

# Potential of E-recruitment in the Market of Kolkata

Subhasis Ray\*

## Abstract

With rapid change in Technological, Socio-economic, Political and Legal environment and keeping in view the corporate trend towards Liberalization, Privatization and Globalization, today's business environment has become highly competitive and complex. These changes have affected the Human Resource (HR) processes, one of which is the recruitment process in the organization. As a support function in any corporate, ensuring effective HR process has become very challenging job. This has necessitated a perspicacious and thorough study of various channels of recruitment and their impact on market. The present study is a modest attempt to assess potential of online recruitment (e-recruitment) in the market of Kolkata, keeping into consideration the pros and cons of conventional recruitment mechanisms as well.

## Background

A growing proportion of employers are using the online medium to recruit personnel. Around two-thirds of employers use some form of e-recruitment. This is reflected in the amount spent on e-recruitment display advertising which has risen strongly in recent years. Through a market survey in UK, Key Note Publications Ltd, one of the UK's leading suppliers of market information, estimated that online recruitment advertising will exceed £550m in 2006, compared to £315m in 2005 despite a projected drop in employment prospect in 2006. Besides, the number of Internet jobseekers is expected to cross 9.5 million by beginning of 2007 which is growing at the rate of 266.7% since last six years [1]. Gender bias (e.g. more online users being male jobseekers) is no longer dominant and the Internet is gradually eliminating boundaries between school leaver and graduate, skilled and unskilled, fresher and experienced candidates. However, the Internet is not yet attracting older and unskilled workers. The survey revealed that the profile of a typical jobseeker matches with the following:

- below the age of 35
- affluent
- highly educated, at least degree level
- resident of metros (e.g. London, Manchester etc.)

Jobsites are used mainly for two purposes:

- to find suitable jobs where skills or industry sectors can make it focused
- to obtain career-related information/advice/service ranging from writing CVs to tips on appearing interviews.

With recruiters burdened with loads of applications and jobseekers flooded with jobs, both recruiters and jobseekers demand a tailor made service to suit their preferences in terms of job title or industry sector or location or even remuneration. The life cycle of the recruitment process consists of three major stages:

- Attracting applications
- Managing applications
- Selecting candidates

Traditionally, the thrust of the electronic media was on attracting applications with right mix of skills and experience. However, today technology is being put to use for managing and shortlisting applications. Job sites are seeking to offer more a) career management services to the jobseekers and b) e-human resources (eHR) services for the recruiters simultaneously.

E-recruitment provides fast, flexible and cost effective solution for hiring fresh people. Internet postings yield

\* Assistant Professor, ICAI Business school, Kolkata



nearly ten times of hires through newspaper advertisements. From a jobseeker's viewpoint, this medium provides global accessibility around the clock over a longer duration compared to newspaper.

From a recruiter's point of view, Internet advertisements can pack more information leading to more focused applications which in turn can shorten the recruitment cycle and reduce costs per hire. However, this is not free from disadvantages. In spite of being specific, it is often hard to find suitable CVs. Since applying online only requires a few clicks, there can be many applications, 'just' trying their luck. So for a recruiter, this may require more screening. On the contrary, a suitable application may not reach the right person due to lack of human touch. In spite of these drawbacks, the advantages of speed, flexibility and cost effectiveness have made e-recruitment a practical hiring proposition [2]. To summarize, the benefits are [3]:

- This is much faster than the traditional channels since a job can be posted online in just 20 minutes and start getting resume even sooner
- 24x7 access over the internet provides a lot of flexibility
- Automated screening of candidates can significantly reduce hiring time, which otherwise can take more than 65 percent of total recruitment time
- And automated status tracking of applications at various stages of the hiring process can ease management process

However, the following drawbacks can reduce its effectiveness:

- Checking the authenticity is a major problem
- Low Internet penetration in many locations can affect number of responses
- Technology reduces human interaction. This is a major cultural shift in places like India where organizations prefer to deal with people rather than e-mails.

According to Key Note the e-recruitment market will grow by multiples by 2011 and the key trends will include [1]:

- more use of technology for sieving, matching, and managing of applications by service providers

- use of social networking technologies to reach passive jobseeker
- stronger growth in the specialist sector compared to the generalist for online recruitment market in the next 5 years
- merger/acquisition of smaller players and start ups who fail to provide quality service to employers or jobseekers

Above all, there will be integration between offline and online modes of recruitment with respect to hiring companies, jobseekers and talent hunters. The traditional boundaries between print media, job boards, advertising agencies and consultants will erode to give rise to 'super suppliers' who can provide online and offline services seamlessly. Another important aspect is how corporations describe themselves in advertisements for recruitment, more specifically how firms communicate their employer brands. Results have shown that firms predominantly stress on their own attributes and less on employee progression, contrary to what it should be

The occasional variations are due to high-tech/ low-tech organizations, service /product organizations [8].

With ever growing effect of internet on life and business it is pertinent to review effectiveness/ acceptability of E-recruitment vis-à-vis other channels of recruitment. The present study is aimed towards finding out perceptions about E-recruitment amongst Kolkata based job seekers and recruiters.

## Objectives of the Study

The objectives of the present study primarily include probing of

- Usage pattern of various channels of recruitment
  - Acceptance and satisfaction level of using e-recruitment
  - Performance of present day job portals
- Besides our endeavor was to understand
- general perception of this channel
  - reasons (if any) for not fulfilling its promises
  - potential in the market

This has been carried out in two halves from the viewpoint job seekers and recruiters.



## Methodology

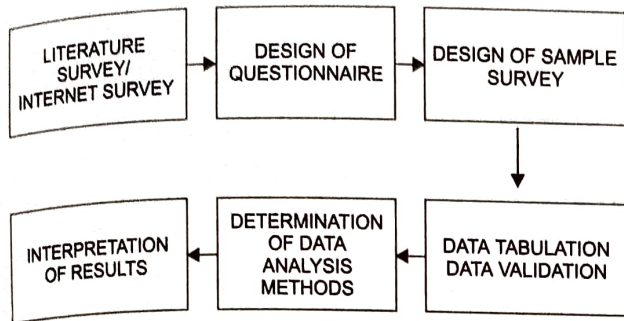


Fig. 1: Schematics showing methodological steps

**Literature/internet survey:** The study started with the literature survey via various journals, magazines that helped to comprehend the various facets e-recruitment. Also, the Internet survey was used that helped to browse through the latest occurrences in the industry. Current leading job portals [4, 5, 6, 7] have been visited to understand current services that are being provided.

**Design of questionnaire:** Then two questionnaires were designed based upon the objectives of the study. The questionnaires consisted of mainly closed questions with a few open-ended questions. The questionnaire for job seekers was pilot tested on a small group to check its relevance and fulfillment of objectives before final administering.

**Design of sample survey:** The respondents are from Kolkata within the age group of 20-35 years most of whom belong to the working class. In this study, the target sample size was 100 without any repetition. In order to meet recruiters few HR personnel were short-listed using personal contact. The data was collected via one-to-one interaction with the respondents using questionnaires.

**Data tabulation/validation:** After the data collection, the data was coded and tabulated in a Microsoft Excel Sheet. The data obtained through questionnaire was then validated manually. In case of missing/inconsistent entries, respondents were contacted (using telephone numbers). During the survey, 130 jobseekers were interviewed from the target group as mentioned in Section 3.3. Out of this, around 30 were rejected due to inconsistencies and incompleteness.

HR personnel from three reputed companies were met in Kolkata for which data was tabulated. There was no missing / inconsistent entry.

**Determination of data analysis methods:** Mainly pie chart and frequency distribution techniques have been applied to analyze the data.

**Interpretation of the result:** Finally, the results that emerged from the study were analyzed and interpreted and suitable conclusions were drawn from those results.

## Data Analysis/Interpretation of Results

The descriptive statistics about respondents' profile is given in Fig 2 through Fig

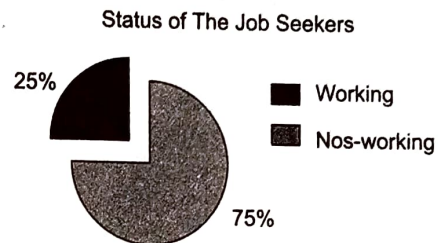


Fig. 2: Work Profile

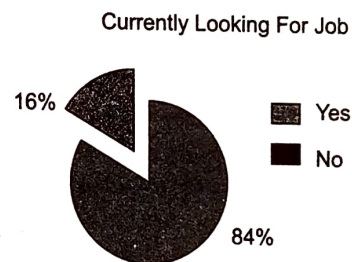


Fig. 3: Currently Seeking Job

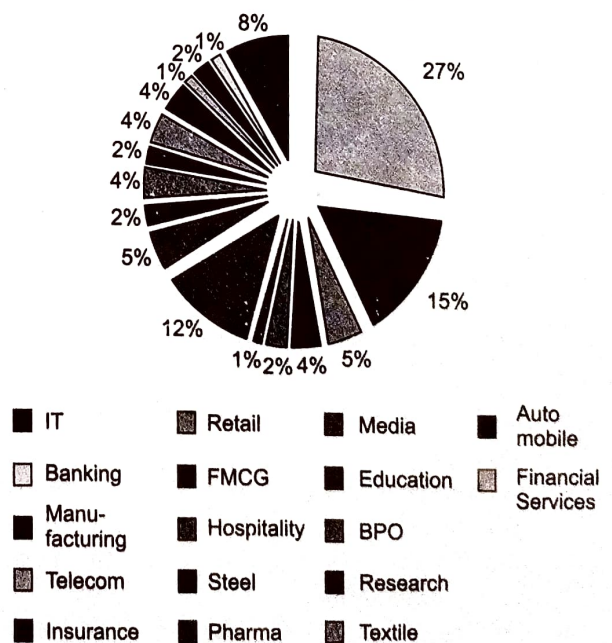


Fig. 4. Sectoral Preference of Current Job Seekers

There were 69 males and 31 females who were interviewed. The age of the respondents lies between 22-35 years. Fig 4 shows the sectors where current job seekers are interested.

When asked about the sources of information before applying for a job,

**Table 1: Frequency Distribution of Various Combinations**

Source	Frequency
Only Newspapers	3
Only Placement Agencies	2
Only References and Contacts	4
Only Job Portal	15
Newspapers and Placement Agencies	3
Newspapers and References	2
Newspaper and Job Portal	13
Placement Agencies and References	1
Placement Agencies and Job Portal	12
References and Job Portal	6
Newspapers, Placement Agencies and References	2
Placement, Agencies, References and Job Portal	7
Newspapers, References and Job Portal	4
Newspapers, Placement Agencies and Job Portal	18
All four	8

As per Table 1, as many as 83% of the respondents get recruitment related information using portals, it is worth investigating relative performance of various job portals in India. Table 2 shows the share of various portals and level of satisfaction they could impart.

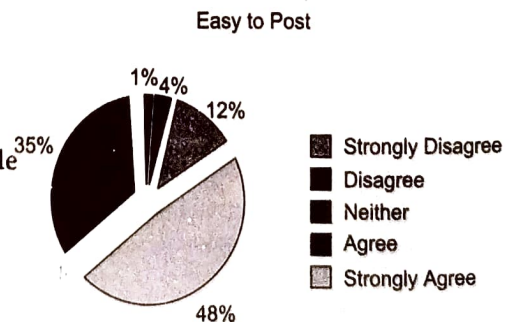
In order to understand factors behind respondents' preference towards job portals, they were asked to rate 4 factors (e.g. Easy to post CV/Application, Provides flexibility in terms of time, place etc, Searching relevant jobs is easy and Cost effective) individually on a 5 point scale. Fig. 5 through Fig. 8 shows people's choice.

**Table 2: Share of Various Portals and Satisfaction level.**

Job Portals	Frequency of Usage	% Satisfied
Naukri.com	45	65
Timesjobs.com	65	80
Placementindia.com	24	48
Monster.com	33	59
Other than 4 above	10	40

Some of the reasons for not getting desired response are given below:

- Job Profile inside Kolkata did not match expectation.
- No proper information about the required profile was revealed.
- The salary package offered by the companies wasn't good enough.
- Desired results were not obtained as only 5-6 calls were received against an expected 10 calls.
- Response received was late.



**Fig. 5: Benefits of E-recruitment(1)**



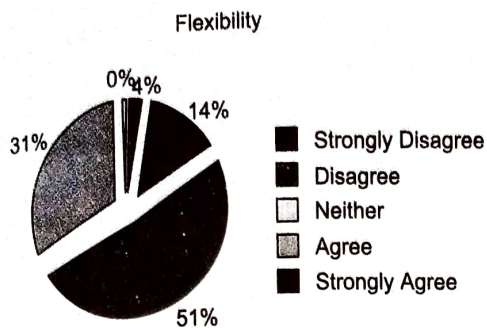


Fig. 6: Benefits of E-recruitment(2)

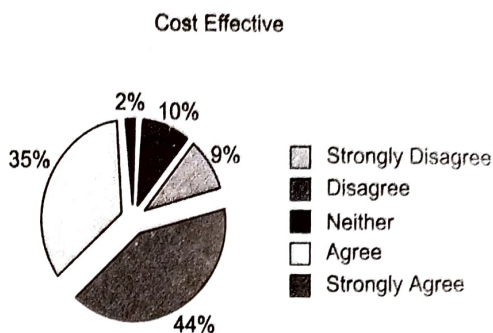


Fig. 8: Benefits of E-recruitment(4)

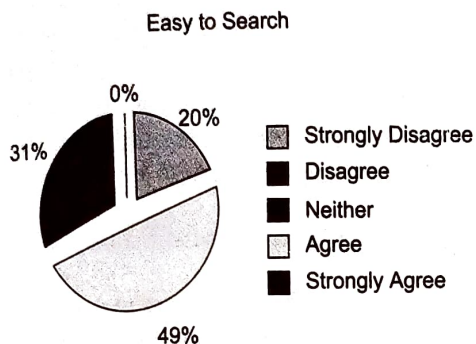


Fig. 7: Benefits of E-recruitment(3)

As many as 94% of the respondents said that they will apply for jobs through the job portals in future. With enhanced computer literacy and internet connectivity (at least in bigger cities), this is going to be a very effective channel that can save time and money.

In the recruiter survey, HR personnel of TCS, Wipro and Hutch could only be met. The outcomes are arranged in Table 3.

1. All the three companies confirmed usage of internal as well as external sources of recruitment.

2. Their preference rating of various channels for recruitment is summarized in Table 3 (higher the better).

Table 3: Preferred Channels for Recruitment

Channels	TCS	WIPRO	HUTCH
Newspaper Advertisements	1	1	2
Placement Agencies	4	4	4
Employee Referrals	3	4	3
Job Portals	2	3	3
Unsolicited Applications	2	1	2

3. Their preference rating of various Job portals is displayed in Table 4.

Table 4. Preferred Job Portals for Recruitment

Job Portals	TCS	WIPRO	HUTCH
Naukri.com	2	1	1
Timesjobs.com	1	2	2
Placementindia.com	4	4	4
Monster.com	3	3	3

4. Since portal is a quite important channel, the respondents were asked to rate a number of factors according to their importance for choosing e-recruitment. Table 5 shows factor ratings (higher the more important).

Table 5. Showing Relative Importance of Factors Behind Choosing E-recruitment

<i>Factors</i>	<i>TCS</i>	<i>WIPRO</i>	<i>HUTCH</i>
Easy to invite the applicants	4	4	5
Flexible as available 24/7	5	5	5
Saves Time	4	5	4
Is Cost Effective	4	4	4
Easy to get suitable candidate required for job	2	2	3

5. All of them recruit directly from educational institutions:
6. TCS buys CV database from job portals and Hutch does not. The response of Wipro was inconclusive.
7. All the three companies feel that e-recruitment is a cost-effective mean for recruitment.
8. The perception about e-recruitment is as follows:
  - TCS thinks this saves time and is cost effective as well.
  - Wipro believes this provides a fast and cost effective solution for companies searching for fresh candidates.
  - According to Hutch respondents, this is globally accessible, leads to shorter recruitment cycle and lower cost per hire.

## Conclusion

From the survey conducted above, it can be concluded that job portals like Naukri.com and Timesjobs.com are ahead of the global giant Monster.com in India. However, according to TCS, Monster.com is well suited for multinational companies and according to Hutch, they are yet to capture the Indian market. The acceptance of e-recruitment is very much in evidence from the survey as everyone pointed out that it's an advantageous tool with respect to time and money. However, the satisfaction level is still not high and the organizations still prefer to follow other conventional channels of recruitment.

Service quality can play the differentiator's role as far as job portals are concerned. Timely response,

updated information, proactively contacting the job seekers or recruiters (at least through automated mails) and revealing complete job profile are some of the areas that need improvement. Add on services may include career counseling, astrological guidance, networking through chat session or discussion boards.

## Further Studies

Like any field researches, there are many limitations in this study which can be dealt in the future. Firstly respondents only from Kolkata were met and they were in the age group of 20-35 years. In order to get a complete picture of viability of e-recruitment, one needs to consider rural and semi-urban areas as well as higher age groups. The success of e-recruitment heavily depends upon the accessibility of internet. The current sample is more exposed to this.

It was very difficult to get appointments from corporate HR. As a result, not many HR personnel of big corporate could be met. Also it seems a candid and honest response was not received all the time from them.

## Related Areas of Research can Involve

- Estimation of market size of e-recruitment business
- Carrying out of Competitors' analysis
- Assessment of the revenue potential of e-recruitment business
- Building effective revenue model for job portals

Finally, this study should be treated as a first step and can provide stimulus for more in-depth research.

## References

1. 'E-Recruitment Market Assessment 2006, Key Note Publications Ltd, Oct 2006, [http://www.marketresearch.com / product/display.asp?productid=1370790&g=1](http://www.marketresearch.com/product/display.asp?productid=1370790&g=1), last accessed on Oct 24, 2007
2. 'E-recruitment, the right way', Bindu Sridhar, Mar 2005, <http://www.hinduonnet.com/jobs/0503/2005030900350600.htm>, last accessed on Oct 24, 2007
3. 'E-recruitment is here to stay', Vinutha V, Apr 2005, <http://www.expresscomputeronline.com/20050418/technologylife01.shtml>, last accessed on Oct 24, 2007
4. <http://monster.com>
5. <http://naukri.com>
6. <http://timesjobs.com>
7. <http://www.placementindia.com>
8. An Exploration of Corporate Recruitment Descriptions on Monster.com, Backhaus, Kristin B., Apr 2004, The Journal of Business Communication, <http://www.allbusiness.com/human-resources/workforce-management-hiring-recruitment/769834-1.html>, last accessed on Oct 24, 2007

**Acknowledgement:** I acknowledge the contribution of Ms. Niharika Singh, MBA student, class of 2008 at IBS, during this study \*