Chapter 3.6
E–Recruitment in Emerging Economies

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INTRODUCTION

Electronic human resource management (e-HRM) is the process of using online technology for human resource management activities, such as recruitment, training, performance appraisal and benefits (Rudich, 2000). The goal of this article is to discuss the origins of e-recruitment and address some challenges of e-recruitment in emerging economies like India and Mexico as multinationals seeks to establish strong presence in these countries.

E-recruitment originated in the form of independent job sites called bulletin board systems in the 1980s. Initially only the U.S. universities and military had access to Internet facilities. However, the PC revolution that embraced the world in the early 1990s changed the corporate landscape completely (Rudich, 2000). Today more than three-fourths of the Fortune 500 companies use online recruiting and approximately about 18 million people are posting their resumes on Internet portals such as Monster.com (Feldman & Klaas, 2002).

Corporations are aggressively seeking the best talent worldwide. Internet recruiting allows

organizations to tap a huge talent beyond their own national boundaries (Birchfield, 2002). E-recruitment has several advantages such as its low cost (Galanaki, 2002; Rudich, 2000), quick response time (Hays, 1999), wide range of applicants (Sessa & Taylor, 2000), and worldwide accessibility (Galanaki, 2002; Vinutha, 2005). Specifically to recruitment, it has demonstrated a shorter recruitment cycle and lower cost-per-hire (Jasrotia, 2001; Pollitt, 2005; Sridhar, 2005). For instance, Nike has demonstrated with the use of e-recruitment the average time to fill job positions reduced from 62 to 42 days and the recruitment costs reduced by 54% (Pollitt, 2005). From the employees' perspective, is that it has made the recruitment process a very proactive one—now passive applicants post their resumes online in anticipation of an interview (Mollison, 2001). Further, online recruitment allows applicants the luxury of accessing jobs online at their own convenience 24 hours 7 days a week. It provides the comfort of scrutinizing jobs without physically going through the stress of an interview. Finally, it allows applicants to get a thorough understanding of the organization and its culture before joining the organization (Vinutha, 2005).

BACKGROUND

The United States started the global trend of e-recruitment when Taylor launched Monster.com in 1994 (Murray, 2001) with 20 clients and 200 job openings (Anonymous, 2007). Monster.com pioneered e-recruitment in the U.S. and today is the leading Internet recruitment portal globally. Monster.com launched the concept of posting and storing resumes online (Mollison, 2001). The name Monster.com was used to suggest "a big idea or a monster idea" (Mollison, 2001) and the company has definitely lived up to its name. The word monster translates well into other languages, an important point, as the company has global operations in 19 countries. On an average,

the company has about 6 million visitors a month and about 804 of the Fortune 1000 companies use Monster.com as one of their recruitment portals (Mollison, 2001).

The beginning of e-recruitment coincided with a business culture that was becoming increasingly global with the introduction of new trade reforms such as the NAFTA and the breaking down of political barriers such as the Berlin Wall (Friedman, 2005). However, it was not just political and economic transitions that lead to the Internet Revolution that we see today. It was the concept of making the Internet accessible to all and sundry that brought e-recruitment to it forefront. A British scientist Tim Berners Lee introduced the World Wide Web to academic scientists in 1991. This was a harbinger to Internet recruiting. Netscape revolutionized the concept of Web browsing by making the Internet accessible "to the public, from five-year olds to eighty-five year olds" (Friedman, 2005, p. 56).

The United States was ahead of the game in e-recruitment because of increased Internet penetration compared to other countries even a decade ago (Murray, 2001). The national average for Internet penetration is 59%, with the Pacific states of Washington and Oregon boasting of a high average of 68% (Anonymous, 2003). Further, the US culture promotes sharing work experiences more openly than many other cultures- hence posting resumes on Web sites was not a difficult choice for applicants (Mollison, 2001).

E-recruitment can be either in the form of corporate recruiters or third-party recruiters. Corporate recruiters allow potential job applicants to post their resumes directly on their job sites without using any other intermediaries. Statistics reveal that 80% of the world's Fortune 500 companies use corporate Web sites for recruiting (Epstein & Singh, 2003). Third-party recruiters, such as Monster.com are synonymous with the job advertisement pages of the newspapers identifying thousands of employment vacancies (Epstein et al., 2003). They usually charge employers a fee

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