

Effectiveness of e-recruiting: empirical evidence from the Rosebank business cluster in Auckland, New Zealand

Dr. A J du Plessis ¹, Prof. Howard Frederick ²

¹ Department of Management
Unitec New Zealand
Private Bag 92025
Auckland, New Zealand

² Professor of Entrepreneurship Education
Deakin University
Australia

Accepted 27th August, 2012

ABSTRACT

This article focuses on the background of the 'conventional' or 'old' way of recruiting, it reviews different 'new' ways; e-recruiting and its effectiveness; advantages such as accessibility and disadvantages such as transgression of some legislation in e-recruiting and the impact it has on management. Face-to-face interviews were conducted with 102 companies within that population. A 36-question questionnaire was used and we employed random stratified cluster sampling. Research done in Auckland's Rosebank Business Precinct (New Zealand) revealed that for certain job categories e-recruitment is effective. E-recruitment is revolutionising the way employers hire employees. Some implications for managers are pointed out such as the need to be trained for these changes; it can save a lot of money on advertisements; the savings could be used to develop careers or training for employees. The recommendations suggest that the HR objectives have to align with the organisational objectives to ensure that they recruit, select and employ the right candidate for the right job. A flow diagram for e-recruiting was developed by the authors for use by employers.

KEYWORDS: Traditional recruiting, e-recruiting, human resources, effectiveness, implications

INTRODUCTION

We have all heard about designer clothes and shoes; and of 'designer babies' as well. It's a new creation of genetic engineering. This technology allows a couple to design their own baby according to their own desire. It may be ethically wrong, however, but it can be a good way of treating non curable diseases like aids and cancer. All of this is now possible with the innovations and inventions of mankind. In the past, man used to consider a dog as their best friend, but now things are changing at a considerable speed; that position has now gone to computers. However, computers cannot always be trusted like dogs. Computers are now involved in

each and every aspect of life. Computers have become so important that without them almost nothing is possible. Now what has this got to do with e-recruitment or human resource management (HRM)? Everything is the simple answer. There are numerous contributions from computers to HRM and as such e-recruitment is regarded as new technology and one of the most recent methods to recruit personnel (Paton, 2002).

Could you still remember the first time you applied for a job using the traditional method of sending in a paper copy of your résumé? The sheet had to be folded three times to be able to fit it into an envelope with a stamp on it, to mail it. It took two or three days to reach the prospective employer and another ten to fourteen days before you heard from them. Today you are also able to sit in the comfort of your home or office and use the computer to send your résumé to a hundred companies within the span of minutes, which was not viable in the past. Times have changed and the era of electronic recruitment is truly upon us. Does this mean that e-recruitment is in vogue and that it is effective? This phenomenon regarding HR's e-recruitment will be investigated in this article.

This article presents some background to the 'conventional' or 'old' way of recruiting and then reviews different 'new' ways, with the focus on e-recruiting and its effectiveness. An analysis and discussion of the study done in the Rosebank Business Cluster of Auckland, New Zealand, and recommendations as to the applications of e-recruiting involving the incorporation of departmental strategies for increasing or reducing staff levels via electronic resource planning is presented as well.

Corresponding Author: Dr. A J du Plessis

Unitec New Zealand Private Bag 92025 Auckland New Zealand.

Email: aduplessis@unitec.ac.nz

BACKGROUND

The traditional recruiting process

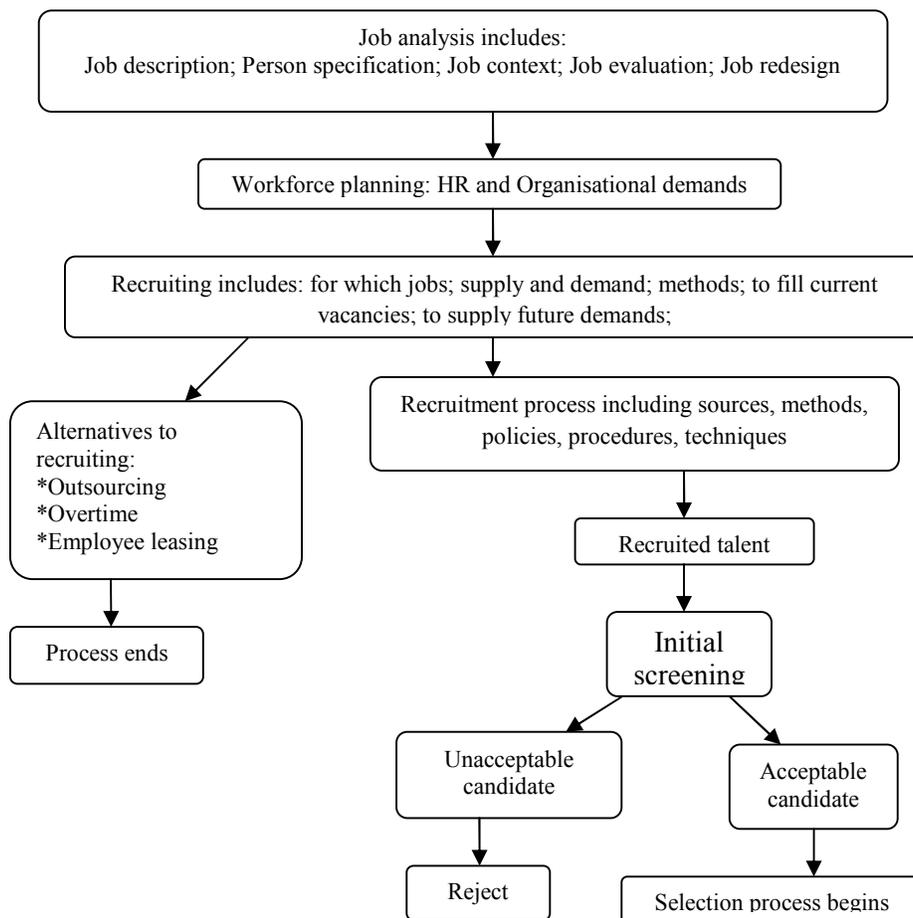
The traditional approach to engage employees (Nel, Werner, Haasbroek, Poisat, Sono, Du Plessis and Nqalo, 2011; Rudman, 2010) was paper based, followed by interviews at some geographical location. This process entailed a great deal of time in preparation, travel and interviewing. The actual process included the following steps:

- each department determines employment needs,
- justification of the requirement presented
- agreement to employ granted
- advertising methods determined to suit likely sources
- advertise various media, consultants
- responses received
- length of short list decided
- select a number of CV's to read, store balance
- if short list complete interviews arranged
- if not filled select other from stored CV's
- Ask selected candidates to an interview
- Decide form of interview and testing
- Interview
- Create final list

- Second interview
- Select preferred candidate
- Make an offer to the successful candidate
- Acceptance or start again (should candidate refuse appointment.)

This process, depending on the number of applications, may have resulted in a good candidate not being asked for an interview. This is common practice, because when a large number of resumes have been received, the approach is to select only a limited number of potential employees for interviews. Candidates who knew the system would frequently try to make their CV "stand-out" by utilising distinctive or novel folders and paper. The whole process was flawed, costly and time consuming. The whole system used to recruit people, outlined above, suggests that it was in need of an overhaul. The advent of computerisation of HR departments means that we can now advertise jobs on the Internet and we can even screen applicants through various types of software available. This results in all candidates receiving a fair chance of being in the initial cut. Once the initial cut is made computer based programmes can provide systematic psychometric testing, thus allowing us to do the whole selection process online (Johnson, 2003).

Figure 1: Recruiting process



Source: Developed by the authors

Technology has progressed to such an extent that you can even interview people online and select the suitable person from anywhere in the world. Online recruiting has in fact made the world a global village. Reports suggest that around 60 percent of software engineers recruited in United States is from developing countries especially from India and they were interviewed through online testing and video conferencing. This has made it very convenient to select a person with the best skills and experience from around the world. It is an effective way for recruiting staff for jobs with a technical nature in particular. However, this is not a very suitable method when it comes to jobs where the applicant needs to have face to face interaction with the clients (Coleman, 2006). The focus is now on e-recruitment.

E-recruitment

What is electronic recruitment? This is a question often asked by people who are unaware of the capacity of Internet and computers. Rudman (2010) and Härtel & Fujimoto (2010) explain that electronic recruitment is the selection of prospective candidates applying for a job via the Internet (external) and Intranet (internal). E-recruitment is also known as online recruitment. Using this method, a candidate who is applying for an advertised position forwards their CV and a covering letter electronically to the advertiser's website. That particular CV is retrieved by the advertiser and screened among the other CV's received from different candidates (Finn, 2000).

One of the main advantages of electronic recruiting methods is the accessibility. Anyone from anywhere can apply for an advertised job. It does not matter if the applicant is located in Timbuktu and the employer is in Sydney. The system is available for both parties 24/7, which in turn is another advantage. Gone are the days when you had to send your CV to an advertiser and had to wait for the reply for days or even weeks. More than a decade ago already Bemus, Henle & Hogler (1998) referred to this system in that the advertiser having received the application could screen it and the applicant would then receive feedback immediately regarding their possible success for the job.

Du Plessis (2012; 2007) and Rudman (2010) support the fact that technology is an invaluable tool for most HRM processes to execute its tasks in an organisation. It not only streamlines the processing of employee data, but it is also useful in the recruiting process. It is also very effective and quick, therefore it is in vogue in all countries and by more and more recruiters. E-recruitment is growing exceptionally fast as more and more of the population gains access to technology. Even those who do not possess their own personal computers are able to utilize this means for a job search by using cyber-cafes. Organisations and

employment agencies can display their vacancies and work-seekers can enter their CV's on the World Wide Web at a relatively inexpensive price. There are some disadvantages that will be discussed later in this article.

Installations of software like 'active recruiter' have helped Nike to completely change their recruitment process to make it more effective. According to Willenbrock (2005) previously it took 62 days to fill vacant positions, but now, with the help of online recruitment, it has been reduced to 42 days. With the introduction of e-recruitment line managers got rid of most of the paperwork and seldom loose information, because thousands of résumés can easily be stored and retrieved from different countries in other words globally. At the Nike headquarters they consider each and every application as a prospective employee and they do not want to miss the opportunity to get the most talented person. Therefore each and every résumé has to be taken care of. Software like 'active recruiter' has made that process easy for the company. 'Active recruiter' is a part of the recruitment process from the beginning. Applicants post their résumés on the company website after filing their profile. Once that is done a major part of the work is done (Nike's, 2005).

The paper copy résumés are something of the past and all the résumés are now stored on the database and the line managers can view the short-listed employees whenever they wish to do so. In addition to this, the system shortlists candidates, according to their skills and experiences. The rest of the applicants are stored in the databases for future references. By doing this an organisation does not have to rely on agencies when future job openings arise as they have their own pool of interested applicants on their database already.

Another special feature of the e-recruiting system used by Nike is that it sends automatic messages to registered applicants in Nike every six months to renew their details. With the use of e-recruiting Nike has saved around 54 percent of their recruitment cost and has got 8500 interested applicants in their database (Nike's, 2005).

Benefits

The potential benefits of e-recruitment are:

- Unlimited exposure of advertisements for local, national and international markets
- Less advertising costs such as using seek.com and others
- Vacancies are immediately accessible for 24 hours a day
- Unlimited length of the advertising material unlike news papers costly small ads
- Employer and candidate can interact utilising online communication devices

- The recruitment system can be integrated with other computerised HR functions such as payroll and databases (via human resource information systems [HRIS]).

When applying online, applicants immediately enter their details into the database, and can then apply for as many jobs as they wish. E-recruitment provides the automation and efficiency of information management, reduces costs to recruiters and increases the choice of jobs to candidates. It also removes the need to manage mail-outs of recruitment forms and receipt of completed applications (Furness, 2007; Härtel et al, 2010).

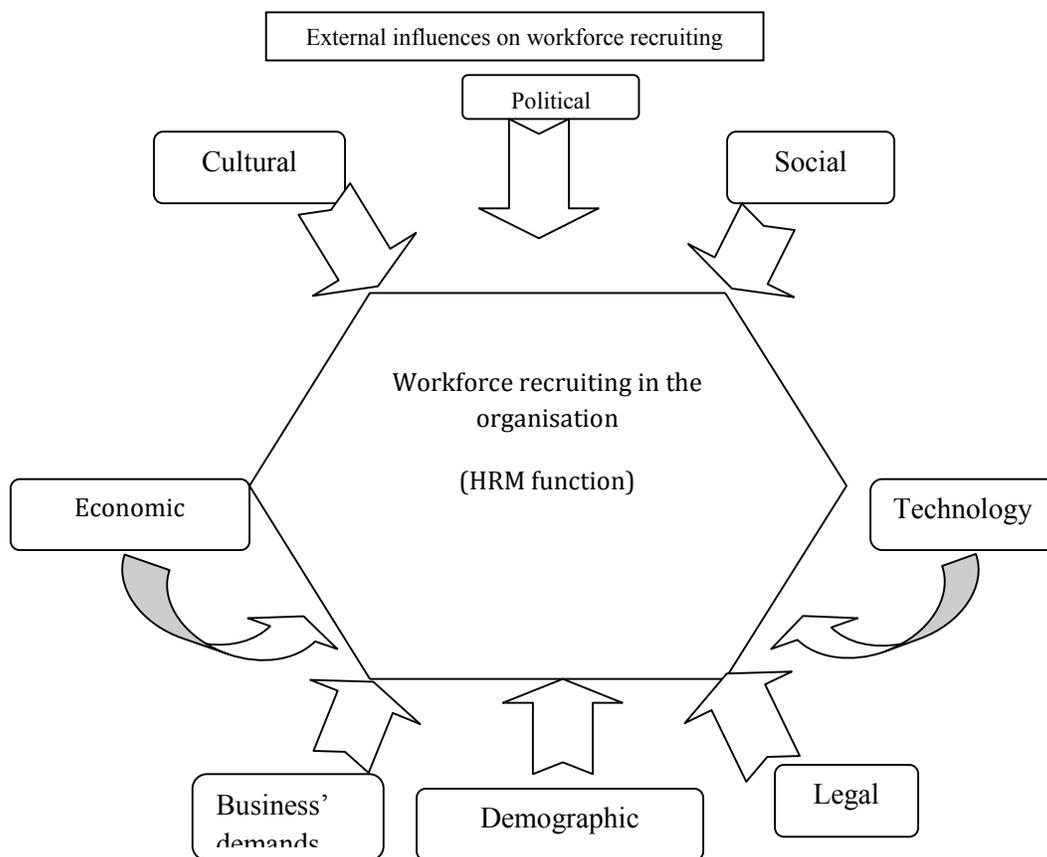
Online recruitment is becoming more and more attractive as traditional companies create their own web sites and form strategic partnerships with online job boards. An example of this is Careerjunction.com, which is part of the Johnnic group and which consequently benefits from liaising with Times Media. In terms of applying for jobs online Stone (2008:201) advises job seekers to do the following:

- Research carefully to find the right sites
- Check if the site belongs to a head-hunter or a recruitment site
- Check that job adverts are updated regularly

- Don't expect too much
- Check the confidentiality of the site
- Don't post personal details such as address, although you may leave a phone number
- Think carefully about sending your résumé , as having your résumé on too many sites can make you look desperate
- Re-post your résumé regularly so that it appears near the top of any research

Figure 2, below, depicts how external factors could influence the recruitment process, one of HRM's functions. The economic and business demands determine who should be recruited whereas cultural and social factors have an influence on the employees' cultural and societal backgrounds to be taken into consideration when recruitment is taking place. A change in government could have different political ideologies with a direct influence on businesses, the economy of the country and the legal aspects such as new legislation, trade agreements and so forth. The demographic factor is all about location. The characteristics of the population or part of it, the growth, density and distribution are the main role players to consider in this instance.

Figure 2: External influences on workforce recruiting



Source: Developed by the authors

Some critics have however lodged the need for better screening of candidates on the Internet recruitment web sites of organisations. Irrelevant and poor quality applications can fill up the space of the much wanted and needed candidate on a website as well.

Auckland Rosebank Business Precinct

Financed by Auckland City Council this study focuses on Auckland's Rosebank Business Precinct (ARBP). The surrounding communities, particularly Māori, Pacific peoples and recent migrants, experience disparities in employment. ARBP is the most important business area in the west of Auckland City in New Zealand. Rosebank is situated on a narrow isthmus next to the North-Western Motorway, which crosses Motu Mānawa into Waitakere City to the West and into Auckland Central to the East. The centre's proximity to these key transport routes, especially to Port of Auckland, has made it a popular industrial location. Rosebank has served as an industrial hub, however in recent times has begun to incorporate a number of commercial office buildings. The area features a mix of businesses including warehouse storage and distribution, light manufacturing, wholesale and showroom, automotive repairs and parts, retail stores, and more recently offices for business services, software production and other personal services.

ARBP is a natural peninsula which since the 1950's has been utilised for heavy industry. Today Rosebank has direct access to the North-Western Motorway, a main arterial route connecting New Zealand's largest city, Auckland, with the province of Northland. A large labour pool of skilled and unskilled workers lies in the two surrounding New Zealand "territorial authorities", Western Auckland City and Waitakere City. Rosebank has its own unique demographic, business and educational characteristics, but it has a greater resemblance to Waitakere City than to Auckland City, whose economy is dominated by large service-oriented firms in the Central Business District. Most businesses are family-owned small and medium enterprises (SMEs) who, like the buildings they inhabit, are increasingly becoming out of date to 21st century needs.

Rosebank's commercial and development interests are promoted through the Rosebank Business Association (RBA). Areas including the ARBP's employment catchment area are those suburbs in West Auckland and Waitakere City that lie within a five kilometre commuting radius bounded on the east by Western Springs, on the south by Green Bay, and on the west by Henderson. Some of the surrounding communities, particularly Māori, Pacific peoples and some recent

migrant groups, experience disparities in education and employment. Inequality appears to becoming more concentrated geographically, with areas of high deprivation in West Auckland. The New Zealand Deprivation Index shows that a relatively high proportion of the West Auckland population live in areas of high deprivation (deciles 8-10, most deprived) according to Frederick and Chittock, (2008). Driven by population growth and immigration, Auckland benefits from having a relatively young population and the labour force is expected to continue growing (Department of Labour, 2008). It is therefore in the utmost interest of the ARBP to recruit the right people.

Employers' labour requirements means the number of people they want to employ, the number of hours they want them to work, and the KSAs they want them to have to perform their jobs. The deepening of skill and labour shortages appears to be the result of strong demand for labour outstripping growth in the supply of labour. Employment growth in Auckland was strong in the March 2008 quarter at 1.0%, which helped keep the unemployment rate 3.8%. This means that the number of people available and actively seeking work, that employers can easily hire, is very limited at present (Frederick and Chittock, 2008).

This article examines the type of recruiting identified in a survey done in 2008 in the ARBP known as an industrial district or cluster on the Waitemata Harbour in the country's largest city (Frederick and Chittock, 2008). The purpose of the research is to develop programmes and to inform businesses how and what methods to use to attract and recruit the best possible people needed in their businesses. This could ensure that the recruited people have the right knowledge, skills and attributes (KSAs) to grow existing ventures.

METHODOLOGY

The target population was the 500-600 businesses operating in ARBP. These are the physical locations listed on:

1. The Roll of Rate Paying Businesses of Rosebank Business Association;
2. *Apnfinda* intelligence data on businesses located on Rosebank Road;
3. Membership Directory of the Rosebank Business Association; and
4. Information collected by researchers in the field.

These directories did not necessarily correspond with one another. When we combined and de-duplicated

the data, we arrived at 529 businesses in the Rosebank population of businesses. We conducted face-to-face interviews with 102 companies within that population. We used a 36-question questionnaire and employed random stratified cluster sampling. We divided the population into "Industry" and "Firm Size" groupings to establish desired representative proportions based on Statistics New Zealand (2006). We selected a random sample from the members of each grouping. The grouping was treated as the sampling unit and analysis was done on a population of groupings. If after polling we did not reach the required level of representation in a particular grouping, then we went back to that grouping for more respondents.

The sampling frame was owner-managers (and sometimes senior, non-shareholding managers) of firms within the ARBP. This analysis is of firms, not individuals. We are ethically bound to confidentiality and anonymity by Unitec New Zealand's Research Ethics Committee (UREC registration number 2008.797).

Research questions

Our research questions were:

Is there a skills match between the present-day workforce and actual business needs over the medium term? (What recruitment will be necessary)

What can these data tell us about Rosebank's trajectory as a skilled business cluster and about its future workforce requirements (recruitment)?

What recruitment method would be most suitable and effective for the different job categories?

The present research examines the gaps between how Rosebank businesses actually recruit and what the workforce presently provides and what recruitment method would be suitable and effective.

We want to uncover recruitment strategies and policies that local economic development organisations might use to overcome these possible gaps in their recruitment.

ANALYSIS OF THE RESULTS

Industry composition

We used the Australian and New Zealand Standard Industrial Classification (ANZSIC) categories (Australian Bureau of Statistics, 2006). The sampled companies comprised 33% manufacturing firms (Table 1, below). Wholesaling and retailing taken together accounted for 36% of the responding firms. There are significant groups of small accommodation/café/ restaurant businesses at 5%, transport & storage 3%, construction 5%, and property & business services 8%.

Table 1: Industry composition (ANZIC code) of sampled firms, percent

ANZIC Category	Rosebank sample	West Auckland proportion
C21-C29 Manufacturing	33%	20%
E41-E42 Construction	5%	8%
F45-F47 Wholesale Trade	14%	6%
G51-G53 Retail Trade	22%	19%
H57 Accommodation/Cafe/Restaurant	5%	4%
I61-I67 Transport & Storage	3%	3%
J71 Communication services	2%	1%
K Finance and Insurance	0%	2%
L77-L78 Property & Business Services	8%	9%
N84 Education	1%	8%
O86- O87 Health & Community Services	3%	9%
P Cultural and Recreational Services	0%	3%
Q95-Q97 Personal Services	4%	4%

Rosebank has its own complexion compared to the demographic characteristics for West Auckland, based on Statistics New Zealand (2006). For example, we could not find any firms in the fast growing finance

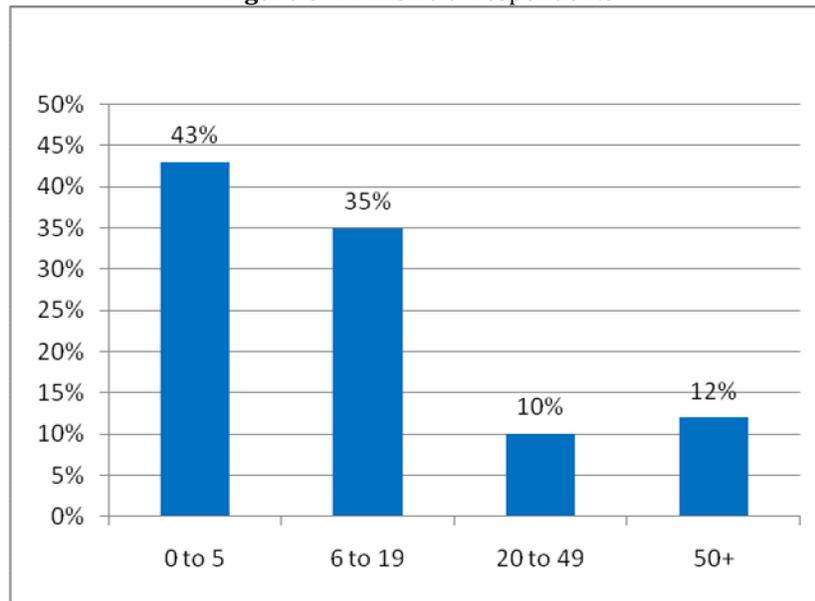
and insurance sector. We found many more Manufacturing and Wholesale Trade firms than in the general West Auckland population. We found few respondents in the communication services industry.

Manufacturing and Trade will likely continue to dominate Rosebank's industry sectors, but it might be useful to accelerate the settlement of Communication and of Finance firms into the Precinct.

Firm size

Smaller firms outnumbered larger firms (Figure 3, below). Seventy-eight percent had less than twenty employees. Actually, Rosebank has more large firms than the national or Auckland average, and so due consideration must be given to their needs as well.

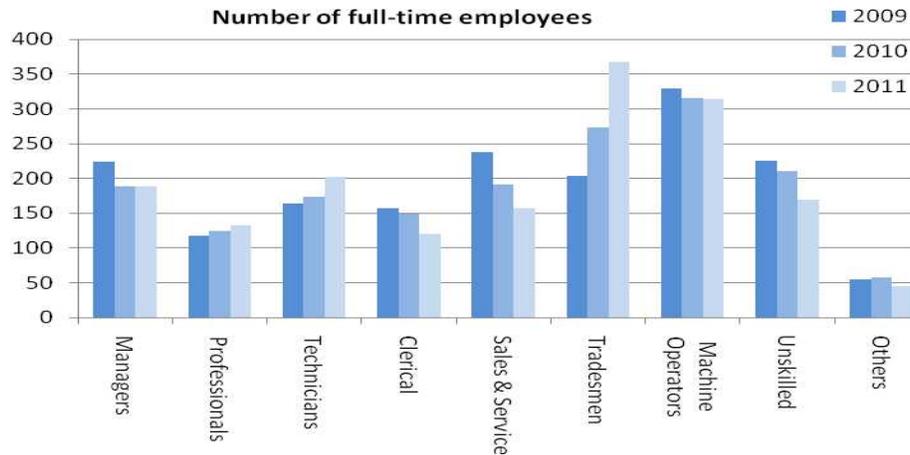
Figure 3: Firm size of respondents



The one hundred firms in this sample were employing 1714 full-time employees (FTE). Respondents expected a decline of 1.8% in job numbers over the next year but a 1% increase by 2011, bringing the total decline in employee numbers to just less than 1% within three years. In other words, within the bounds of confidence, ARBP owner/managers are predicting a steady rate of employment. However, it is important to note that a quarter of respondents were not able or did not want to predict three years into the future. The outcome and recommendations of this study can therefore have an influence on their method of recruiting for the near future. The respondents could compare the different recruiting methods, as per this study. What method was the most successful for what job categories and then use the most effective and suitable recruiting method to ensure they recruit the best possible candidate. The biggest decline in employment over the medium

term is in sales & service of 34% (Figure 4, below). Unskilled workers were next with a decline of 24.9%, followed closely by clerical staff with 23.6%. "Others" were at an 18.2% decline, then managers with 15.6% and finally machine operators at a 4.6% decline. Not all was doom and gloom. The need for tradesmen (applied technologies and trades) is expected to increase sharply by 80.4%, followed by a gain for technicians at 23.1% and professionals by 12.84%. We also researched the number of part-time employment at these firms. In addition to the 1714 full-time employees in the sample, there were an additional 174 part-time employees. Part-timers are anticipated to drop by 10.9% in a year and a further 8.4% by 2011 bringing the total decline in part-timers to 19.3%. As companies employ fewer technicians and professionals, it is clear that there is an acute shortage of trades-people over the next three years.

Figure 4: Employee growth/decline by job category, full-time employees



Age of employees

The largest age group was 35-44 years, at 30.2% followed by 45-54 at 22.4%. Over-55-years-olds at 14% of the ARBP workforce constituted a significant portion of the total. As New Zealanders are living longer and longer, it is likely that the proportion of “wise elders” will go up within the ARBP over the next few years.

Recruitment of new employees

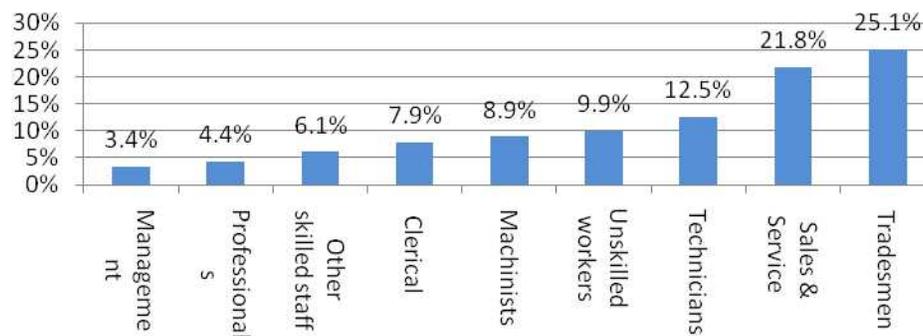
Nationally, professionals, technicians and associate professionals, trade workers and plant and machine operators and assemblers are in severe shortage, but this varies from region to region (Statistics New Zealand, 2008). Skill shortages occur when firms are unable to fill vacancies because of an insufficient number of job seekers with required skills and so

differ from recruitment difficulties and skills gaps.

We took into consideration anticipated vacancies, ease or difficulty of recruiting, the channel used for recruitment, and differences by job category. Of the respondent firms that had vacancies, 68.75% had vacancies for up to 3 months and 31.24% vacancies for up to 6 months.

The highest level of anticipated vacancy was for tradesmen, with 25.1% of businesses reporting the need for more qualified tradesmen (Figure 5, below). This is followed by the need for sales and service staff at 21.8%. The need for technicians was 12.5%, followed by unskilled at 9.9%. Management and professional jobs were amongst the least mentioned as vacancies (even though these had amongst the highest needs for training). Again, the tradesmen category is first in anticipated vacancies, but there is a high vacancy rate for Sales & Service jobs (although there is little need for their training).

Figure 5: Anticipated vacancies by job category, 2009-2011



Fifty-two percent of employers stated that the easiest category to recruit for was sales & service staff followed by 32.7% for clerical staff and unskilled workers at 32.4% (Figure 6, below).

Figure 6: Job categories that are easy or very easy to recruit for, percentage of responding firms

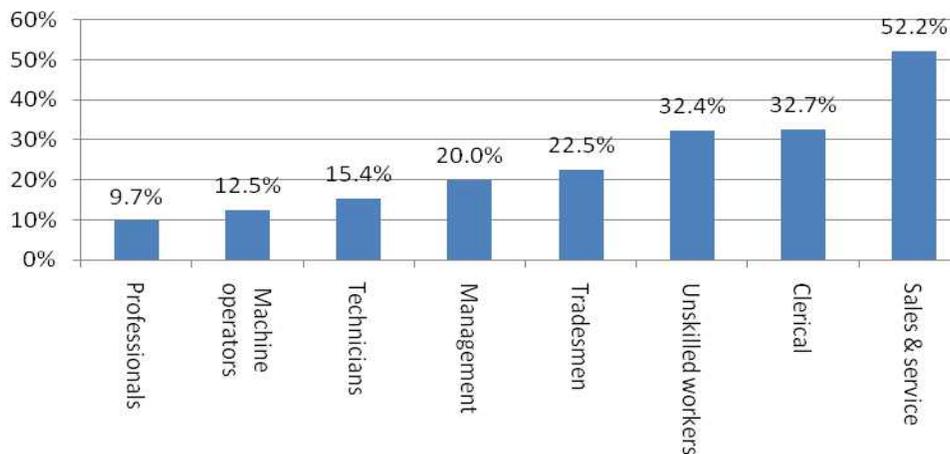
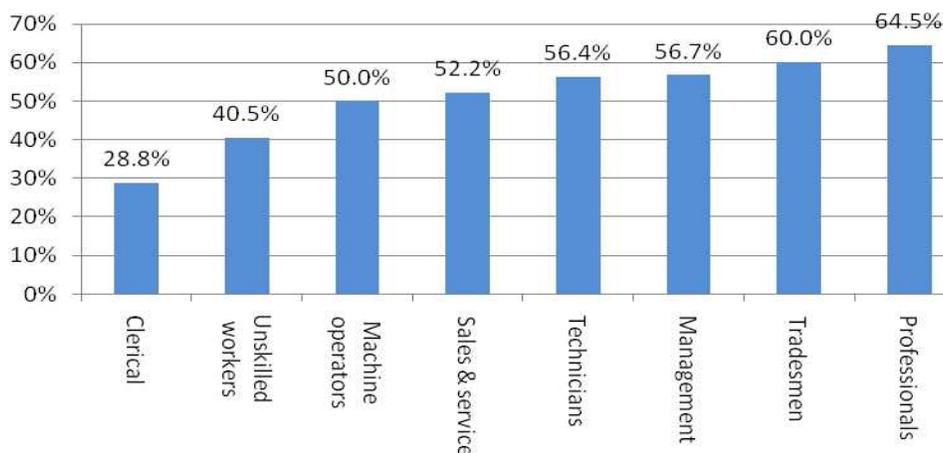


Figure 7: Job categories that are difficult or very difficult to recruit for, percentage of responding firms



When asked which job categories were difficult or very difficult to recruit, the firms had a slightly different view (Figure 7, above). The most difficult category to recruit was professionals, at almost two-thirds of employers (64.50%) saying so. The tradesmen category, where employers see an 80.4% employment increase over three years, received the next highest measure of 60%. Management was next at 56.7% followed by technicians, sales & service, machine operators, unskilled and clerical which was considerably lower for unskilled at 28.8%. Of the various recruitment channels, word of mouth was

most frequently used by respondents with 27.6%, but its failure rate was relatively high at 69% (**Error! Reference source not found.**, below). Recruitment agencies were the second most popular recruiting method at 25.3%, and their success rate was the highest at 41%. Media channels were used less than recruitment agencies, web/online, and the word of mouth, but they had one of the highest success rates. Our data show that Work and Income New Zealand (WINZ) (a government agency) and trade fairs were used less than other channels and had the lowest success rates. WINZ had a success rate of only 27%.

Table 2: Use and success rates of recruiting channels

	Percentage of firms who used this channel	Failure rate percentage	Success rate percentage
Word of Mouth	27.6%	69%	31%
Recruitment Agencies	25.3%	59%	41%
Web/Online	21.1%	67%	33%
Media channels	19.9%	60%	40%
WINZ	4.2%	73%	27%
Trade fair	1.9%	100%	0

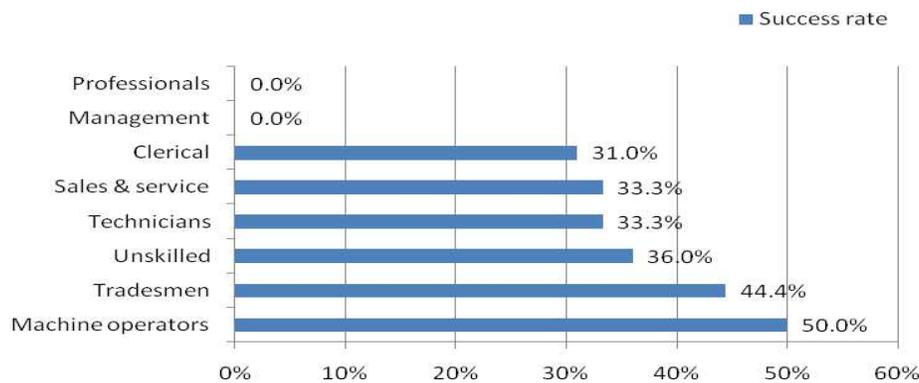
Delving deeper, we also see that different job categories used different recruitment channels and had differing degrees of success. In this category we examine media recruitment channels by their success rate of the job categories.

Word of mouth was the most successful for machine operators followed by tradesmen (Figure 8, below). Unskilled labour, clerical staff, technicians and sales &

service found this channel successful for at about a third of the time. This channel was not at all useful for recruiting management and professionals.

Recruitment agencies were the second most popular recruitment channel and the most successful overall at 41% (see Table 2, above). In the figures below we give the reader information regarding recruitment and the success of the different recruitment methods.

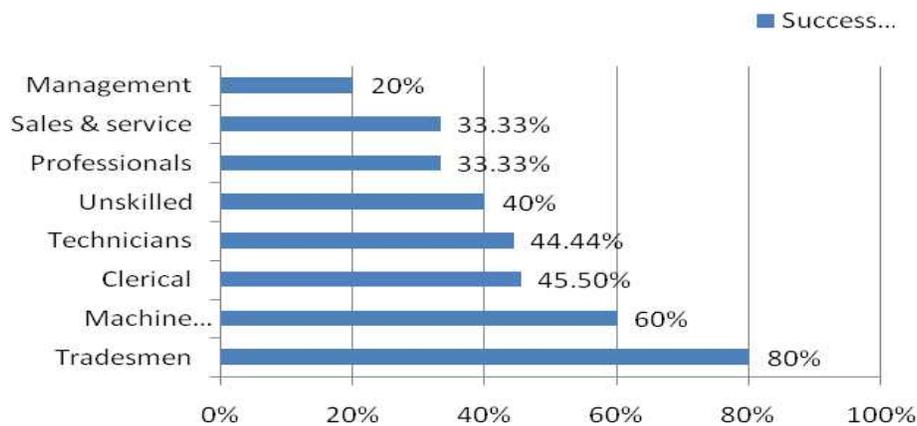
Figure 8: How successful was word of mouth for different job categories?



Recruitment agencies were particularly successful for attracting tradesmen at 80%, and technicians at 60% (Figure 9, below). They were also very good for recruiting clerical staff (45.5%), technicians (44.4%),

and unskilled labour (40%). It was also successful a third of the time for professionals and sales & service staff. The lowest score was for management at 20%.

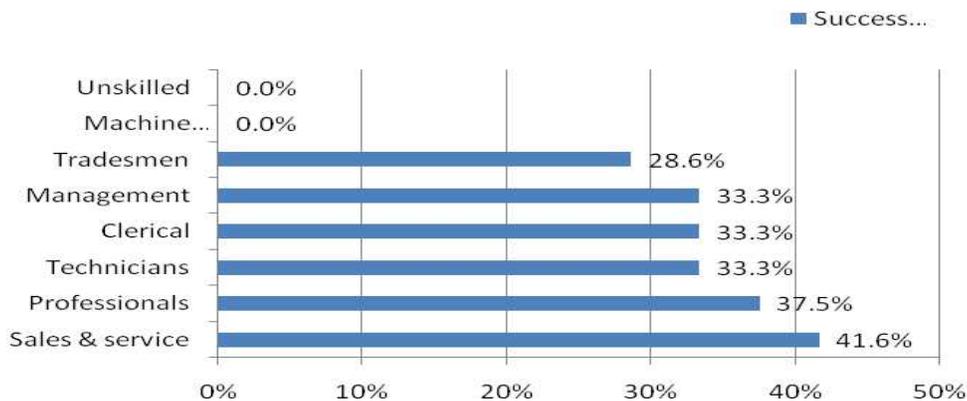
Figure 9: How successful recruitment agencies for different job categories?



Web/online was the third most used recruitment channel and the third most successful (Figure 10, below). It was most successful for recruiting sales & service staff at 41.6% followed by professionals

(37.5%). It was successful a third of the time for technicians, clerical staff, and management. It was the least successful for tradesmen at 28.6%. It wasn't at all successful for machine operators and unskilled labour.

Figure 10: How successful was Web/online for different job categories?



Media channels such as billboards and newspaper advertisements had perhaps the most mixed results (Figure 11, below). This channel was used only 19.9% by respondents but was the second most successful at 40%. It was not at all successful for recruiting management and professionals, which is somewhat perplexing considering the plethora of recruitment

advertisements in local and regional newspapers. This channel was, however, very successful for recruiting tradesmen (61.5%) and unskilled labour (50%). It was also successful one third of the time for sales & service staff, technicians, and machine operators. Clerical staff followed closely at 28.6%.

Figure 11: How successful were media channels for different job categories?

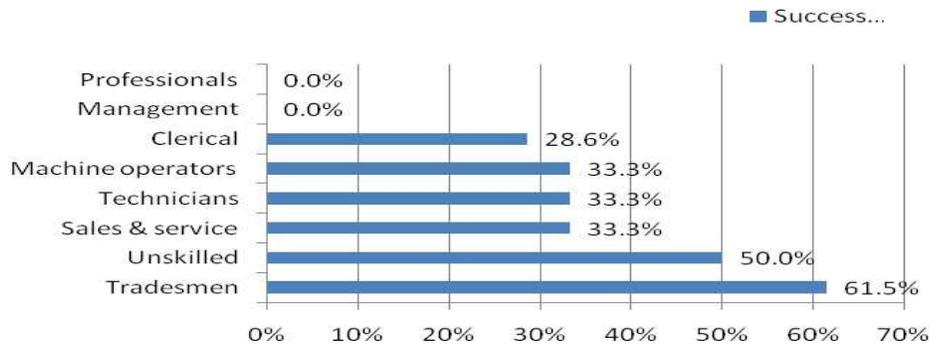
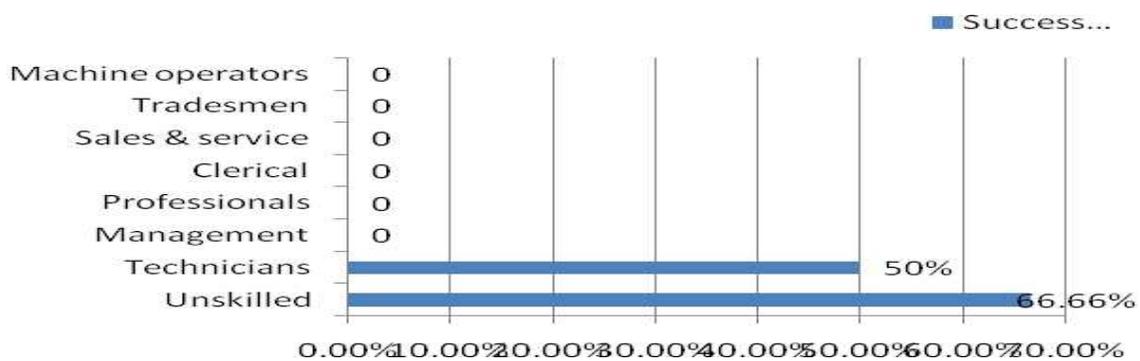


Figure 12: How successful was Work and Income New Zealand for different job categories?

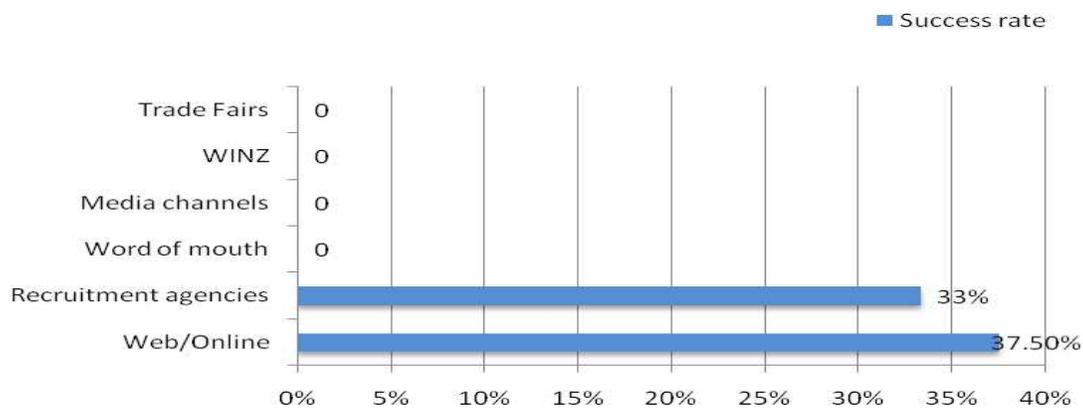


WINZ was only used by 4.2% of the respondents but had a success rate of 27% (Figure 12, above). It was most successful for recruiting unskilled staff (66.66%) and technicians (50%). It was not successful for any other category Trade fairs were practically never used and were not successful when they were used. Does this reflect poorly on trade fairs or does it just mean our respondents

haven't considered this channel?

We examined job categories by the success rate of various recruitment channels. The most successful channel for the recruitment of professionals was the web/online (37.5%) i.e. e-recruiting, followed by recruitment agencies (33%) (Figure 13, below). No other method was successful in recruiting professionals.

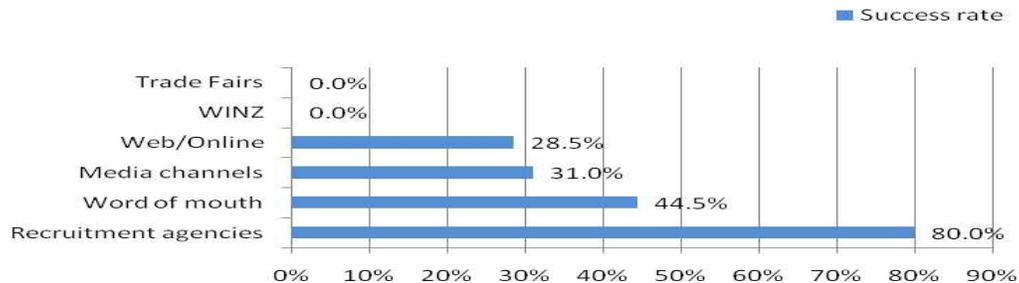
Figure 13: Which channel most successful for recruiting Professionals?



Considering that tradesmen were the second most difficult category to recruit, a success rate of 80% for recruitment agencies is impressive (Figure 14, below). Word of mouth was also very good at 44.5%. Media

channels (31%) and the web/online (e-recruitment) (28.5%) were also relatively successful considering the difficulty in recruiting.

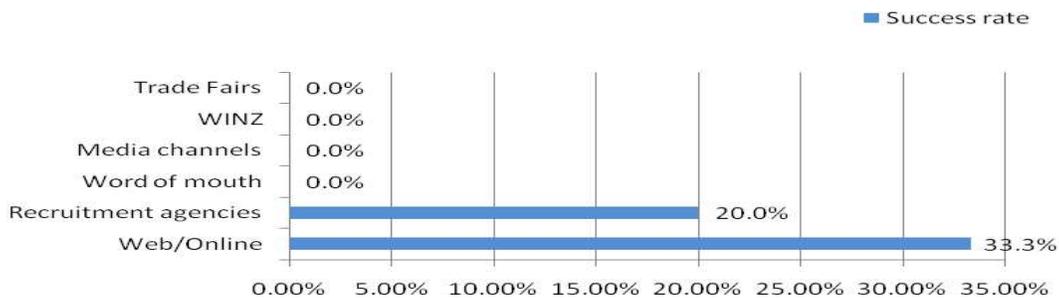
Figure 14: Which channel most successful for recruiting Tradesmen?



Management positions may be somewhat difficult to recruit for, but the most successful recruiting channel is web/online (e-recruitment) at 33.33% and

recruitment agencies surprisingly far behind at 20% (Figure 15, below). No other channel was successful in recruiting managers.

Figure 15: Which channel most successful for recruiting Management?



Technicians are most likely to be recruited by recruitment agencies with a high success rate of 80% (Figure 16, below). Much less, but still very good, was the use of Work and Income New Zealand as a

recruitment channel. Not too much emphasis can be placed on this channel for the recruitment of technicians as it was used by only 4.2% of respondents.

Figure 16: Which channel most successful for recruiting Technicians?

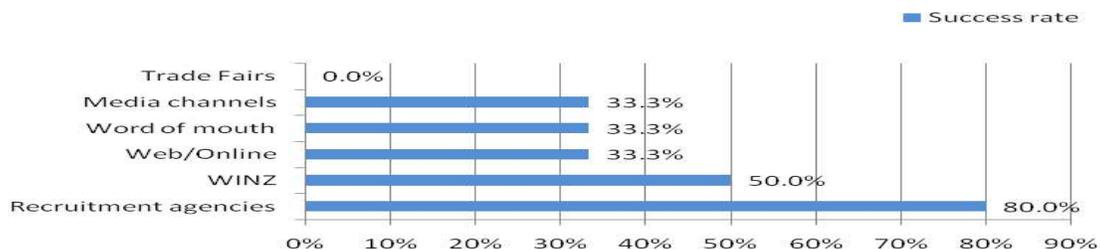
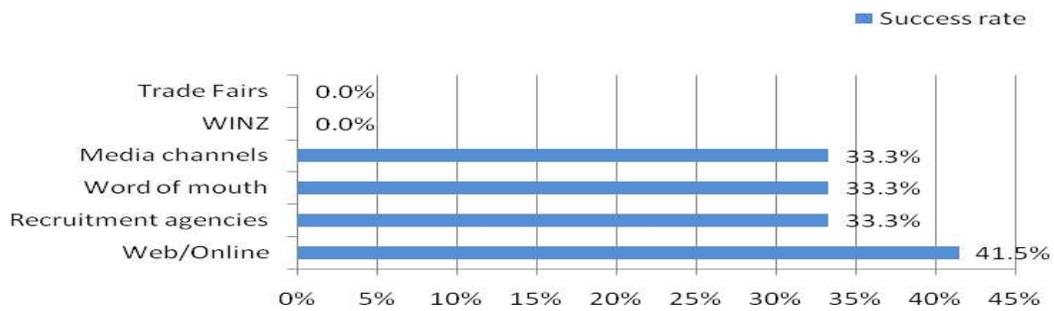


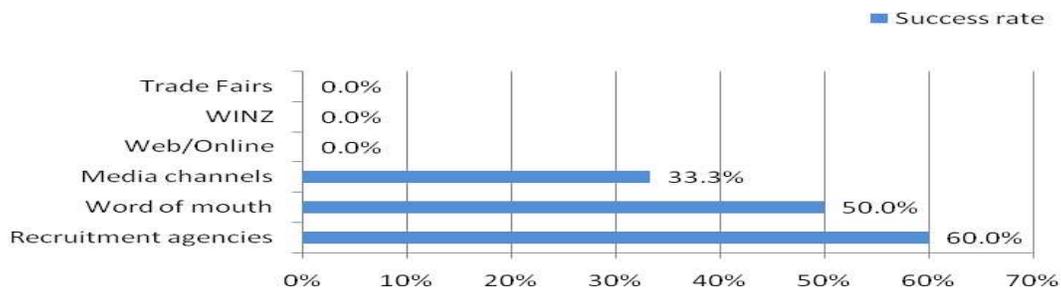
Figure 17: Which channel most successful for recruiting Sales & Service?



For recruitment of sales and service staff, web/online (e-recruitment), recruitment agencies, word of mouth, and media channels were all more or less equally successful (Figure 17, above). One of the easiest to

recruit, machine operators were most likely to be recruited by recruitment agencies (60%) followed by the word of mouth method (50%), and media channels (33.3%) (Figure 18, below).

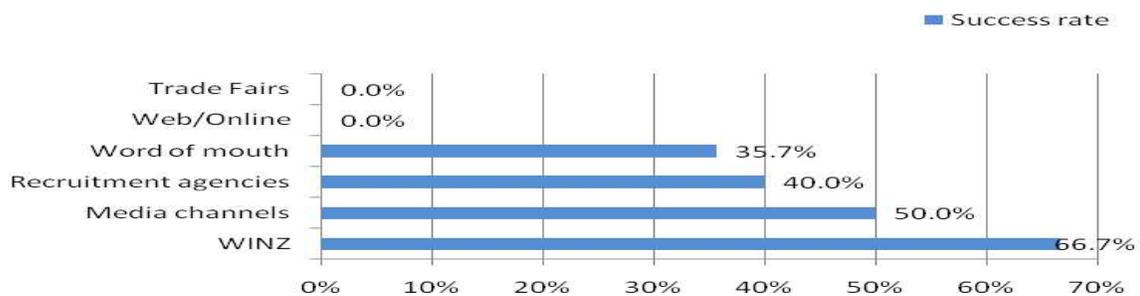
Figure 18: Which channel most successful for recruiting Machine operators?



The most successful channel for the recruitment of unskilled staff was WINZ (67%); however a variety of channels were used to recruit unskilled staff with

success such as media channels (50%), recruitment agencies (40%), and word of mouth (35.7%) (Figure 19, below).

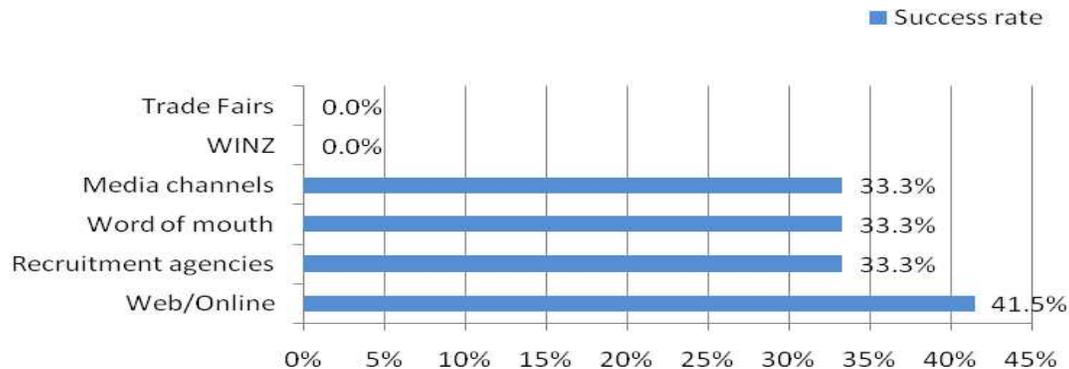
Figure 19: Which channel most successful for recruiting unskilled workers?



One of the easiest to recruit, clerical staff were most likely to be recruited by the Web/online (e-recruitment) (Figure 20, below). However,

recruitment agencies, word of mouth, and media channels were also successful.

Figure 20: Which channel most successful for recruiting Clerical staff?



This survey revealed that the most neglected method for attracting employees was through trade fairs and conferences. Companies have little time and money for these channels.

To sum up recruitment practices as used by Rosebank firms, what are the lessons for owner/managers? The

answer is that it depends on which job category they are recruiting and which recruitment channel they are using. Table 3 below presents a way to measure the “power” of the different recruitment channels for the different job categories.

Table 3: “Power” of recruitment channels

Recruitment channel	Recruitment agencies	Web/Online	Word of mouth	Media channels	WINZ	Trade Fairs
Machine operators	2	0	1	1	0	0
Tradesmen	2	1	1	1	0	0
Unskilled	1	0	1	1	2	0
Technicians	2	1	1	1	1	0
Sales & service	1	2	1	1	0	0
Clerical	1	2	1	1	0	0
Management	1	2	0	0	0	0
Professionals	1	2	0	0	0	0
“Power score”	11	10	6	6	3	0
2 = most successful recruiting channel for that job category 1 = somewhat successful 0 = not at all successful						

Our research shows that the most frequently used recruitment method overall was word of mouth, but its power score of 6 was mid-rank. It was successful only for the lower job categories. Recruitment agencies were the most powerful by this measure with a score of 11; they were used for every type of employee but were most successful for tradesmen and

machine operators; it is more helpful for unskilled employees to get somebody (agencies) to complete the documentation for them. Web/online (e-recruitment) was just behind recruitment agencies with a power score of 10, not successful at all for unskilled and machine operators. It can be deduced that e-recruitment is actually the most successful

recruitment channel because unskilled labour and even operators are unlikely to use Web/online because they are most likely illiterate to a large extent as well. Media channels had mid-rank score of 6, were used frequently but were not at all successful for unskilled workers and machine operators. Work and Income New Zealand was excellent for unskilled workers and helpful for technicians but not at all useful for the other categories.

Some advantages of e-recruitment

A major advantage of e-recruitment is the speed with which all activities takes place. Many retailers face the problem of quickly getting additional staff during peak seasons, especially during Christmas. Everything happens so fast that it is hard for them to manage all aspects sequentially.

Under the 'conventional' method it was quite difficult to process the applications as retailers had to concentrate on the business whilst recruiting their staff as well. With e-recruitment applicants can register for seasonal work and whenever an opportunity arises they can be offered a position. To assist in this there are online tests and screening options for selecting the right person. Most of the retailers look for young people aged between 18 and 23 for seasonal work which, fortunately, is the age group primarily looking for jobs on the Internet. In this way applicants get the job without much hassle and the employer gets suitable candidates within a short duration of time, with less hassle in the selection process. This is a win-win for both parties (Trapp, 2002).

Along with speed comes the aspiration of getting the best employee. Engaging the best is at times a big challenge for the HR department. Getting the wrong person can be a waste of money, resources and time. With the help of e-recruitment, employers can easily search for the person best suited for a particular job. Most e-recruitment websites and software have filters which help businesses get what they want; rather than wasting their time going through a lot of unnecessary applications as was the case in the past. Certainly e-recruitment has become bigger than any form of paper publication (Schoen, 2002).

E-recruitment is not only helping people in the private sector but also the institutions in public sectors. Every poor or wrong judgment in selecting a person incurs costs, both direct and indirect costs. Direct costs include the cost incurred in recruiting, interviewing and training. Indirect costs include damaging reputation, influence on morale, absenteeism and productivity. E-recruitment assists organisations with multiple branches in one market to allocate the

applications and information and to integrate payroll and other human resource systems. E-recruitment could actually do "web interviewing" which again screens out candidates who would be a waste of money and time if they go forward to the next level of the interviewing process (Salmond, Crampton and Atkinson, 2007; Ray and Thomas, 2000).

Along with this, organisations can find out if the candidate will fit into the organisational culture and whether the person, for example, likes a fast paced environment or not. The advantage is that consistent information is obtained from all candidates as the same questions are asked to each candidate; this allows the legal requirement of equal treatment of applicants. Additionally, e-recruitment software posts job vacancies in thousands of websites and jobsites which in turn save money by not putting advertisement in print. E-recruitment provides organisations with a competitive edge in the labour market (Marzulli, 2002; Sayles, 2003). Pre-screening software used are great time-savers for employers and candidates as well. They can help recruiters to design individual online questionnaires for specific job requirements. With the help of this software, employers can easily separate the good from the bad, and potential applicants learn quickly whether or not they are actually qualified or not for the job being advertised. The software also allows the recruiter to get the applicant's past information which is usually not found in any résumés (Dysart, 2006).

Cullen (2001a) says that e-recruiting is like the first in a string of firecrackers. Its explosive success ignites a series of explosions throughout the HR departments of the so-called "best-in-class" companies. It shows how HR has moved to a whole new level of integration which will help management to move faster and make more accurate decisions. The new technology has saved HR a lot of money and time, which is vastly advantageous for companies (Cullen, 2001).

Some disadvantages of e-recruiting

With smiles comes tears, with every action comes an equal and opposite reaction. Some managers and recruiters think that e-recruitment has allowed them to get applicants faster and cheaper but it has equally reduced the applicant's ability to express his or her individuality and character, and most of the time these are things that companies should look for in an applicant (Corsini & Skip, 2001).

Online résumé builders and profile editors have largely eliminated peoples' thinking ability and creativity. Everything is readily available on the net and applicants don't spend time on thinking about what skills they have got and what they can actually

do. They simply cut, copy and paste someone else's work, but they have not mentioned any of their own qualities. In a way they are cheating the companies by making false claims. Companies have to take steps to overcome this situation by including psychometric testing and other kinds of aptitude tests before physically interviewing people.

Online recruitment services have now become the most common applications on the Internet. Every day millions of people search the Internet around the world to browse for their dream jobs. There are so many people browsing the same applications on the Internet that system crashes are becoming a regular phenomenon. The main problem is the query key; most of the users search through hundreds and thousands of jobs for a particular query and that overloads the system. Most of the time the user gets the query right but at times the wrong information is passed on. Two users doing the same query can get different results (Bradley, Rafter & Smyth, 2002). Although e-recruitment methods have helped us in several ways, these types of minor blemishes can put a black mark on the whole industry. Query keys are one of the major areas when it comes to e-recruitment. Both the employer and the candidate rely on the search keys. If the search keys malfunction, neither employer nor candidate will be able to access the information they need. The whole system will have to be either improved or upgraded to meet market needs. Another e-recruiting problem is whether everything is done according to the relevant legislation. Whether the job is advertised on the web or in the newspaper, legislation surrounding both is the same and all procedures have to be maintained. Online advertising is different from newspaper advertising. With online advertising thousands of résumés and feedbacks are received by organisations, but when it comes to newspaper advertisements there are only a few and it is easy to maintain. When using e-recruitment, people often forget to follow the right procedures. Most of the time the volume is so great that even non-HR professionals has to assist to go through it.

According to the legislation in some countries, every company has to comply with their Privacy Act. They need to get permission from the applicant before storing their information on their databases. But most of the time it does not happen and an applicant's privacy are at stake, unless efforts are made to purge the data bases of unsuccessful applications. From an employer's point of view it can take the benefits away of low-cost, handy, and pioneering to appeal to prospective recruits. However, because there are no clear rules to ensure that Internet recruiting complies with civil rights laws, recruiters need to use this tool cautiously (Stone 2008; Rudman 2010).

Another issue faced by e-recruitment is that it is not quite as useful for certain job categories in the local market as was found in our research above. There is little point advertising a job on the Internet when the applicant needed is in a specific job category such as unskilled workers in the local area.

A further negative point is that many unnecessary résumés could be received for an advertised position from people who actually do not qualify. In this way a company may waste a lot of time going through all the non-qualified résumés unless they employ good filtering software. In addition, since everyone does not have access to Internet, it will not reach all potential candidates. This is one of the biggest drawbacks of e-recruiting. This means that certain job categories advertised on the Internet must be advertised in the newspapers as well. This reduces the chances of the prospective employee not seeing the job advert but will increase the costs of recruiting; e-recruiting could release a company's strategic plans to their opposition.

IMPLICATIONS FOR MANAGEMENT

The advent of e-recruitment means that the management of such a system necessarily has to change. Traditionally management was focused on ensuring advertisements were ready for print to meet media deadlines. Part of this was the preparation for phone contact, and postal responses. If electronic scanning was used it was hand fed into a scanner for comparison. In its effort to shift to e-recruitment organisations are investing heavily in the e-recruitment market. Managers need to be trained for these changes because it can save a lot of money on advertisements; the savings could be used to develop careers or training for employees.

Managers are also pushing for the whole recruitment system to be redesigned (Cullen, 2001a). The use of e-recruitment methods have advanced so much that in the future, companies will have to have automated résumé screening and searching equipment to remain competitive in their respective industries. It will become a must in every company along with printers, scanners and copiers. Résumé screening machines will make screening, organising, and finding résumés easier. E-recruitment is revolutionising the way managers hire employees (May, 2006).

There are two types of e-recruiting systems that managers will have to get used to. An "applicant tracking system" tracks demographics and information, as well as the skills of the candidate to be interviewed. This system then selects candidates on pre-defined criteria and sends letters to both qualified and unqualified applicants. The second system is

called the “hiring management” system (HMS). The main difference between HMS and the “application tracking” system is that it goes to job boards and corporate websites to create a match from the applicants. The company receives an e-mail when a matching résumé comes into the system. This helps the company to speed up the interview and selection process so that the particular candidate does not get employed by the competitors (Bussler & Davis, 2001).

RECOMMENDATION

The above discussion and analysis of the research data leads to a number of possible actions for managers. It shows that careful consideration should be given to which job categories need to be recruited in the traditional style and which could be conducted electronically. A considerable effort must be made to efficiently allocate funds to measure the performance of e-based systems. There could also be great gains by integrating the e-recruiting to production planning systems in order to foretell of changes in employment levels within the organisation.

HR managers will have to be alert to all information provided from the applicants’ résumés so that they don’t waste money on interviewing the wrong candidates. They will have to align the HR objectives with the organisational objectives to ensure that they recruit, select and employ the right candidate for the right job.

CONCLUSIONS

Electronic recruitment has changed the way jobs are applied for and has become so simple that anyone can do it. The credit goes to the programmers, software, computers and the Internet. The whole world has become “smaller” with the use of the Internet and everything is made easier for better application. The Internet and e-recruitment therefore face a very bright future.

The future generations who are growing up with computers are not likely to use the traditional methods of recruitment; they will probably primarily rely only on the e-recruitment method. Companies in the future will see e-recruitment as their main business tool; a tool with which they can control the job market. It will most likely also give them the competitive advantage in the tough labour market. Simplicity, stability and speed will be the three key features of e-recruitment in the future (Taylor, 2001).

The paper era is rapidly coming to an end and electronics and computers are taking over many processes in the international business world in particular. Who knows what comes next. There is

definitely great potential in e-recruitment as evidenced by the emergence of international companies in this field, and with news papers entering into the electronic recruitment to offset their decline in paper advertising business (Dowling and Welch, 2004).

Our research done in ARBP revealed that e-recruitment was successful for certain job categories and for categories such as tradesmen media channels were more successful. Professionals were best recruited by e-recruitment because they have the “luxury” of the internet and computer access. Tradesmen were best recruited through recruitment agencies and word of mouth; managers by e-recruitment followed by recruitment agencies; technicians through recruitment agencies and WINZ; sales & service by e-recruitment; machine operators by recruitment agencies, unskilled workers through WINZ; and clerical staff by e-recruitment.

REFERENCES

1. Australian Bureau of Statistics (2006). Australian and New Zealand Standard Industrial Classification (ANZSIC). www.abs.gov.au
2. Bemus, C., Henle, C. & Hogler, R. L. (1998). Internet recruiting and employment discrimination: a legal perspective. *Human Resource Management Review*, 8, 2, 149-164.
3. Bradley, K., Rafter, R. & Smyth, B. (2002). Personalization techniques for online recruitment services. *Communications of the ACM*, 45, 5, 39-40.
4. Bussler, L. & Davis, E. (2001). Information systems: the quiet revolution in human resource management. *Journal of Computer Information Systems*, 42, 2, 17-20.
5. Coleman, A. (2006). Does e-recruitment work? *Director*, 59, 12, 27.
6. Corsini, S. (2001). Wired to Hire. *Training*, 38, 6, 50-54.
7. Cullen, B. (2001a). E-recruiting is driving HR systems integration. *Strategic Finance*, 83, 1, 22-25.
8. Cullen, B. (2001). Make e-recruiting the catalyst for HR systems integration. Human Resources Department Management Report, 1, 9, 1-3.
9. Department of Labour (2008). Key Information Tool (KIT).
10. Dowling, P.J. & Welch, D.E. (2004). *International human resource management*, 4th edition. Thomson, Australia.

11. Du Plessis, A.J. (2012). Human Resource's approach towards social responsibility in a developing country in the future: some empirical evidence. *Interdisciplinary Journal of Contemporary Research in Business*, 4 (1), May: 204-212.
12. Du Plessis, A. J. (2007). Change, organisational development and culture: human resource management's role in a future South Africa. *International Review of Business Research Papers*, 3 (1) March: pp1-10.
13. Dysart, J. (2006). Electronic recruiting. *American School Board Journal*, 193, 7, 27-29.
14. Finn, W. (2000). Screen test. *People Management*, 6, 13, 38-41.
15. Frederick, H., Chittock, G. 2008. *Report on Human Resource Strategies for Training and Education in the Rosebank Business Precinct*, Unitec New Zealand
16. Furness, V. (2007). Measure for measure. *Personnel Today*. p53-54, 2p [electronic version]
17. Härtel, C. E. J. & Fujimoto, Y. (2010). Human resource management. Transforming theory into practice. NSW. Pearson Education. Australia
18. Johnson, B. (2003). Will print be ousted by e-recruitment? *Marketing Week*, 26, 37, 14-15.
19. Marzulli, T. (2002). Using internet technology to streamline healthcare recruiting. *Health Financial Management*, 56, 6, 62-64
20. May, J. (2006). Effective hiring processes will keep your company in motion. *Caribbean Business*, 34, 11, 9.
21. Nel, P.S., Werner, A., Haasbroek, Poisat, P., Sono, T. Du Pleesi, A. J., Nqalo, O. (2011). *Human Resources Management*. 8th edition. Cape Town: Oxford University Press
22. Paton, N. (2002). E-recruitment: does it work? *Personnel Today*, p20, 3p
23. Ray, K. & Thomas, S. L. (2000). Recruiting and the web: high-tech hiring. *Business Horizons*, 43, 3, 43-52.
24. Rudman, R. (2010). *Human Resources Management in New Zealand*. (5th. ed.) Auckland. Prentice Hall.
25. Salmond, C., Crampton, P, & Atkinson, J. (2007). New Zealand Index of Deprivation. University of Otago, Wellington School of Medicine & Health Sciences. <http://www.otago.ac.nz/wsmhs/academic/dph/research/socialindicators.html>
26. Sayles, N. (2003). Supporting an enterprise mission. *Health Management Technology*, 24, 8, 34.
27. Schoen, L. (2002). E-technology streamlines staffing. *Offshore*, 62, 12, 64.
28. Statistics New Zealand (2006). Business Statistics. (Table Builder) www.stats.govt.nz/products-and-services/table-builder/default.htm
29. Statistics New Zealand (2008). "Regional Statistics by Subject Matter" www.stats.govt.nz
30. Strategic HR Review. (2005). Nike's successful e-recruitment. *Strategic HR Review*, 4, 3, 4
31. Stone, R. J. (2008). *Human resource management*. 6th edition. John Wiley and Sons, Australia Ltd.
32. Taylor, C. (2001). E-recruitment is powerful weapon in war of talent. *People Management*, 7, 9, 10.
33. Trapp, R. (2002). Bargain hunt. *People Management*, 8, 25, 32-35.
34. Willenbrock, C. (2005). How four companies fixed common e-recruiting challenges. *Human Resource Department Management Report*, 5, 4, 6-7.
35. Nike's. (2005), Nike's successful e-recruitment. *Strategic HR Review*, 4(3), p4