Chapter XI

E-Recruiting System Development and Architecture

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Abstract

At this time of hyper-competition and rapid environmental changes, one of the most critical sources of competitive advantage is to attract and retain talented workers. E-recruiting is one of the most rapidly growing e-commerce areas. Since the mid-1990s, a number of e-recruiting methods such as job boards, corporate career Web sites, and e-recruiting consortia have been introduced into the labor market. Recruiting through corporate career Web sites has been touted as the most efficient and cost-effective recruiting method. While most of large- and medium-sized organizations have deployed corporate career Web sites, many of them have failed to achieve the maximum benefits because they do not have the appropriate architecture and business practice in place. While e-recruiting methods have been widely used since the mid-1990s, no formal classification system has been developed for a wide variety of e-recruiting sources. This study proposes six categories of e-recruiting sources and presents the architecture of the next-generation, holistic e-recruiting system. This architecture consists of eight distinct yet interrelated subsystems: (1) applicant tracking management subsystem; (2) job requisition management subsystem; (3)
Introduction

One of the most profound changes of the past decade in the business environment was the emergence of e-commerce that revolutionized the way companies conduct business. As a part of the e-commerce revolution, Web-based online recruiting has also changed the way companies hire employees. Currently, Web-based online recruiting (e-recruiting) is one of the most successful e-commerce applications as a method for quickly reaching a large pool of potential job seekers. E-recruiting has enjoyed explosive growth since the late 1990s when the strong economy produced a high demand for qualified employees that the labor market could not satisfy (Thomas & Ray, 2000). E-recruiting has driven companies to redesign the recruiting process and to move quickly to Web-based integrated human resource systems that provide standardized frameworks for key personnel processes (Cullen, 2001). The capability of advanced e-recruiting tools enables recruiters to quickly identify and hire qualified candidates and to build ongoing relationships with prospective employees.

Major advantages cited for the rapid and successful adoption of e-recruiting methods include cost savings, efficiency, and convenience for both recruiters and job seekers (Gale, 2001; Miller, 2001; Tomlinson, 2002). In a poll in 2001 of 400 recruiters by Recruiters Network (www.recruitersnetwork.com), 46% indicated that online recruiting was the most effective way to get the most hires and best resumes, followed by referrals (35%), and newspaper classifieds (11%).

According to Forrester Research, the average cost to hire an employee via the Internet is $183, whereas the average cost to hire an employee via traditional methods (i.e., newspapers or magazines) is $1,383. Forrester Research predicts that corporate recruiters will increase their e-recruiting budget by 52% by 2004, while cutting their budget on traditional recruitment by 31%. Forrester Research estimates the e-recruiting market size to be between $2 billion and $4 billion by 2005.

There has been a fundamental shift in the way companies use e-recruiting methods since its inception in the mid-1990s. While most companies utilize at least one third-party job board, more and more companies are creating their own corporate career Web sites. According to iLogos’ research, 29% of Global 500 companies had corporate career Web sites and 57% subscribed to third-party job boards in 1998. In 2002, that figure had changed to 91% and 9%, respectively.
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