



# E-Recruiting System Development

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## INTRODUCTION

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. This study discusses major categories of e-recruiting source.

## CATEGORIES OF E-RECRUITING SOURCE

While e-recruiting methods have been widely used since mid-1990s, no formal classification system has been developed for different e-recruiting sources. In order to give recruiters and job seekers a better understanding of the e-recruiting industry, we propose six categories of e-recruiting sources: (1) general purpose job board, (2) niche job board, (3) e-recruiting application service provider, (4) hybrid (online and off-line) recruiting service provider, (5) e-recruiting consortium, and (6) corporate career web site.

Disintermediation refers to eliminating middlemen/distributors in the supply chain to sell products/services directly to consumers. Examples include Maytag selling home appliances directly to individual customers and Delta Airline selling airline tickets directly to travelers. E-recruiting also enabled companies to disintermediate conventional recruiting firms and newspapers' classified ads by posting job openings directly on their career web sites. While disintermediation threatened conventional recruiting media, a third-party job board emerged as a new e-recruiting intermediary between recruiters and job seekers.

*General-purpose job boards* provide a comprehensive online recruiting solution to both employers and job seekers across different industries. Monster, HotJobs, and Careerbuilder are leaders in this category. Job seekers can search for jobs by category, experience, education, location, or any combination of these job attributes. Most of leading job boards employ agent technology to increase utility to job seekers and recruiters. Personalized job agents match job seekers' profiles with the latest job postings and e-mail the list of jobs to the job seekers. Recruiters can search the job boards' database by skills, experience level, job preference, salary, education, and any combination of keywords to find qualified candidates. When qualified job applicants are available, the recruiter's job agent notifies the recruiter of a list of available applicants. To address job seekers and recruiters' rising dissatisfaction with services and costs, general-purpose job boards have evolved into comprehensive career services where customized placement services, assessment, and candidate relationship management are provided.

*Niche job boards* serve highly specialized job markets such as particular profession, industry, education, location, or any combination of these specialties. Sample profession-oriented job boards include JournalismJobs.com, MarketingJobs.com, AllRetailJobs.com, and JobsInLogistics.com. Location-oriented job boards include NJ.com, TexasJobs.com, and ArizonaJobs.com. Advantage of the niche job boards is a focused search with which recruiters can reach a large pool of qualified candidates most effectively. Most niche job boards operate specialized online communities or newsgroups that draw professionals, such as engineers, programmers, and journalists who share specific interest, skills, experience, and knowledge.

Job boards generate revenue by providing recruiters with applicant tracking service, hiring tools, job posting, career web site hosting,

prescreening tools, and advertisements. As the success of job boards depend on the critical mass of job applicants, job boards typically provide job seekers with a free access to the services. Advanced services such as resume writing and interview guide may be accessible to job seekers at a charge. Advantages of using job boards include an access to a large pool of recruiters and job seekers and availability of the state-of-the-art e-recruiting tools. Medium and small-sized recruiters with low name recognition can access a pool of qualified job applicants at a reasonable cost.

Because of the ease of entry into the e-recruiting market and tight labor market, general-purpose and niche job boards overcrowded the e-recruiting industry in the late 1990s and went through a series of mergers and acquisitions in the early 2000s. TMP, a parent company of Monster, acquired FlipDog, the high-profile company in search technology, in 2001. CareerBuilder acquired CareerPath in 2000 and Headhunter.net in 2001 to gain competitive advantage in the general-purpose job board market. Yahoo! acquired the HotJobs, resulting in HotJobs becoming a wholly-owned subsidiary of Yahoo!

*E-recruiting application service providers (ASPs)* develop and market to recruiters and job boards a combination of specialized services in recruitment software, recruitment process management, education and training, and management expertise. The tight labor market for IT professionals has led many small and medium-sized recruiters to application service providers. Specialized recruitment software for the in-house development of larger-scale e-recruiting web site is available for recruiters who want to quickly develop career web sites on their own server. Some service providers also support hosting of corporate career web sites. Some widely known e-recruiting application service providers include Recruitsoft, BrassRing, RecruitUSA, PeopleClick, TalentFusion, Lawson, and Development Dimensions International Inc. These e-recruiting application service providers are competing with larger enterprise systems developers such as Oracle, PeopleSoft, and SAP which also have developed recruiting software as part of enterprise-wide human resource systems.

*Hybrid recruiting service providers* are traditional media or recruiting firms which provide e-recruiting services to both recruiters and job seekers. Employment advertising in newspapers has suffered historic percentage declines as recruiters switch to more efficient and cost-effective recruiting methods. The Help Wanted Index, a measurement of how many help wanted ads run in newspapers, have registered a continuous decline in the past few years. In the face of losing significant revenue sources, media organizations such as New York Times, Chronicle of Higher Education, and The Wall Street Journal now provide e-recruiting services as well as paper-based job advertisement services in order to compensate for the job ad revenue lost due to the rapid expansion of alternative e-recruiting services.

Traditional media companies have reduced job ad prices and introduced new services to differentiate themselves from job boards and corporate career web sites. New York Times now offers a variety of e-recruiting services including resume builders, search engines, job market research reports to both employers and job seekers. CareerJournal.com developed by The Wall Street Journal, focuses exclusively on the career needs of executives, managers, and professionals, leveraging the Wall Street Journal brand. CareerJournal.com provides recruiters and job seekers with a database of job openings and resumes as well as salary information, career news, and industry trends. Advantage of the hybrid (online and off-line) recruiting service provider comes from the sharing of existing

resources and expertise developed in the traditional job ad industry. The premier content of CareerJournal.com comes from the editorial resources of the Wall Street Journal as well as from the CareerJournal.com editorial team.

An *e-recruiting consortium* is a cost-effective alternative to the services provided by job boards. DirectEmployers.com is the first cooperative, employer-owned e-recruiting consortium formed by DirectEmployers Association - a non-profit organization formed by executives from leading U.S. corporations. According to a recent press release by Recruiters Network (February 20, 2003), DirectEmployers Association achieved a 500 percent increase in membership in just one year since its launch in February 2002. At the time of this study, DirectEmployers Association has 98 member companies approximately 45 percent of which are Fortune 500 companies. While job boards place much importance on the stickiness of their web sites because job seekers who stay longer will have a greater chance of reading employment opportunities, DirectEmployers' search engine merely drives a traffic directly to member's career web site. A vast majority of members reported that the DirectEmployers.com is driving more traffic to their web sites than any job boards.

NACELink is another e-recruiting consortium that was created as a result of alliance between DirectEmployers Association and the National Association of Colleges and Employers (NACE) (<http://www.nacweb.org>). NACELink - a national, integrated, web-based college recruiting system was designed to better meet the placement and recruiting needs of colleges, students, and employers. At the time of this study, 137 colleges use the NACELink system, and more colleges are joining daily. Cost saving was the greatest incentive for forming a NACELink. For example, depending on the company size, members of DirectEmployers Association pay annual dues of \$6,000 to \$60,000 which is only a fraction of job ad costs paid to job boards.

*Corporate career web site* is the most widely used hiring source used by Fortune 500 companies (2002 iLogos Research study). While the majority of companies (64%) used a combination of job boards and their career web sites to advertise openings, they posted more jobs on their web sites than on job boards. On average, corporate career web sites listed 184 jobs compared to 118 on CareerBuilder, 99 on Monster, and 37 on HotJobs. Deployment of the corporate career web site is a natural extension of the portfolio of e-commerce applications when the company has already established an e-commerce web site and enjoyed

high Internet traffic. The exposure of the career web site to visitors is almost as great as the exposure of the home page as long as the home page has the career information with a hyperlink to the web site. Cost of posting additional job opening is marginally increased, whereas fee for posting additional job opening is considerably higher at job boards. Career web site also has a cost-advantage and flexibility compared to job boards in publishing corporate information such as university recruiting, workplace, diversity, benefit, career, and culture with which applicants can make informed decision about job applications. Considering the significant impact of the corporate career web site on the corporate recruiting strategy, the following section focuses on the corporate career web site.

## CONCLUSION

Given the current technological advances and the pace of environmental change, human resource professionals must proactively embrace technology and integrate their core human resource processes in order to maximize the value of human asset. Conventional recruiting methods have been plagued with high hiring cost and frequent hiring delays. Recently, a web-enabled e-recruiting emerged quickly as a powerful method for both job seekers and recruiters. Many organizations have built their corporate web site to post job openings along with subscription to e-recruiting job boards.

In our opinion, there are numerous research opportunities in e-recruiting. Research on the perception of job seekers on different e-recruiting methods and job attributes will give a valuable design guideline to system designers. The longitudinal study of recruiting methods and job performance may provide important results that can be used to optimize the mix of recruiting methods and budget allocations. Many professionals such as hiring managers, recruiters, software engineers, and human resource professionals are involved in the recruiting process. An in-depth understanding of what information they ask for, how they use it, and how they interact with each other can be another interesting avenue of research.

## REFERENCE

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