

Research Paper

HUMAN RESOURCE RECRUITMENT IN INDIA: CRITICAL ROLE OF ONLINE RECRUITMENT SYSTEM

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ABSTRACT

Human capital is arguably the most treasured and valued asset of any organization, and is primarily responsible for adding value to all other assets of an organization. Recruitment, the very word, means a logistics nightmare for the HR arm of many organizations. Many companies rush to recruit and hire candidates, later discovering that a particular individual may not be the best person for the position.

Since recruitment that ends up like this is very costly, organizations are looking for methods of reducing the time and effort. This rush and explosion gave way to job portals to make recruitment more in-house and more effective. Job portals came as a transparent medium between the recruiter and the job seeker.

In the light of aforementioned discussion effort has been made through this paper to study the role of Online Recruitment system in India, through secondary data based survey. Attempt has been made to study the effectiveness of online recruitment system by having SWOT analysis.
<http://specials.ft.com/lifeonthenet/FT3NXTH03DC.html>
<http://en.wikipedia.org/wiki/Tourism>

(A) Introduction

In today's competitive scenario, when employees are becoming increasingly knowledgeable and mobile, the challenge lies in attracting best employees. Human resource is no longer considered a business requirement; rather it has distinguished itself as one of the core assets of any organization. The statement by Mr. Narayan Murthy, (1) "My Company's assets walk out of the door every evening," truly captures the dynamics of new economy. With such a great emphasis on human capital, it is critical for every organization to resort to means that offer quality recruitment solutions at competitive costs. This is where the realm of e-Recruitment starts. The Internet is no longer just a rage; it has now become a very powerful and effective tool at everybody's disposal. eRecruitment is simply using this tool To Hire Whom You Desire. Growing at a pace of about 100 to 150 percent, this tool of recruitment promises to increase its share from 2 percent to 10 percent in coming 4 to 5 years.

In the light of aforementioned discussion an effort has been made by the researcher, through this paper, to study the human resource recruitment practices, with special reference to effectiveness of online recruitment system in India.

(B) Online Recruitment system: Conceptual frame work

What is recruitment?

Recruitment is the process to discover the sources of manpower to meet the requirement of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective

selection of an efficient working force.(2)

What is Online Recruitment?

As Galanaki (3) points out the term, Online Recruitment (now onwards known as OR), e-recruitment, Cyber recruitment or Internet recruitment, imply the formal sourcing of job information online. It is fairly new practice. The first reference to OR appeared during mid 1980s and by late 1990s the systematic reference to OR began in journals. The scope of OR is very wide. It provides information on job vacancies, conduct online interviews, psychometric assessments, interactive tools for communication, electronic mailing list etc. Facilitates the online matching process between recruiters and passive & active career seekers.

OR has shown consistent growth in recent years such that nearly all of the Global 500 companies now use some form of online. Using the internet to attract and recruit applicants can be done in a number of ways, some of which are relatively passive, such as posting job advertisements on a website or job board, or more proactive in terms of actively searching internet sources to identify potential candidates. Following methods are used for attracting candidates.

Company websites - Advertising posts and providing information to candidates through the company website. The facility to apply online is often also provided.

Job Boards - Commercial general purpose recruitment portals, (e.g. Monster.com, Timesjob.com, and Yahoo!) or niche job boards aimed at a specific industry.

Online Searching - Recruiters searching online sources such as company websites/professional chat sites/organizational profiles etc. to identify potential candidates who may not be actively looking for a job.

Relationship recruiting - Using the internet to build and maintain long term relationships with passive candidates, through using internet tools to learn more about web visitors interests and experience and to e-mail regular updates about careers and their fields of interest.

(C) Literature review

A brief review of literature, having broader reactivity with the subject, is mentioned in following lines:

· Sujit sen and Shailendra Saxena believe that the most striking feature in the Indian labour market is the apparent abundance of labour, yet the right type of labour is not too easy to find.(4)

· Anita Srakar and Sanjay Kumar has tried to indentify the difference between a well established and less established organization in approach which they adopt while recruiting their employees through a holistic model of recruitment.(5)

· Vinit tendon in his research article has made an attempt to study that why talent deficiency is prevailing in Indian job market besides having huge population.(6)

· In his book P. Subbarao has very rightly tried to explain the recruitment sources used by various level of job seekers.(7)

· While Karen Unwin believes that recruitment is the only component for attracting and retaining knowledge workers.(8)

· In her book Sumati Reddy point out that Six Sigma as the best practice for the recruitment of human talent. (9)

The aforementioned review of literature indicates that recruitment practice is having variety of dimensions. To the best of researcher's knowledge no work has been done in the area of OR in order to study the effectiveness of OR in India. Hence, researcher has selected this topic and made a humble attempt to prepare a good base for conducting advance level researches in this area.

(D) Objectives of the study

(1) To understand the working of online recruitment system.

(2) To critically analyze the effectiveness of online recruitment system.

(3) To identify major players in Indian online recruitment market.

(4) For making effective recommendations to online recruitment system for its better performance.

(E) Methodology

The study covers the online job portals in India and their performance. Data collection is mainly based on secondary sources like – websites; Magazines & Journals; Books and Electronic Newspapers. More over researcher had a personal meet with relevant subject experts to generate appropriate information.

The collected information was scientifically and systematically classified and tabulated. Besides this, SWOT technique was adopted for analysis of tabulised information, keeping in mind the basic purpose of study.

(F) Benefits of the study

This paper will become a good platform for the advance research work with the hypothesis development and testing. It has made an effort to highlight the positive and negative aspects of online recruitment and thereby the overall effectiveness of the said mechanism.

(G) Limitations of the Study

The major limitation of this paper is that, it is mainly based on secondary data based survey; hence the limitation of the sources will be equally applicable here. More over attempt is made to study the system in general (i.e. sum total of all the job portals) and not in specific.

(H) OR industry in India

Online recruitment uses the power of the internet to match people to jobs. Advertising vacancies on job sites is particularly effective at getting a high level of response. Not only it generates hundreds more applications than traditional print advertising, but it also provides job-seeker with ease and convenience to search and apply for the job of his/her choice from a large pool of available positions.

Here is a list of certain facts and figures which will help us to understand the current scenario of OR industry in India as well as its effectiveness in days to come.

According to a study conducted by Gerry Crispin, principal of staffing for CareerXroads, an HR consulting firm, "The use of the Internet for job searches has grown... and will continue to grow." His research shows that in the past 4 years the number of employees hired from ads posted on the Internet has grown from 10 percent of all hires to almost 33 percent. (10)

The online Job portals revenues in the year 2005-06 were Rs.135 cores. The market is expected to grow to around Rs.190 cores in the financial year 2006-07. (11)

The estimated size of online classifieds (for recruitment) business is around US\$ 55 million (INR 250 cores). It today is one of the largest online business segments in India and is growing day by day. In fact it is already started posing threat to the growth of the print business which is growing at a more sedate pace of 10-15%. Due to this jobsites are growing at 80% per annum while print media is growing at 20%. Consider the figures given below: (12)

Jobs / Recruitment through Print media: 100 cores
Jobs / Recruitment through Online: Rs. 200 cores

Over the past 10 years recruiting has undergone almost revolutionary changes as electronic tools such as web sites, resume databases, job listing services, and applicant tracking systems have become embedded throughout the recruitment process. Online job sites have revolutionized the recruitment landscape for both employers and job seekers and largely increased the efficiency with which hiring decisions can take place.

Gone are the days when online recruitment was the exclusive domain of the technologically savvy, the curious and the ultra-sophisticated. Today, with this medium tried, tested and proven to be true and more importantly indispensable, professional recruiters and employers alike rely on job portals as a primary source of professional talent both on a stand-alone basis and in some cases to complement traditional hiring methods.

There has been a paradigm shift in the way companies recruit thanks to the value, efficacy and ease-of-use of today's career sites, and with the Internet penetration levels ever growing, geographic boundaries blending when it comes to professional mobility, and the quest for top talent at a feverish pitch in booming regional economies, this medium is definitely here to stay.

According to Aadith D. Vikram,(12) the 22-year-old Managing Director and Vice Chairman of PGC Industries & Group, Tirupur India's rate of employment generation has gone up from an average of 1.07 per cent between 1994 and 2000, to 2.04 per cent between 1999-2000 and December 2002. The rise has been more in the urban areas as compared to the rural ones. The organized sector in the country is expected to create an additional one million jobs in 2008, with a prediction of 3 per cent growth in the employment in 2008. Only faster mediums like job portals can quickly build

this human chain to satisfy the demand.

Approximately over 3 million youngsters graduate from more than 13,000 colleges across India every year which makes the process of selection more and more complexed, time-consuming and a costly. More over as there is no standardized comparison of grading across universities; each company gets into a test and evaluation process. So, due to this inefficient system, an average fresher ends up writing numerous tests before getting a job. Focus on evaluating fresh graduates is not there; and presenting them with their suitable profile to companies across the industry sectors is yet to be facilitated. In such a situation OR job portals can be a good linkage between companies and candidates. Portals can play the role of a catalyst to campus placement offices to reach the Corporates. Portals can be the medium to build a career platform to the fresher. Portals can bring the talent available in the tier-2 and tier-3 cities closer.

(I) List of popular Job Portals in India providing OR services

Sr. No.	Name of Portal	Sr. No.	Name of Portal
1	Naukri.com	26	www.careergun.com
2	TimesJobs.com	27	www.go4careers.com
3	Monster India	28	www.jobs.itspace.com
4	www.3p-jobsearch.com	29	www.joboptions.com
5	www.career1000.com	30	www.careermosaic.com
6	www.careerindia.com	31	www.jobconnection.com
7	www.employindia.com	32	www.bestjobsusa.com
8	www.indianjobs.com	33	www.careerpath.com
9	www.placementindia.com	34	www.americasemployers.com
10	www.placementpoint.com	35	www.job-interview.net
11	www.winjobs.com	36	www.geojobs.bizland.com
12	www.godcareers.com	37	www.job-hunt.org
13	www.indiaentures.com	38	www.e-netindia.com
14	www.indiagateway.com	39	www.mykeystone.com
15	www.jobsahead.com	40	www.gutterspace.com
16	www.alltimejobs.com	41	www.netguide.com
17	www.careerage.com	42	www.tamilnadustate.com
18	www.headhunters.net	43	www.cweb.com
19	www.careers.org	44	www.cspan.com
20	www.eresumes.com	45	www.jobcurry.com
21	www.careerxroads.com	46	www.skillsandjobs.com
22	www.nationjob.com	47	www.ciojobs.com
23	www.jobweb.com		
24	www.aidsjobs.com		
25	www.careerforyou.com		

(J) Major Players in Indian OR industry

Following lines gives brief introduction of major players in Indian OR industry:



The Company was incorporated on May 1, 1995 under the Companies Act, 1956 as Info Edge (India) Private Limited and converted into Public Limited on April 27, 2006.

The Company is a leading provider of online recruitment, matrimonial & real estate classifieds and related services in India. Their business is managed primarily through four divisions, which comprise online recruitment classified division (operating through www.naukri.com), online matrimonial classified division (operating through www.jeevansathi.com), online real estate classified division (operating through www.99acres.com) and offline executive search division (operating through their Quadrangle division). The company to address the Middle East job market had launched www.naukrigulf.com. The company also launched a career counseling and guidance site (www.asknaukri.com) and a professional networking site (www.briji.com).

They have established and currently maintain a network of 67 offices located in 41 cities throughout India, as well as 2 offices in Dubai and 1 in Bahrain, which primarily engage in sales, marketing and payment collection activities for their business divisions. As on March 31, 2008, their employee

strength was about 1,650 persons.

They currently have two subsidiaries, Naukri Internet Services Private Limited and Jeevansathi Internet Services Private Limited, which own internet domain names and related trademarks used in their business. The company is having a tie up with more than 20 Indian daily newspapers. It is having alliance with more than 50 magazines and journals from different sectors of business and industry as well as it has almost 20 e-magazines to spread its activities all over the world.

TIMESJOBS.COM
Because you are worth more

TimesJobs.com, launched in 2004, the fastest growing and most innovative Indian online recruitment portal, was born with a mission to reach out to all Indians in the country and abroad and provide them with the best career opportunities available. Their prime focus is to ensure that the person's skills are showcased and matched suitably with the HR requirements of employers from diverse industries, in a timesaving and cost-efficient manner. Its concentrated approach has made TimesJobs.com the blue-eyed boy of recruiters and aspirants alike.

TimesJobs.com is India's No.1 recruitment portal in India, with the largest number of active job seekers and a database of over 8.5 million candidates. In addition, the massive database of over two hundred thousand better paying jobs available from over 20,000 recruiters, including blue-chip companies from India and abroad, ensures that the search always yields results.

TimesJobs.com has achieved the distinction of becoming India's No.1 Recruitment Portal in India with the largest number of active job-seekers and a database of over 8.5 million candidates. In addition, the massive database of over two hundred thousand better paying jobs available from more than 25,000 TimesJobs.com clients, including blue-chip companies from India and abroad, ensures that the search always yields results.



Think Big. Be Happy.

Is what the tag line of Monster India says. Being one of the top most online job portal in India, Monster India continue to define and expand an industry that did not exist a mere 10 years ago. Monster works for everyone by connecting quality job seekers at all levels with employers and providing the best career advice available online.

As the migration to the Internet continues, over 75 million of Monster's visitors have established personalized accounts that take advantage of Monster's wide breadth of services, including their global resume database or proprietary job search agent technology, that enable visitors to better manage their careers. Monster Worldwide is consistently ranked among the top 20 most visited sites on the Internet. As quoted on their website. Practically all companies use

internet for recruitment. For example, 980 out of the Fortune 1000 companies use Monster for recruitment. Resume database of 3.3 lakhs is growing at the rate of more than 35,000 new resumes a month. Monster India has a rate of acquiring 12-15 clients per month which has raised upto 75.

(K) SWOT Analysis

SWOT analysis is an approach towards the overall examination of a specific operation or mechanism. It helps in obtaining the clear understanding between the present and future position. It is almost advocated by majority of professionals and academicians as it is an effective device with which, both, the strong and weak aspects can be known, as well as the future, for variety of decisions to be taken. Here, as the purpose is to examine the performance of on line recruitment and thereby the status too; SWOT analysis can be the most appropriate mechanism.

The exact picture of on line recruitment through its Strengths, Weaknesses, point of opportunities and probable challenges is discussed in pages to follow.

STRENGTHS OF OR

- Lower cost of recruitment. (Almost 1/10th as compared to traditional recruitment)
- Reduction in time of hiring procedure. (Almost 65% reduction)
- 24*7 accessibility.
- Automatic filtration of unqualified entries, which results into less administrative task.
- No geographical boundaries, hence entire globe can be targeted to get the best work talent.
- Indirect costs like – Stationary, phone calls, postage charges, other office expenditures can be curtailed (Specially when interview calls are to be issued), which will make organization a cost savvy.
- Just in time hiring. Which means that whenever need is arise you can easily undertake hiring process, without entering into complexed administrative work.
- Companies can be their own recruiting agencies. Not to rely on outside placement firms.
- Speedy posting of jobs. (Within 15 to 20 minutes)
- Lesser time is taken to scrutinize the profiles as compared to placement consultants. (10 to 15 days in placement agencies while 2 to 3 days in OR).
- Standardization of resumes is possible.

WEAKNESSES OF OR

- Screening and checking of thousands of resumes is a very time consuming and tedious process.
- Lack of Internet awareness. (even today almost 35 to 40% of society is not familiar with Internet)
- Human interaction (face to face) is not possible.
- Largely useful for entry and middle level jobs.
- Exclusive practice of OR is not possible and advisable to the business firms.
- Problem of access of Internet in rural and deeper regions of India.
- Still in India most of the SMEs and other non professional organizations believe to go with traditional face to face interview and recruitment method.
- Authenticity and willingness of jobseekers can not be gauged out. (People apply online just for the sake of taking a chance)
- Internet infrastructure is not given appropriate consideration by the central authorities. (Network establishment is not sufficient currently)

- Secrecy of information is not maintained in some cases. (IT enabled person can hike the information and may be misused)

- Improper positioning of services by job portals in market (Only eRecruitment product and software providers)
- Problem in differentiating IT and non IT related set of skills required.

- Internet user class of society is very less (only people with maximum age group of 45 is regularly accessing Internet)

- Qualities like leadership, communication & other intangible assets can not be evaluated as competent software is not available (whatever software is currently used is not in a generalized sense).

OPPORTUNITIES FOR OR

- Due to recession develop countries will soon observe drop in growth labour force. Hence the companies will shift to the Asian market and India is expected to be the most preferred market.

- China will be the major base for manufacturing due to technological advancement while India will be the huge pool for the supply of talent by 2015.

- Value added services like – video profiles, virtual office tours, online presentations, interviews and tests etc. are in practice but if it is applied in a uniformed way for all the OR portals then it will become a profitable opportunity.

- Rise in demand of talent in different segments of economy. (Refer annexure 01).

- Rise in Talent pool, as annual intake of various colleges approved by AICTE for professional courses, is found to be increasing. (Refer annexure 02)

- Market demand is shifting to end to end services.

- AI (Artificial Intelligence) and like wise other predictive technologies have been a blessings for the companies, which spends heavily on travel and other expenses to recruit the employees.

- Despite low Internet penetration, opportunity still prevails for online recruitment in India to pick up momentum due to speed and cost benefits.

- Today practically all companies use internet for recruitment. For example, 980 out of the Fortune 1000 companies use Monster for recruitment.

THREATS FOR OR

- High attrition rate (almost upto 25%)(13)

- Slowdown in global economy.

- Curtailing of Business Process Outsourcing at international level (U.S.Economy)

- Talent Deficiency Syndrome (Refer the following details)(14)

- (1) Out of 3, 65,000 engineering graduates, every year, hardly 20% join the job.

- (2) 40% of nearly 33,000 employers in 23 countries across the world struggle to find qualified workers.

- (3) According to Arjun Dev of Headhunters, India, Even after receiving offer letters only 30% actually joins the job.

- Despite more than half a decade in business OR is still a supplementary database in India.

- More than 50 job portals in India accounts only for 2% of recruiting business.

- Offline recruitment channels still preferred more than the online.

- According to Jeffery Taylor of Monster.com “Indian market for eRecruitment is still 5 years behind the west. Currently top 4 to 5 job portals account only 1.5 to 2 %

of total OR business.”

(L) Suggestions

· While size and popularity are of considerable importance, it would be wiser to advertise in sites that match your requirements in terms of location, target group, geography and demographics. If for example you are looking to recruit candidates for postings within India, it would be more practical to use popular Indian jobsites such as Naukri.com, TimesJobs.com, JobsAhead.com, Careerindia.com etc.

· If advertising in a large jobsite does not work for you, try websites run by professional associations that are frequented by your target audience. This way, you can zero in on the group you're trying to reach. There are numerous societies, associations, guilds, and Internet groups that address the professional and educational needs of niche groups.

· To measure the effectiveness of online recruitment, set up the metrics for recruitment spending.

· A detailed job description should be given while posting jobs to attract candidates with the right skill sets.

· Integrate e-recruitment into your overall recruitment strategy.

(M) Conclusion

E-recruitment is need of the hour, but it is not the universal remedy for recruitment problems. In spite of its wider accessibility and speedy delivery, applications that match your requirements are often hard to find. Since applying online is so easy, there is a glut of unsuitable candidates who apply for every post. As one recruiter puts it, 'recruiting online offers cost and time-savings but requires more screening'. In spite of these drawbacks, the advantages of speed, flexibility and a user-friendly character have made e-recruitment a practical and popular hiring option. Online recruitment is here to stay.

ANNEXTURE 01

Demand of talent in various sectors of economy

SECTORS	PROJECTIVE DEMAND
Aviation	10,000 pilots by 2010
Engineering	73 million by 2015
Animation	1,00,000 by 2009
IT / BPO	10,00,000 by 2010
Retail	2.5 million by 2010

(Source: Effective Executive, ICFAI Press, May 2006)

ANNEXTURE 02

*Annual Intake of various colleges approved by AICTE for professional courses**

Courses	Intake
Engineering Graduates	4,39,689
Diploma Engineers	2,65,416
MCA	54,167
Pharmacy	24,672
Hotel Management	3,685

(Source: AICTE website list compiled by Effective Executive, ICFAI Press, May 2006)

* Figures indicate situation of 2004.

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