The Evolution of E-Recruiting: A Content Analysis of Fortune 100 Career Web Sites

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EXECUTIVE SUMMARY

Given hyper-competition and rapid environmental changes, one of the most critical sources of competitive advantage is attracting and retaining talented workers. E-recruiting is one of the most rapidly growing areas of e-business. To promote an understanding of the use of e-recruiting technologies and management practices utilized by leading business organizations, this study investigates the evolution of e-recruiting systems and analyzes the corporate career Web sites of Fortune 100 companies. Thirty-three attributes that characterize corporate career Web sites were identified, named, and organized around four major categories: recruiting methods, job search tools, job application tools, and information on organizational attributes. While all Fortune 100 companies practice e-recruiting, our content analysis indicates that most of them need to further develop the e-recruiting system in order to improve their recruiting performance.

Keywords: career Web site; e-recruiting; job board

INTRODUCTION

Currently, 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 a strong economy produced a high demand for qualified employees that the labor market could not satisfy effectively (Thomas & Ray, 2000). E-recruiting has driven companies to redesign their recruiting processes and to move quickly to Web-based integrated human resource systems that provide standardized frameworks for key personnel processes (Cullen, 2001).

Major advantages cited for the 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 2001 poll of 400 recruiters by Recruiters Network (www.recruitersnetwork.com), 46% indicated that e-recruiting was the most effective way to get the most hires and best résumés, followed by referrals (35%) and newspaper classifieds (11%).

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

E-recruiting has fundamentally changed the corporate recruiting process from batch mode to continuous mode. The traditional recruiting process is typically paper-based and performed in a batch mode throughout the hiring process. The traditional recruiting process suffers from long hiring cycle time, high cost per hire, low geographical coverage, and ineffective candidate relationship management. E-recruiting improves the recruiter’s ability to process job postings and job applications by utilizing Internet technologies for key recruiting activities. Because of the round-the-clock collection and processing of job applications, micro-recruiting and on-demand recruiting became economically feasible. As anecdotal evidence, e-recruiting enabled Dow Chemical to reduce the hiring cycle from 90 days to 34 (Gill, 2001). Dow Chemical was also able to reduce the cost per hire by 26%. The company hires all new salaried workers (typically knowledge workers) from a pool of candidates who submitted applications online via either its career Web site or third-party job boards.

The main purposes of this chapter are to study the evolution of e-recruiting systems and to analyze the content of Fortune 100 companies’ career Web sites. This chapter is organized as follows: Section 2 compares the traditional recruiting and e-recruiting processes; Section 3 classifies the evolution of the e-recruiting systems into five stages; Section 4 presents a content analysis of the Fortune 100 companies’ career Web sites; Section 5 discusses managerial implications of this study; and Section 6 concludes with future e-recruiting research directions.

### TRADITIONAL RECRUITING VS. E-RECRUITING PROCESSES

Barber (1998) offered the definition of recruitment as practices and activities carried on by the organization with the primary purpose of identifying and attracting potential employees. Heneman et al. (1997) defined recruitment as part of the staffing process whereby the individual and the organization become mated to form the employment relationship. Myers (1992) defined recruitment as the human resource management activity of developing external and internal sources of qualified applicants. These definitions describe recruitment from the technology-neutral organizational perspective. By extending these definitions, we define e-recruiting as practices and activities carried on by the organization that utilizes a variety of electronic means to fill open positions effectively and efficiently.

The traditional recruiting process consists of the following iterative phases: identification of hiring needs; submission of job requisition and approval; job posting; submission of job applications; screening of résumé/application; interviewing; pre-employment screening; and job offer and employment contract. Both hiring managers and recruiters rely on hard-copy documents and conventional delivery mechanisms to complete the recruiting process. The traditional recruiting process is typically a step-
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