted over the effectiveness of online recruitment and selection process. So, there is lot of scope to conduct further research over this growing phenomenon that is currently on the prime focus for corporations. The topic of e-recruitment, if considered as a stem of a tree, it covers so many other aspects such as e-recruitment revolution, e-recruitment market, hiring process in e-recruitment, methods of e-recruitment, difference between traditional recruitment and e-recruitment and lastly the advantages and disadvantages of e-recruitment. E-recruitment has now considered being a significant part of the recruitment strategy. It can be used to track and manage candidate applications, particularly among larger organizations. E-recruitment can provide some remarkable benefits in terms of efficiency and cost. In the wake of above discussion, a continuous improvement in understanding the technological issues related to e-recruitment is highly recommended. Future research should focus on verifying the identified advantages and disadvantages by using empirical tools such as time-studies and document reviews.

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