Lessons from the Global 500

July 1999
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PREFACE

Finding, hiring and retaining skilled people is the number one challenge for fast growing technology corporations and their CEOs\(^1\). The value today resides within the head of your employees. This is true of all companies and is acknowledged by many Global 500 CEOs\(^2\). According to John F. Smith Jr., Chairman, Chief Executive Officer and President of General Motors:

> "We are increasing the idea flow at General Motors. I have great confidence in the imagination of our employees worldwide. And we are working hard to achieve the value you expect."

Jack Welch, Chairman and CEO of General Electric, says:

> "Our challenge is to go beyond [our products and services globally] to capitalize on the vast intellectual capital available around the globe."

Michael Dell, Chairman and CEO of Dell, says in his latest book:

> "The ability to find and hire the right people can make or break your business. It is as plain as that. No matter where you are in the life cycle of your business, bringing in great talent should always be a top priority. It is also the hardest objective to meet."

But how do you recruit these valuable resources when unemployment is low, a new flow of trained candidates is scarce and traditional recruitment strategies are decreasingly effective?

The Internet, of course!

The Internet continues to attract attention as the “new kid on the block.” Everywhere we look today we are inundated with the term “e-commerce” and all that it entails. You cannot pick up a business magazine without reading about the latest developments in electronic commerce. However, its impact on how we do business is only in its infancy.

More discreet, yet with as much, if not more of an impact on the corporate world, is the quiet revolution of “e-cruiting.”

The e-cruiting revolution has been caused by the presence of two factors: the ‘push factor’ of job seekers and the ‘pull factor’ of recruiters. The push factor is the result of increasing numbers of people using the Internet as a job search tool. The pull factor is caused by the benefits of Internet recruitment and the massive increase in its use for this purpose. Chapters 2 and 3 of this report review and evaluate the impact of these two factors.

\(^1\) See Deloitte & Touche Fast 500 CEO survey.
The transformation of the recruitment industry is still underway, but the Internet’s effects on traditional forms of recruiting, such as newspapers, recruitment agencies and job fairs, is already evident.

Newspapers, as the main players in the traditional recruitment paradigm, are now offering online postings to their customers. This evolution began when major dailies started putting their content online. Later, they began to offer their advertising clients an online option with their newspaper ads in order to compete with online job boards. However, several of their clients were seeing better results with online job board postings than with offline newspapers. In addition, these postings were considerably cheaper than newspaper ads, often ten times cheaper.

Meanwhile, recruitment agencies or search firms are losing what has been seen as their greatest asset – their database of candidates. Traditionally, these agencies had been the link between employers and candidates, but today they are at risk of being bypassed by the Internet. As a result, they will have to reposition themselves in the market or find themselves in an ever-shrinking business. Recruitment firms and staffing agencies will also have to shift their services in order to compete with the Internet. Eventually, their value may be seen to be only in data mining, pre-screening and the selection of candidates.

Finally, job fairs are witnessing the appearance of their virtual counterparts online. This means that, rather than being an opportunity for candidates to discover new employers (and vice versa), the traditional job fair will provide the employer with the opportunity of initially assessing candidates. In effect, the job fair may become the first interview.

With this evolution in recruiting, it is up to the recruiter to prepare his or her organization to compete in this new environment. Chapter 4 will provide today’s recruiter with the knowledge and intelligence needed to implement the most complete Internet recruitment strategy. The recruiter will expand his/her talents to include the insight of an online marketer and the technical skills of a Webmaster.

We can now see that changes in recruitment channels are having an effect on how recruiters are giving and receiving information from candidates. However, the deepest impact of the Internet will be at the level of recruitment processes. Recruiters frequently receive resumes in digital format via the Internet. Therefore, the next logical step is to manage the remainder of the recruiting process digitally. The integration of software automation is necessary in order to have a ‘fully wired’ recruitment department. Section 4.5 will discuss this topic.

The Internet is an evolution, allowing information to navigate the globe more easily. The theoretical vision of a friction-free model is not far away. However, the friction today is no longer in the medium used, but in the knowledge needed to use the new Internet medium. Hints in this report are included to show how you can use the two main components of the Internet, this network of computers. The network is used to reach people, the computer is used to automate the procedures. Consequently the
Internet is paving the way towards a *revolution* in the way candidates and employers are connecting.

Chapter 5 covers the active recruitment strategies and techniques required to find resumes online. Resume mining and lead mining has been developed in association with the leader in the field today – AIRS (Advanced Internet Recruitment Strategies).

The recruiting profession is rapidly changing. Recruiters must add a new skill set to their existing expertise in order to adapt to the changes brought by the Internet.

This report will show them how.

Yves Lermusiaux  
Chief of Research  
recruitsoft.com/iLogos Research
EXECUTIVE SUMMARY

- This report will outline the status of Internet recruiting for Global 500 companies. It will also highlight the best practices that companies can adopt in order to achieve success with Internet recruiting.

- This review is based on existing studies and articles on electronic recruitment, an analysis of leading Web sites and a survey of human resource and information technology specialists in 50 Global 500 companies that are using the Internet for recruiting.

- There has been a steady growth in Internet access. In North America, there are now 92 million people with Internet access. The younger the people are, the more connected they are. The Internet has begun to reach the mainstream.

- Searching the Internet for work is the second most popular method of finding a job next to using the newspaper, and one of the most popular uses of the Internet in general.

- Traffic reports indicate that thousands of people are visiting job boards each day with newspapers and recruiting agencies moving to compete with the Internet in order to capture additional market share.

- IT and engineering are not the only professions advertising on employment sites. Management, sales and marketing, finance and accounting and the human resources professions are also becoming popular.

- Companies using the Internet to recruit are receiving many applications online. Among our survey respondents, 17% said they received more than 75% of their applications online.

- It is estimated that there are currently 3 to 5 million resumes online in career sites, resume banks and job boards. However, there are tens of millions of passive candidates who have resumes and homepages outside of these traditional hunting grounds.

- These passive candidates can be found using active search strategies and techniques.

- Recruiters can take advantage of several channels to post job openings on the Internet. These include corporate Web sites, job boards and newsgroups. Recruiters can also use several channels to source candidates on the Net, including resume banks, search engines and robots/spiders.
The three major results of Internet recruiting identified by our survey are:

- Better reach and exposure
- A faster hiring process
- Lower recruitment costs

On average, online recruiting cut 20 days in the recruiting cycle. The cost associated with Internet recruiting is well below that of all other recruiting channels.

There are two Internet recruitment strategies: posting or advertising jobs online and active sourcing or searching the Internet for resumes of potential candidates.

The centerpiece of a successful Internet recruiting strategy is the corporate Web site. It is important to develop a world-class site in order to compete effectively in today’s job market.

The key to attracting people to your corporate Web site is understanding how people find Web site addresses and then utilizing these venues. Studies have shown that people find Web sites through other Web pages, search engines, directories, friends, print media, books, Usenet, television and signatures in emails.

Add your URL to all offline marketing material in order to attract candidates to your Web site.

To evaluate job boards, it is important to base your decision on the following: traffic, industry focus and regional focus. Other criteria to consider include the number of jobs listed, the length of visits and the cost of postings.

In order for your company to effectively use search engines to generate traffic to your Web site, it is necessary to register your URL (Web address). It is effective also to use ‘metatags’ on your pages.

Build repeat traffic by allowing potential candidates to receive updates by email or by providing content that stimulates visitors to return.

Once you have attracted job seekers to your Web site, it is important to sell your company to them. Use your Web site to explain the corporate culture, the benefits of working there and why your company is a good place to work. Pay specific attention to job description.

Make it easy for job seekers to apply. Allow job seekers to use email or a resume builder to submit their resume. Specify which medium is preferred and which format the resume should be in.
• Internet technology can also help in the hiring process. The use of software automation can greatly decrease the work of the HR department at the level of the resume management. However, this is primarily for selection purposes.

• Decide on an internal company policy regarding employees’ use of job boards and resume databases. Use the latter as retention tools if needed by checking if your own employees are listed.

• In order to be effective with active online search strategies for potential candidates, you need to:
  ➢ Define a replicable search process
  ➢ Formulate a search plan
  ➢ Develop a knowledge of the tools

• recruitsoft.com/iLogos Research forecasts five trends in Internet recruiting over the next 24 months:
  ➢ Organizations will make the Internet their recruitment focus
  ➢ In order to use the Internet effectively recruiters will have to gain specific skills, including marketing and searching techniques
  ➢ Online testing and pre-screening will evolve, streamlining the recruiting process further
  ➢ Without added value, recruiting agencies will lose market share, leaving others to potentially become outsourced recruiting departments
  ➢ Organizations will use the Internet as a “virtual” private network to manage, share and store resumes or profiles
1. INTRODUCTION

The purpose of this report is to outline the results Global Fortune 500 companies have achieved on the Internet in the area of recruiting. The report will explore what companies are doing today and what they are planning to implement in the future. Based on these findings, an effective strategy for Internet recruitment will be outlined.

The report is based on a review of existing studies and articles on electronic recruitment, an analysis of leading Web sites, and a survey of human resource and information technology specialists in 50 Global Fortune 500 companies that are currently using the Internet for recruiting purposes. In order to maintain confidentiality, these companies are not identified in the report.

The report examines companies from a wide range of industries:

- aerospace
- chemicals
- computer hardware and software
- consulting and services
- engineering
- financial services
- food
- healthcare, medical and pharmaceuticals
- industrial equipment
- semiconductors
- telecommunications
- utilities

The report is divided into three major sections:

- Chapter 2 will explain the size and scope of Internet use by job seekers and recruiters. Chapter 3 will discuss the results achieved by employers using the Web for recruiting.
- Chapter 4 will analyze the best practices for online recruitment by providing detailed information, strategies for advertising, and reaching candidates.
- Chapter 5 will outline the active sourcing strategies to find resumes and people online.
2. WHAT IS THE STATE OF INTERNET RECRUITING?

In this chapter we will examine the state of online recruiting in relation to both job seekers and employers, demonstrating the trends in online activities and their impact on traditional practices.

The number of hosts, or computer systems, on the Net has grown significantly since 1993, as shown by a survey conducted by Network Wizards\(^1\). The chart showing the exponential growth of hosts on the Net may not be unusual in the Internet world, but it raises two relevant questions: who are these people connected to the Web and are they using the Web to look for work? First we will analyze the demand side of the Web, that of the job seeker. Afterwards, we will cover the supply side, that of the job provider or employer.

2.1 Job seekers - the push factor in online recruiting

This section will outline the growth in online recruiting for job seekers. It will show the increase in Internet access and the popularity of using the Internet for job searching, resume posting and other online applications. It will also examine why people are using the Web to search for jobs.

2.1.1 Are people online?

Internet access has grown steadily over the past few years. According to the most recent surveys released by Intelligquest\(^2\), more than 83 million adults, or 40\% of the U.S. population aged 16 or older, are accessing the Internet. This is up from 66 million online during the same quarter in 1998.

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\(^1\) data is available on the Internet at http://www.nw.com

\(^2\) http://www.intelliquest.com
According to the study, users are spending more time online, averaging 12.1 hours per week as compared to 10.9 hours per week one year ago.

Worldwide, Nua Internet Survey counted as many as 165 million people online in May 1999. Of these, around 90 million were in North America and 40 million were in Europe. In April of this year CommerceNet/Nielsen Media Research counted 92 million Internet users in North America.

2.1.2 Who exactly is online?

The IntelliQuest study showed a growth in the number of “mainstream” Internet users. The demographics of Internet users are not limited to those of the most educated and wealthy but are becoming more and more like those of the general population. The education level of those online has decreased, with 36% indicating a Bachelor’s degree or higher in March 1999 compared to 46% in the second quarter of 1996. Annual household incomes also decreased, with 55% having an income of $50,000 or greater in March 1999 compared to 60% in the second quarter of 1996.

It appears that the younger the person, the more likely they are to be on the Internet. Computer Economics3 expects the number of Internet-using minors worldwide to surpass 77 million by the year 2005. North America and the Asian Pacific area will continue to experience the most growth in Internet usage among children. Therefore, the answer to the question “Are people online?” is “Yes.” All trends are showing the same pattern: growth!

Inteco’s4 December 1998 survey of more than 16,500 households showed that the number of households with Internet access grew exceptionally quickly between April and December of 1998, reaching 37% of all U.S. households. While upscale households continued to dominate the Internet (57% of Internet households reported an annual income of $50,000 or more), this segment is reaching saturation. This means that first-time users will bring a new look to the demographics. Inteco’s research also found that middle and lower class households accounted for 55% of those who intended to become Internet users in the next 12 months. Other segments showing an upswing included households that were headed by non-professionals or non-executives and households headed by a retiree.

In May 1999, Andersen Consulting released a survey5 of more than 1,700 leaders of some of the world’s largest companies and government organizations. The study showed that senior executives in the world’s major markets are going online more often and are becoming more and more comfortable using the Internet. Globally, Internet access enjoyed by CEOs, CFOs and CIOs increased.

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3 http://www.computereconomics.com/
4 http://www.inteco.com/
slightly: the study found that 92% had Web access in 1998 compared to 90% in 1997. Of those with access, 83% went online at least once a week in 1998, compared to 71% in 1997.

The Internet has clearly become a global phenomenon driven by the younger generation, for whom it has become a new appliance like the telephone. However, do people use it for job searching?

2.1.3 Are people using the Web to look for work?

There is growing evidence that the Internet is being used more and more as a job search medium. A 1998 survey conducted by JWT queried 2,008 Americans about their career plans. Of those who were planning to change jobs during the upcoming year, 21% (unprompted) said they would use the Internet to look for work. The newspaper was still the most popular job search tool, but the Internet ranked second, ahead of employment agencies, friends and word of mouth. We can predict that the use of the Internet for job searching would be higher for people in certain professions, such as IT or software, in which more people are online.

The online magazine ZDNet surveyed its readers on their top 10 favorite Web activities. While “searching” and “reading news” ranked number 1 and 2 on the list, managing one’s career ranked third, ahead of learning, chatting or even playing games and shopping.

When the search engine GoTo.com published a list of top search terms used, the search term “job” was number 8!

In addition, an October 1998 study on favorite online activities conducted by the GVU Center at Georgia Tech University found that only 38% of the 3,297 people surveyed had never visited a job listing on the Internet. This figure dropped to 32% for people between the ages of 26 and 50.

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6 Networking '98
7 For details - http://www.zdnet.com/anchordesk/whoiswe/top10things.html
8 Copyright 1994-1998 Georgia Tech Research Corporation. All rights Reserved. Source: GVU’s WWW User Survey www.gvu.gatech.edu/user_surveys
2.1.4 Are they visiting job sites?

According to independent research conducted by Media Metrix\(^9\), 3.9% of the entire Internet population visited Monster.com in February of 1999. This increase propelled Monster.com to the 80th most visited site on the Internet. Today, Monster.com offers more than 180,000 job opportunities in thousands of companies as well as a resume database containing more than 1.1 million resumes. It receives nearly 6 million unique visits per month or around 200,000 per day.

CareerMosaic received over 4.7 million visitors in March of 1999, according to Nielsen-I/Pro, an independent site auditor. This means that more than 150,000 visitors are attracted by approximately 100,000 job openings and make nearly half a million queries per day.

Newspapers, recognizing the popularity of online job boards, made the shift to the Internet, even though this traditional medium had a relatively good year. According to the National Association of Newspapers\(^10\), recruitment advertising expenditures in 1998 grew by 10.1% to a total of $7.7 billion, almost equivalent to automotive and real estate expenditures combined. However, these numbers could be seen as weak because an incredibly tight job market with the boom economy forced employers to “beat the bushes” for job candidates. Worker shortages were reported in a wide variety of job categories, especially positions that demanded certain job skills, such as high technology and construction.

CareerPath.com, which was co-founded in 1995 by the Boston Globe, Chicago Tribune, Los Angeles Times, New York Times, San Jose Mercury News and Washington Post, carries more than 300,000 job listings per month from more than 80 newspapers across the U.S. and has 2.4 million visitors per month.

The Wall Street Journal Interactive career section generated approximately 400,000 visitors in April 1999 or nearly 13,000 visitors daily, with more than 10 million pages viewed.

According to a 1999 study by the William Olsten Center for Workforce Strategies, more people continue to be hired through newspaper advertising than from all other listed sources combined. We are therefore only at the beginning of the transition.

Corporate Web pages are popular destinations for those using the Internet. In our survey of HR personnel, 83% of respondents who recorded Web site traffic said their employment page was one of the three most popular pages, while 57% said the employment page was the most popular destination after the home page.

\(^9\) http://www.relevantknowledge.com
\(^10\) http://www.naa.org
2.1.5 Who is visiting job sites?

Too often, job boards are seen as a place for active job seekers. This is far from the truth. The career section of the Wall Street Journal, led by Tony Lee, reviews its users often. Today, more than 67% of the visitors are passive job seekers.

JobOptions, formerly known as E.Span, surveyed the demographics of its users between September 1998 and April 1999, drawing from a sample of more than 100,000 profiles. By level of occupation, JobOptions recorded 38% as professional, 18% as middle management, 10% as senior management and only 8% as entry level.

By industry, most job seekers were in information-intensive businesses, as shown in the table to the right. Thirty percent of the new registrants were passive job seekers. This figure jumped to 42% when we questioned those leaving a “private” resume.

In December 1998, CareerMosaic released a list of the most popular keywords entered in its search strings for the last three months and found that “management” was the most popular, with more than one million searches. CareerMosaic president Bernard Hodes concluded from this study that the Net was principally a tool to search for career growth and evolution, not strictly a tool for IT professionals.

<table>
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<th>Industry</th>
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<td>1. Computer/Technology</td>
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<td>3. Consulting</td>
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<td>4. Internet/New Media</td>
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<td>7. Advertising</td>
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<td>8. Financial Services</td>
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<td>9. Health/Medical</td>
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<td>10. Banking</td>
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As outlined in Section 2.1.2, age is an important factor in Internet penetration. This is also true for online job searching. The IEEE survey of engineers showed that while 63% of engineers aged 20–24 searched for jobs online in the last 12 months, only 24% of those in the 55–59 age group did so.
2.1.6 Are they applying online?

In our survey, 28% of respondents said they received more than half of their applications online, either by email or through an online resume builder. (See Figure 2.4.)

As expected, most of the companies receiving 76–100% of their resumes online were in the high-tech sector and had well-developed Web sites. One company said it received almost all of its applications online, while several others indicated they were well within the 85-95% range. In fact, some companies said they no longer offered a choice to people who applied for technical positions: they must apply online.

According to a survey of 1,478 people released in April 1999 by SBC Internet Services, 82% of college students who graduate this spring and summer will use the Internet to search for job openings or information on careers, while 66% will actually email a resume to prospective employers. The survey also revealed that 75% of 1999 spring/summer graduates will use the Internet to research a specific career or job, 79% will use it to research a specific prospective employer and 74% to search for a job in a specific geographic location. In addition, 55% will post their resume through an online job service.

2.1.7 Are they leaving their resumes online?

We know that a growing number of job seekers are applying online when they apply for jobs posted on corporate employment pages. There is also an increasing trend for individuals to leave their resumes online, either through a resume bank or on personal homepages.

Several Web sites allow people to leave their resumes or personal profiles for employers to search. In fact, many job boards offer searches of resume banks as part of their services to employers. Monster.com has more than 1 million resumes in its resume bank while Korn Ferry counts more than 250,000 profiles in its database.

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11 SBC Communications Inc.
Meanwhile, tens of millions of people have set up personal homepages on the Web in virtual communities like Geocities, Tripod and Xoom. For the past few years, the ability to meet, converse and share interests online with like-minded people has been one of the Web’s hottest attractions. Virtual communities facilitate this interaction by providing a central meeting ground—a server where people can build homepages and reach out to their neighbors—for free.

These sites are enormously popular with a broad spectrum of people, evidenced by the many millions of personal homepages with links to friends, employers, co-workers and other alumni. In Chapter 5 we will look at how to actively search these passive candidates on the Internet.

2.1.8 Why are job seekers online?

Job seekers see the Internet as a very useful tool for finding jobs. The advantages of the Internet cited by job seekers using job boards\(^\text{12}\) are:

- Convenience (easier, faster and more accessible)
- Greater selection of job opportunities (broader geographical range, larger numbers, more specific and higher quality)
- Efficiency (more information accessed relative to time)

Still, the most attractive aspect of the Internet for the job seeker is being able to find the best job possible. Many advertising strategies today use this hook to attract job seekers, particularly passive job seekers. They portray their company as the one that will advance your career the most. Examples include this banner ad from Motorola and the Monster.com ad that aired during the Super Bowl telecast in January 1999.

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\(^{12}\) JWT’s Networking ’98.
2.2 Employers – the pull factor in online recruiting

2.2.1 Are job listings online?

Over the past year, there has been a significant shift in corporate use of the Internet for recruiting. In January 1998, only 17% of Fortune’s Global 500 companies were actively recruiting on the Internet—that is, posting jobs online and using email or a resume builder on their Web site to receive applications. This year, 45% of these companies are using the Internet to actively recruit candidates. In addition, 15%, compared to 12% last year, are passive recruiters - that is, they advertise postings online but encourage candidates to apply using other means such as mail or fax. (See Figure 2.5.)

Evidence of this growth can be seen in other areas as well. Most search engines or portals, such as Yahoo or Alta Vista, have their own employment sections. In addition, the number of job boards in the U.S. has been growing, with new boards appearing on the Net on almost a weekly basis. As mentioned earlier, most newspapers now have an online version of their career sections to compete with online job boards.

2.2.2 Where are the job postings?

Recruiters can take advantage of several channels on the Internet to post job openings. For instance, job openings can be listed on their own corporate Web site, on job boards and through online newsgroups.

In our review of companies using the Net for recruiting, we found that over 96% of respondents used their corporate Web site to post job openings. These included
companies that either used their Web site actively—receiving applications via online email or a resume builder—or passively—advertising positions on the Web site but directing applicants to reply by fax or mail. Of those who used their Web site to post jobs, a little under a half had been doing so for more than two years, while 70% had been posting jobs on their Web site for over a year.

The use of online job boards is nearly as widespread as the use of corporate Web sites. Job boards act like the career section of a newspaper, with many offering value added services such as a multiple site posting, resume search and resume housing. Approximately 90% of respondents were using job boards to post jobs. However, the use of job boards was relatively recent for most recruiters. Only 38% of those using job boards had been doing so for two years or more.

Among the companies not using job boards, all planned to use them in the future. The most popular boards among the companies surveyed in this study were the following: Monster.com (50%), CareerMosaic (44%), HotJobs (20%), America’s Job Bank (20%) and HeadHunter (16%).

For the companies surveyed, newsgroups appeared to be the least popular method of posting jobs. However, of the 44% of respondents who were using newsgroups, 32% had begun to use them during the last six months.

### 2.2.3 Are recruiters searching the Net?

An accurate determinant of whether or not recruiters are a “pull factor” on the Internet is whether they are using the Internet to search for potential candidates. There are several methods to source candidates, including using resume banks, search engines and robots or spiders.

It would appear that using the Internet for active sourcing of candidates is growing, as is posting jobs on the Internet. Sixty-seven percent of respondents were using the Internet to search for resumes, while almost all were using it to post jobs. However, of those who searched online, about half had a dedicated sourcing department for this.

Using resume banks appeared to be the most popular technique for sourcing on the Internet. Of those who sourced on the Net, 90% used resume banks to look for resumes. Though resume banks were the most popular method of sourcing on the Net, they were a
relatively new way to do so. Forty-two percent had implemented this as a strategy in the last year.

### 2.2.4 Why such an increase in online recruitment?

The explosive increase in online recruiting stems from the fact that there are positive results for both job seekers and employers. Internet recruiting benefits from the *positive feedback* theory, in which more people searching for jobs and leaving their resumes online will cause more companies to advertise online and search resume banks, and vice versa.

For job seekers, Internet recruiting is faster, easier and more effective than other methods of looking for work. Likewise, employers are achieving results that motivate them to continue to use the Web. They can reach candidates that cannot be found elsewhere, saving time and money. These results will be examined in more detail in the next chapter.
3. WHAT RESULTS CAN BE ACHIEVED?

3.1 Positive results with Internet recruiting

This section will detail the three major results of Internet recruiting identified in our survey. They are:

- Better reach and exposure
- A faster hiring process
- Lower recruitment costs

3.1.1 Better reach and exposure

The Internet offers recruiters a vast audience for their job postings and a large talent pool to draw from. It is estimated that 92 million North Americans currently have access to the Internet. Millions more throughout the world are online. As has been discussed, 3 to 5 million resumes are available in career sites and pay-per-view resume banks. Tens of millions more resumes are on the Internet outside these traditional career sites. We also discussed earlier that looking for work on the Internet is one of the most popular online activities.

However, better reach and exposure can be a mixed blessing for companies. On the one hand, they can reach more candidates; on the other, the competition to keep skilled workers is fiercer as it is only a click away. The presence of the Internet makes it easier for companies to reach highly qualified candidates from around the world. In response, it is necessary for companies to develop world-class Web sites and recruiting strategies that will allow the company to gain, rather than lose, from this new technology. Used to its full potential, the Internet is an excellent tool with important advantages over other media such as newspapers and television. It contains the detailed information of a newspaper or book yet is supplemented with visuals. The Internet also has the added benefit of being interactive: a job seeker can find a posting online and immediately respond, chat or be evaluated by the employer.
Although the Internet is an effective method of recruiting, it is not equally effective for all positions. For example, as might be expected, the Internet is a very effective recruiting method in the IT and engineering sectors. About 38% of respondents said the Internet was “very effective” in recruiting IT professionals and 29% said the same for engineering positions. However, only 8% of respondents said the Internet was “very effective” in recruiting for management positions.

Respondents felt that the Internet also seemed to attract a higher caliber of candidate. In fact, 80% said the Internet produced higher-caliber applicants than other methods of recruiting. Some of the reasons given for this were that the Internet is accessed by a wider spectrum of candidates, users tend to be more technically inclined and from a broader geographical range, and that the Internet can attract applications from passive job seekers.

However, 20% of respondents said they either did not find the Internet to be effective in locating high-caliber candidates, or they found it to be no different than other media. One negative aspect mentioned was that most people who actively search for jobs on the Net tended to be unemployed or
lacking in proper experience. This may be partially explained by the heavy use of the Internet by students searching for work.

3.1.2 A faster hiring process

Another key result recruiters have found with the Internet is that it speeds up the recruitment process. Approximately 86% of respondents said they were able to save time in the hiring process by using the Internet.

Specific results in this area varied. Overall, respondents said they saved an average of six days when advertising job openings. Posting a job on the Internet can be done instantaneously, while traditional forms of advertising, such as newspaper ads, can take time to design, process and publish.

Respondents said they saved an average of four days in the time it takes to receive resumes from applicants. In several cases, respondents said they received resumes the same day a posting went online. And in at least one case, resumes were received within minutes of a position being posted.

Respondents reported an average saving of six days in the time it takes the HR department to process and screen resumes and up to four days in the time it takes to communicate with applicants. It is easier for a potential employee, who may already have a job, to communicate effectively with the prospective employer via email rather than by telephone.

Thus, an average of up to 20 days can be saved by recruiting via the Internet as compared to traditional methods of recruitment.
3.1.3 Lower recruitment costs

A majority of respondents (72%) said that Internet recruiting saved their company money compared to traditional methods of advertising. Instead of spending money on newspaper ads, recruiters posted jobs on their own Web site or on a job board, for a much smaller subscription fee.

Companies can save money on brochures and mailing costs by promoting the company online through their corporate Web site. Furthermore, recruiters who use auto-reply when a candidate sends in a resume electronically can save even more on mailing costs.

It must be noted, however, that Internet recruitment brings new costs of its own. Companies who choose to use job boards to post opportunities usually pay a subscription fee. Also, there is often a start-up cost involved in setting up a corporate Web site. However, for the best results, companies can invest in a resume management software package (which also incurs costs).

In this study, not enough information was collected to give a statistically significant average of the costs per channel per recruit. One of the reasons being that many companies do not monitor the cost per hire per channel even though it is key data to track in order to maintain efficiency. The following case studies show how the Net is usually cheaper than other channels of recruiting.

The first case is a computer manufacturer that was included in our study last year. As we will see, the pattern observed is similar to that observed by several other companies.
One of the companies surveyed this year is in the information technology sector. The company recruits approximately 4,000 people per year at an average cost of just under $5,000 per head (including relocation costs.)

Figure 3.6 shows the percentage of people recruited per channel.

Although the Internet generated 7% of the total number of hires, it represented only 1.5% of the total recruiting budget. This compares to print advertising, which generated 12% of the total number of hires for 15% of recruitment spending. The cost benefit of online recruiting is obvious.

If we look at the cost per hire per channel, search firms generated a cost of $12,574 per hire, compared to $3,324 for print advertising and $563 for the Internet. However, we are cautious in concluding the benefits of each channel. While print advertising and the Internet are comparable in staff time costs, this is not the case for search firms. More and more corporations are applying their own search firm strategy to bypass the high search firm fees. With a 25% commission on each placement, a corporation can afford to have in-house search staff and break even with only four placements per year. The Internet plays a significant role, as private contact with employees of other corporations is made more possible through the use of email. Legal issues in this area are however a concern. The future will show where the ethical line is drawn.
These attractive numbers may only seem true for technology companies. This is not the case. Other industries have the same cost benefit for online candidates. For example, Figure 3.8 shows the cost per hire per channel for a Global Fortune 500 food company.

Even if savings from online recruiting is not as impressive as in the previous example, the pattern is consistent: Internet recruiting costs are significantly less.

A final area often overlooked when analyzing recruiting costs is the cost of a bad hire. These costs include:

- Lost revenue and production
- Overtime replacement costs
- Recruitment costs to hire a replacement
- Training costs

Industry analysts give a range from a minimum of $25,000 to over $500,000 (even up to one million dollars for software developers) per bad hire for most organizations.

Based on these and other cases, we can see that the Internet is the least expensive recruitment method. Campus recruiting ranks second, newspaper ads and job fairs third and search firms cost the most.

Although many companies are aware that ‘cost per hire per channel’ information is crucial in planning optimal organization efficiency, they are not computing this data because they lack the methodology to measure and compare the channels of recruitment.

In order to assist companies in computing this important data, we have developed a matrix, which can be found in Appendix B.
3.1.4 Workload reduction

Results indicate that Internet recruiting does not significantly change the workload of recruiters. Only 46% of respondents said Internet recruiting resulted in workload reduction, while 22% said their workload remained the same and 32% said the Internet resulted in additional work for the recruiting department.

However, it has been shown that the key to success for Internet recruiting is proper planning, integration of the Internet into an overall recruitment strategy and use of appropriate new software tools.

3.2 What do these results mean?

3.2.1 Recruiting budget

As a consequence of these results, companies are generally spending more of their recruiting budget on Internet recruitment. Some respondents reported spending up to 80% of their budget on Internet recruitment; others forecast an increase to this level of spending over the next two years. However, others reported spending very little on Internet recruitment, depending solely on the use of their corporate Web site to post job openings. Industry analysts report that while newspaper advertising still holds the number one place in recruitment spending, there was a 20% reduction in spending for newspaper advertising between 1998 and 1999. The beneficiaries of this reduction have been online job boards.

Search firms and newspapers are still heavily used. However, several of our respondents expressed the desire to reduce expenses in these areas. As observed in the industry and noted by one respondent, some companies have started to create internal active sourcing departments. The flow of information created by the Internet renders the traditional value of the search firm database obsolete. Corporations armed with the discreet and effective tool of email find themselves in a position to create links with potentially interested candidates. This is done through job alerts or bulk email pushes to all passive job seekers who have left their email at the company’s Web site. As well, corporations can easily access details about the thousands of candidates applying through resume banks and other sources which are discussed in the final chapter.
3.2.2 New online strategies

There are two strategies a recruiter can pursue to find candidates online:

- Posting — Advertising jobs online (on job boards, online newspapers and corporate Web sites)
- Active sourcing — Searching the Internet to find resumes or details of potential candidates

The Internet provides an opportunity for corporate recruiters to behave more proactively. Traditionally, companies have passively sought candidates by advertising job openings in newspapers and receiving resumes in response to these advertisements. If corporate recruiters wanted to actively search for candidates, they turned to a third party recruiter or a staffing agency (Figure 3.10). The amount spent on outside recruiting resources has grown by 17% in the past five years!

The online model for advertising job postings is similar to the traditional model except that, instead of advertising in offline newspapers, recruiters advertise in online newspapers and online job boards. The key difference lies in the recruiter being able to actively search online for potential candidates without having to consult a search firm or staffing agency (Figure 3.11).

The result is that staffing agencies and search firms need to add value to their services. The Internet will increasingly play the role of the middleman in the recruitment equation, which will lead to disintermediation. The hardest hit in the short-term will be simple staffing companies who specialize in the high-tech
sector and offer few value-added services. This group has already faced clients refusing to pay the fees when they discovered the candidate on the Internet.

Our research has also found that recruiters in those companies who currently use both sourcing and posting as part of their Internet recruiting strategies expressed no significant preferences between these two methods. This suggests that recruiters have gained experience as active sourcers and are feeling as competent in this area as they are in their traditional role as advertisers of job openings.

Figure 3.12  n=32 respondents

<table>
<thead>
<tr>
<th>Preference Between Sourcing and Posting</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No preference</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Sourcing</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Posting</td>
<td>47%</td>
<td></td>
</tr>
</tbody>
</table>
4. BEST PRACTICES IN POSTING ON THE INTERNET

In this section we will focus on how the Net is changing both online and offline advertising methods as well as how the Web makes your employees more accessible to external offers.

In addition to innovative offline strategies and retention suggestions, we have identified five best practices to optimize your online job advertising by:

- Focusing on your corporate Web site
- Using job boards selected by traffic, industry and location
- Indexing your job pages on several search engines
- Using banner advertising on industry-specific sites
- Posting on newsgroups

4.1 The centerpiece – your corporate Web site

The centerpiece of any successful Internet recruitment strategy is your corporate Web site. Research conducted by JWT shows that about 80% of visitors to job boards visit an employer’s Web site ahead of time in order to get more information about the company. Passive job seekers have other motives for visiting sites and may check offline job offers out of curiosity. In our survey, 57% of companies said their employment section was the most visited page after the home page and 83% said it was among their three most visited pages. In many cases, job seekers go straight to a company’s Web site to look for jobs, or search on job boards using the company name as a search term. The Wall Street Journal, for example, estimates that about a third of the people using its job board are searching by company name and not by job function or location.

Consequently, it is critical for companies to develop a world-class Web site. However, the Web site is only one aspect of an overall effective advertising recruitment strategy. What does it mean to have an effective advertising recruitment strategy? Ultimately, it means that you want to hire qualified people from the Internet faster and cheaper. Therefore, the desired result of your strategy is to have a large quantity of high-quality hires.
We already know from Chapter 2 that people are online and are sometimes searching for jobs. The question is how to reach, filter and finally hire these candidates. The first step is to attract potential employees to your site in order to make them aware of your recruiting needs (Step 1). This will give you an opportunity to sell your company to the potential employee (Step 2). Once you have informed them about your company, you should make it easy for them to apply (Step 3). The best way to do this is through an online resume builder or via email. This is the first step in streamlining the resume process, and can be followed by skills and personality tests. Once you have received the application, converting them into an applicant tracking system will facilitate the hiring process. As the pyramid figure (Figure 4.1) indicates, the number of people at each step is progressively smaller. Following are the details of each step in this process.

4.2 **Step 1: Attract potential employees to your Web site**

4.2.1 **Offline strategies**

The Web, along with a simple, easy-to-remember Web address, alters the potential media for traditional advertising. Unused media become a new tool for raising candidates’ awareness of your company.

It is important to continue using traditional print advertising to list job openings. In our survey, a majority of companies (98%) were still using print advertising to find candidates. Of these, 92% mentioned their URL in their ads. Mentioning your URL in print ads is the first step in generating more traffic to your Web site. Sixty-five percent of respondents were able to see the impact of print advertising on the volume of traffic to their Web site. However, the nature of the ads has changed: print ads are briefer and often contain the URL, which refers the reader to the Web site for more information (see the newspaper ad below).
But there is more to the URL than simply placing it in newspaper ads. Several companies have started to put their URL—everywhere, from press releases and articles in the print media to billboards. The key is to understand what motivates employees. For instance, several studies have found that technology is a major incentive in attracting technical employees. An article about your new technology, followed by a URL, is an effective way to attract applicants to your Web site. Similarly, the Meta Group Inc. showed that training was the top non-cash incentive for technical employees. Therefore, you can offer training such as ManPower training to your employees in order to attract people. Boost your referral program by giving incentives. Some companies have used incentives such as a BMW Z3 or programs like Make friends @ Cisco.

What is important to understand here is that the recruiter function must not be isolated from the general marketing and PR actions.

The following offline venues can be used to promote and attract candidates to your Web site:

<table>
<thead>
<tr>
<th>Offline Tools</th>
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</thead>
<tbody>
<tr>
<td>Billboards</td>
</tr>
<tr>
<td>Campus fairs</td>
</tr>
<tr>
<td>Career fairs</td>
</tr>
<tr>
<td>CDs</td>
</tr>
<tr>
<td>Newspaper ads</td>
</tr>
<tr>
<td>Open Houses</td>
</tr>
<tr>
<td>Print</td>
</tr>
<tr>
<td>Radio</td>
</tr>
<tr>
<td>Referrals</td>
</tr>
<tr>
<td>Trade publications</td>
</tr>
<tr>
<td>Trade Shows</td>
</tr>
<tr>
<td>TV</td>
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</tbody>
</table>
The key component in integrating online strategies with offline strategies is changing the way you advertise offline. As mentioned, the powerful tool of the URL can help increase awareness of your company in several ways. However, it is in the traditional media that we will have to discipline our practices. We will have to move away from detailed print advertising towards generic print advertising; from extensive use of search firms to internal sourcing teams; and from offline referral systems to Internet based systems.

<table>
<thead>
<tr>
<th>Traditional Offline Tools</th>
<th>New Online Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper ads</td>
<td>Corporate Web sites</td>
</tr>
<tr>
<td>Career fairs</td>
<td>Job boards</td>
</tr>
<tr>
<td>Search firms</td>
<td>In-house sourcing</td>
</tr>
<tr>
<td>Campus fairs</td>
<td>Banners</td>
</tr>
<tr>
<td>Job fairs</td>
<td>Newsgroups</td>
</tr>
</tbody>
</table>

4.2.2 Online strategies

The first column in the table above lists the traditional offline tools used by companies to attract candidates to respond to job openings. Recently, a shift has occurred towards the online tools that are outlined in the second column. It is important that companies use a combination of new and traditional tools to build a successful recruitment strategy. It is also very important to underline the ongoing work behind these techniques in order for them to be effective.

In this section, we will focus exclusively on the online strategies that can be used to attract potential employees to your site.

In order to be effective in attracting potential employees to your Web site, it is important to understand the methods people use to find Web sites. In October 1998, The GVU Center at Georgia Tech University surveyed 3,291 people about how they found Web page addresses. Following are the results:

1 Copyright 1994-1998 Georgia Tech Research Corporation. All rights Reserved. Source: GVU’s WWW User Survey www.gvu.gatech.edu/user_surveys
If we examine this data with Internet recruiting in mind, there are four main electronic methods of finding Web site addresses: job boards, search engines, banners and newsgroups.

![Diagram of main online advertising tools]

*Figure 4.4*
4.2.3 Job boards

A large number of job seekers use job boards, often using company names as one of their search tools. It is estimated that there are over 2,500 active job boards and most job boards offer links to corporate Web sites as part of their service. The largest commercial boards in terms of visitors are Monster.com, CareerPath and CareerMosaic, with many others specializing by industry or regional focus.

The best method of selecting a job board is to review the following criteria: number of visitors per day, number of resumes, industry, regional focus, average length of visit and price per posting. Other factors to consider are special features they may offer such as resume management, multiple posting of jobs and most importantly, whether they offer a link to your corporate Web site. We will discuss these criteria in more detail below.

➢ Traffic (Visitors)

Too often people are confused by how to measure traffic to a Web site, particularly job boards. They frequently speak in terms of hits, yet a hit actually refers to the number of files downloaded from a server. For example, an individual going to a job board can generate more than 100 hits if he/she goes to 10 pages containing nine separate hits (or images) on each. A hit is not indicative of the number of visitors: it is a much larger number in terms of traffic data.

However, the number of visitors per month is also rather misleading since many individual job seekers will visit on a regular basis to search for jobs. If a job board claims to have 200,000 visitors during a month, most of the time this refers to 200,000 individual user sessions. Within these 200,000 user sessions each month, the same individual may access the site many times.

- Possibly the best way to measure is in terms of the number of visitors per day. This is how print media has traditionally evaluated its reach. Thus, we can easily compare the reach of the print media to that of online providers.
The reach of the main online career boards is impressive—but just as trade magazines achieve success in the offline world, specialized industry focus is a key factor for online success.

➢ Industry focus

Numbers are not the only important criteria that can be used to evaluate job boards. It is also important to ensure that you attract the right people. While more general boards attract people with all types of qualifications, a job board that focuses on only one or two industries, is pre-screening candidates for you. Therefore, these focused boards can afford a lower number of visitors compared to the general boards or the print media.

For example, if you wanted to recruit people in the healthcare industry, it would be wise to advertise on specific boards such as MedHunters.com. Similarly, if you were seeking people in the HR sector, a good place to start would be tcm.com/hr-careers.

➢ Regional focus

Many companies do not want to relocate people, and many potential employees are less likely to change jobs if they must relocate their entire family. Therefore, evaluating a job board based on its regional focus can be helpful.

We have seen that many newspapers have gone online with their career sections, with many local employers choosing to advertise on the Net. The San Jose Mercury and the Boston Globe are typical examples. Some boards have started to provide vertical and location-specific postings like techies.com.
However, there are other criteria to consider when evaluating job board services. The three most important are the number of jobs listed, the length of a single visit and the cost.

**The number of jobs listed** shows the popularity of the board and to some extent is linked to the number of visitors to the site. However, the more jobs that are available on a particular job board, the less likely a visitor is to find your listing, especially if the jobs are similar in nature. A simple way to compare boards is to check the ratio of the number of visitors per number of jobs posted and look for the job board with the higher ratio. For instance, a board with 10,000 daily visitors and 10,000 jobs has a ratio of 1:1. But if there are only 1,000 jobs on that board and the same number of visitors, the ratio is 10:1.

**The length of a visit** indicates how long a visitor is spending on a job board site. The more time job seekers spend searching the site, the more likely they will find different job postings, including yours. Hence, it is important to look for job boards with longer visit times.

**Cost** is normally a concern when evaluating a product or service. Some job boards are free while others are very expensive. The cost, however, is not always an indication of the value of the board.

Traditional job boards tend to mainly attract active job seekers on a repeated basis. Job boards therefore try to provide some content in order to attract passive job seekers. Online newspapers already have this advantage, with the content of the newspaper attracting a readership and the career section listing job postings. Meanwhile, content providers with a specific demographic reach are setting up online sites and offering online career sections. For example, CareerBuilder has built its service on targeting sites like BusinessWeek, CNet and NBC, providing a career section to their online readership. Also, the well-known Byte magazine offers its readership the option of searching several online databases of job postings.
By setting up links to other online resources, online providers have been able to expand their demographic reach. Fortune magazine, working with CareerMosaic, has added features and related links that can be of interest to the job seeker, including:

- Top U.S. employers
- How high is your EQ?
- Is it time to switch jobs?
- A cost-of-living calculator

It is not only news content providers that benefit from specific demographics and the ability to reach passive job seekers. E-Trade, the online stockbroker, has signed a marketing agreement with HotJobs.com to promote job openings to E-Trade visitors.

All of the techniques used by job boards can also be applied to your corporate Web site.

To summarize, we would like to close this section with three suggestions:


2. If you have multiple postings on several job boards, use automated services and job boards with subscription packages.

3. Use the board in a generic way (advertise more than one position per ad) and use it to draw people to your Web site. They are only a click away!
4.2.4 Search engines and directories

Many people are using search engines to find new sites on the Web. Job seekers who are not aware of specific job boards or who want to search for job openings at specific companies can use search engines or directories. The well-known directory Yahoo lists the career pages of companies who are registered with it. Nearly 400 U.S. corporations are listed on the general Yahoo Web site.

With regard to the most popular search engines, GVU’s survey provides some leads. About 30% of the people surveyed in the GVU study used search engines or directories to search for Web sites. The most popular ones for the month of April 1999 were:

<table>
<thead>
<tr>
<th>Search Engine</th>
<th>Unique User Session (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yahoo</td>
<td>30.9</td>
</tr>
<tr>
<td>Go.com (Infoseek)</td>
<td>19.5</td>
</tr>
<tr>
<td>Excite</td>
<td>15.3</td>
</tr>
<tr>
<td>Lycos</td>
<td>14.4</td>
</tr>
<tr>
<td>AltaVista</td>
<td>9.6</td>
</tr>
<tr>
<td>Snap</td>
<td>6.9</td>
</tr>
<tr>
<td>HotBot</td>
<td>6.6</td>
</tr>
</tbody>
</table>

Not only is Yahoo the most popular Web site, but according to Statmarket.com, it is also the most popular referrer site, followed by Excite and AltaVista. In order for a company to effectively use search engines to generate traffic to a Web site, it is necessary to register the URL with the individual search engines. It is also useful to use what are called ‘metatags’ to enable the pages to be picked up by searches, as well as to pay specific attention to titles and the text at the beginning of each page. It is very important to be listed in the top ten. Research shows that 68% of search engine users limit themselves to the first page of the results of a search. For more information, consult your Webmaster.

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2 http://www.mediametrix.com
4.2.5 Usenet (newsgroups)

Newsgroups are sites on the Web where people discuss specific issues. Topics can range from religion to flowers to, of course, job searches. Although only 6% of the people surveyed by GVU said they used newsgroups to find Web sites, it is still worth noting that people do search newsgroups.

Specific newsgroups are available for posting job openings and they usually contain the word ‘jobs’ in the title. For example, ny.jobs is a newsgroup specializing in job postings in New York. An effective method of finding newsgroups is to use search engines and to indicate that you are looking specifically for Usenet. You can also use deja.com, which is similar to a search engine but searches about 45,000 different newsgroups.

Newsgroups are free of charge to use and may or may not be moderated. When moderated, they are subject to specific rules for posting. We recommend that you learn the rules of the individual newsgroups before posting on them if you plan to do the posting yourself. We also recommend posting only on newsgroups set up for that purpose, not on open forums.

In the recruitsoft.com/iLogos Research survey, 44% of respondents used newsgroups to post jobs, but ranked them poorly in terms of advertising effectiveness. However, they can be effective in sourcing people. It is important to keep in mind that newsgroups are often used by technical job seekers and can generate traffic to corporate Web sites. Because of the heavy traffic on newsgroups and the time required to post, it is recommended that you use an automated service to post. Major job boards now often offer this service.
4.2.6 Banners

Banners are images displayed on a Web site that advertise a service or product. They also provide a hyperlink to the advertiser’s site. Usually priced around $50 per thousand impressions, these ads can be placed on other sites to target a particular audience. The usual click-through rate of a banner ad is 1%. However, if used as part of an overall strategy to increase traffic to your Web site, banners can be quite effective.

Banner ads are powerful not only because they target specific demographics of online magazines and site viewers, but because they can be targeted to specific viewer characteristics. Several online advertisers allow you to refine your advertising and to select your target viewers by choosing specific locations, operating systems and browsers, etc. Network technology is in its infancy in terms of its ability to track user habits and tailor advertising to its users. However, online advertising is capable of tailoring ads that change according to which computer is accessing the page.

IBM used this technology to its advantage in order to promote its campus fair across the U.S. It decided to target students (whom we know are online) and used banner ads to advertise. IBM was able to target the ads to readers coming from university networks (with the domain name of .edu) and thus limit the cost per impression. Moreover, it tailored the banner to the geographical location of the campus fair. IBM was very successful in attracting students and did not waste money showing its ads to non-students.

Banners are an effective tool with which to attract passive and active job seekers to the career section of your Web site, both from within your site and from elsewhere on the Web. Examples are from Sun on National Geographic or Motorola and RHI sponsoring the Dilbert Zone.

We have limited our review here to the most important strategies that can be used to generate traffic to your Web site. There are many other strategies available, which we will review in the next section.
4.2.7 Additional online strategies

1. Links to your employment page and general home page
Links on the Internet can generate a lot of traffic. An interesting way to inspire yourself is to check which links your competitors are using. For instance, you can check links going to Cisco’s employment section using AltaVista and typing: link:www.cisco.com/jobs. What you will see there are hundreds of links to that specific page which are likely to be effective for you if you are looking for the same types of people. For instance, you can ask Careerexposure.com to list your company job listing for free.

2. Build repeated traffic
Another technique to draw candidates to your corporate Web site is to take the lead from online content providers. As discussed earlier, some providers have set up links and have supplied resources of interest to job seekers. Employers can do the same thing. You can set up resources to attract potential employees to return to your Web site on a regular basis. Some examples include discussion groups, virtual job fairs, online newsletters on issues of interest to those candidates you are looking to attract, email information on technologies, news and new job openings. This technique of sending job openings to passive job seekers (who can be anonymous) should be taken seriously, and we see it as the sign of a new paradigm in the recruiting process.

3. Monitor your site
In order to learn your visitors’ habits as well as your site’s strengths and weaknesses, we strongly recommend that you analyze your log files as well as monitor the speed of your service. Log file analysis will provide you with the most common source sites to optimize your online marketing activities, your most common exit page, most visited URL, etc.
4.3 **Step 2: Sell your company and jobs**

You are now in a marketing position: you have to sell your jobs to candidates and see them as customers. When you visit your Web site, ask yourself, “Why would a top candidate like to work here?”

It is important to give those who visit your Web site the information they are looking for quickly and easily.

In order to direct the job seeker quickly to job listings, have a link on the home page to the employment page. Use a banner in your own Web site to attract passive job seekers who are gathering information from another location within your site. For example, if a candidate is checking your latest technology or white paper, they are likely to be qualified. The job seeker is most interested in a detailed job description, location, compensation and benefits. Job postings should be easy to sort if the site is large. Order job descriptions by location and job function, with a search tool in place if many openings are displayed.
4.3.1 Job descriptions

We often forget that the single most important element in attracting people is a powerful job description. This is especially true of job boards and newsgroups, where people have the choice between several employers. The main lesson here is to think keywords. Everything on the Web is driven by keywords, so ask yourself, “What keywords will the candidates I want to reach enter?” Once you create a list of keywords, make sure you include the most important one on the title and all of them in the job description. The following are three major elements needed to create a powerful job description:

1. Pay special attention to your job titles

On most job boards, as well as on most corporate sites, jobs are ordered by job titles. Just as publishers understand that a good book title will encourage you to consider it, recruiters must pay special attention to job titles as they can include the words which will catch people’s interest. Use accurate job titles and try to minimize the number of characters you use. Inspire yourself by looking at competitive postings from major boards and monitor which job offers generate the most visitors to your site and job boards.

2. Use the job description space

To continue with the book analogy, once you have a potential buyer who has the book in their hands, you have to have a compelling story. The description on the book jacket must arouse strong interest. The online job description space can be used in a similar way. First, describe the job and what it entails, using the hot buttons that you know will appeal to your typical candidate: innovation, challenge, responsibility and technology. Once you have captured the candidate’s interest, you must make him or her aware of the qualifications (skills, experience and education) necessary for the job. At this point, the candidate might respond by saying: “Five plus years UNIX experience, proficient in PERL and leadership skills, that’s me!”

The most important difference here between an online job description and a newspaper job description is in the space available. Online you do not pay per line, so you can be more detailed, although it is wise not to make the description too long.

On a job board, take the time to describe the company, its culture and a quick overview of the benefits of working there.

3. Call to action

As most serious applicants will want to know more about your company, the call to action is very important. The bottom part of the ad can provide a hyperlink to your Web site. Make the call to action very simple and provide several methods to apply.
4.3.2 Employment section components

The corporate Web site, as mentioned earlier, is an opportunity for a company to sell itself and to explain why a person would be fortunate to work for such a great employer. In our survey, 40% of respondents identified corporate information as the most important piece of information to include on the employment Web site after the job description. This can be information about the company’s work environment, history and characteristics that may make it stand out from other would-be employers. The recruiter thus becomes a type of marketer who is not just marketing jobs but is marketing the company.

Three other main categories stand out: information on benefits packages (17%), corporate culture (15%) and how to apply (13%). Texas Instruments, for example, includes a Benefits Central, which describes its benefits package in detail. According to a Monster.com poll of more than 40,000 visitors to their Web site the most important benefits were medical and dental, with 49% of respondents mentioning them. This compared to 30% mentioning flexible work arrangements, 11% citing 401(k) and only 8% mentioning stock options. Detailed corporate culture is an asset. For instance Cisco systems describes in its culture section, details such as dry cleaning including onsite pickup and delivery and its onsite car wash program.

More important and often overlooked are the application buttons, which must be easy to find if you want to encourage job seekers (especially passive job seekers) to apply. These will be detailed in the next section.

In some cases, such as in the IT field, it is not an employer’s market but a job seeker’s market. Therefore, it is doubly important to attract qualified candidates. Companies have been using diverse strategies in order to attract valuable employees. Following are some examples:

Motorola, knowing that technology is a great motivator in the technical business, includes special sections on its Web site called Hot Technologies and Looking for Heroes. These sections provide videos.
GE, playing on the innovation hook, coined the slogan “Be part of the Innovation!”
Amazon.com came up with “Make history!”
IBM starts with the question, “Why work?” It then addresses issues like technology, work/life balance and whether or not the company gives back.
Oracle uses the phrase “Making a difference.”
National Semiconductor uses the catchwords Vision, Technology and Opportunity.

Other items worth including in a corporate employment Web site are:

- A separate section for graduate applicants and for MBAs
- A list of Hot Jobs
- A section entitled Why join us?
- A list of temporary contract work openings
- Information on where to meet you, trade shows and job fairs where you will be.
- Information on how to write a scannable resume
- Relocation information (e.g. virtualrelocation.com)
- A description of company values and a mission statement
- Links to Web sites related to the city or the town where the position is located.
- Testimonials
- Skills and other tests
- Virtual tours
- Contests
- Employee profiles
- Virtual job fairs or a Q&A section

Remember – do not forget your Intranet for internal hires!
4.4 Step 3: Help them apply

Now that you have attracted the top candidates to your Web site and convinced them that you are a top employer, make it easy for them to apply and to build a relationship with you. Many companies still ask for resumes to be faxed or mailed, but a growing number are requesting resumes either by email or through a resume builder. Approximately half of respondents in our survey said they supplied an online resume builder.

The single most important recommendation is to have an “apply” button in a frame or in an obvious place. This prevents job seekers from having to search for where to go in order to apply for a specific job. Cisco, for instance, keeps it in the frame on the top left-hand side.

Job seekers should be given options on how to apply. If they do not have a resume, make the application process easier by providing a resume builder. If they already have a resume, let them send it to you by email. Ensure that you specify the file format that you wish to receive resumes in — it is hardly effective...
to receive a wonderful resume in a format that you cannot read. For resumes sent by fax or email, specify the fine resolution for the fax and directions to creating a scannable resume.

For applicants who do not have a resume (the typical passive job seeker) or who want to remain anonymous, allow them to leave their email addresses and be informed when job openings arise in the area of expertise and location that they desire.

US West even offers the option of subscribing to a free Yahoo or Hotmail email account from their Web site in order to receive these updates on a non-corporate account. This can be useful. A Monster.com poll proved this by asking 11,000 job seekers using their service: “Would you use another email account for sending messages not related to work?” Only 26% said they did not need another email account, 44% said they would for personal matters and 28% said they would use one to apply for jobs.

More and more companies see the benefits of sending email when job openings arise to their prospective employees. Sun Microsystems called theirs the Sun Agent, borrowing the terminology used by most job boards.

The resume builder or the online application provides an opportunity to screen people by asking questions. This brings us to the last level of the pyramid (Hire them). These tools employ the self-service nature of the Internet and database power to automate the pre-screening. They prevent the common problem related to recruiting on the Internet: generating too many resumes from unqualified people. Our experience suggests that two key questions can reduce the number of unqualified resumes and consequently your workload dramatically. The two questions are: “Are you eligible to work in the U.S.?” and “How much work experience do you have in this specific area?” This shift away from the resume-centric recruiting paradigm is the most significant impact of the Internet on the hiring practices.
4.5 Step 4: Hire them

This sounds easy, however, after you receive resumes from prospective candidates, they still need to be processed. It is here that Internet technology can be of great assistance.

In our survey, 32% of respondents said the Internet had created “more work” for the HR department. In order to avoid falling into this category, we strongly recommend using automation tools. We know that the use of software automation is relatively new and still in its early stages of growth. Seventy percent of the Fortune 500 companies surveyed used software automation; among these, only 47% have been using it for more than two years. Many companies (69%) scan resumes in the system and among the remaining, most of them plan to in the near future.

Software can help in various areas of Internet recruiting, from simple resume management to elaborate workflow solutions. Software can also help to test candidates, check their references, interview and screen them. We will cover these functions below.

An important aspect of online recruiting is the architecture that the new software solutions present. We will first review the architectural evolution and then cover the solutions and their benefits.

4.5.1 Recruiting software architecture

An important architectural distinction that the Internet brings is the outsourcing option. Traditionally, all software has been client-server: you buy an application and install it on your system. In 1995, companies such as Oracle and Sun Microsystems started to predict the advent of the “NC” — the network computer — as opposed to the “PC” — the personal computer. The main idea behind the NC was that applications reside on the network and not on the local server or computer. Instead of loading a word processing application from your local drive, you would do so from the network - you would store your data on the network, etc. The benefits were obvious: no need to upgrade software, no need to back up files, a less expensive computer, no operating systems, and so on. However, because of human inertia, the idea was ahead of its time!
Today, paradoxically, the recruiting world is lagging behind in adopting the cycle of ERP systems. Many companies are offering an outsourced system, or a Web based system, in which corporations do not need to have any software installed locally. These solutions allow recruiters to access their database of resumes through a browser. The database is not sitting locally, but on the server of the service provider. The increasing proportion of resumes received online, decentralized recruiting offices and lack of technical expertise has caused this trend to explode. It has even forced traditional players to release new products.

The figures below schematize the two types of services and list the main players in each area.

![Diagram of Client-server Solution and Browser-based Solution](image)

**Figure 4.8**

### 4.5.2 Resume management software

By resume management, we mean basic activities such as storing resumes, searching resume databases and attaching comments and notes. Resumes can be stored in the software package’s database for easy retrieval and viewing. Once in the database, resumes can be searched using keywords. Many packages will allow you to make notes during the hiring process and attach them to the resume. For instance, a line manager may want to make comments on a resume or you may want to attach notes following an interview.

These activities are typical in any contact management software package. Many companies are already using these software tools. A few examples of the more
popular packages include ACT!, Maximizer and Goldmine. These tools are affordable and can help manage basic activities related to resume management. Basic tools allow recruiters to cut costs at the level of advertising expenses, agency fees and paper-chasing time.

4.5.3 Workflow recruiting software

More elaborate software tools to simplify the workflow process in the HR department are available on the market. These software packages allow you to store resumes and search them using advanced search techniques. Many of these tools provide search functions that enable you to find related words using a “context” or “fuzzy” search. These searches use a knowledge base or a topic library containing skills and their synonyms and related search strings. For example, the results for the word “Internet” in the search string will automatically include resumes with HTML, CGI, Java or Cold Fusion in them - even if the word Internet is not in the resumes.

Software tools can also facilitate the sharing of information such as notes, resumes and candidate evaluations between the recruiter and the line manager. Many generate an automatic response to the applicant, letting them know that their resume has been received. These tools can also generate reports that allow you to monitor various aspects of the hiring process. Most can be used in conjunction with existing HR management software such as Peoplesoft and SAP.

These software packages are often at the high end of the market, with a starting price of about $25,000. At the highest end, packages can run up to $100,000 before services, multiple licensing and installation are accounted for.

These software management packages can help the recruiter save time at various stages in the hiring process. As mentioned above, basic tools can cut costs in several areas. More sophisticated models can still save more time for the HR department in letter-generating, reporting and data redundancy time.
4.5.4 Internet integration

Software manufacturers for human resources have been around for some time, long before the rise of Internet recruiting. Everyone in the industry recognizes that Internet integration for software tools is a necessity. Major players at the high end of the market are competing to provide the best product possible.

However, Internet integration does not only mean managing multiple postings. There are several other key factors to successful Internet integration that enable recruiters to significantly reduce their workload. Resumes can be received directly into the database ready to be searched, classified or shared with line managers. Once an application is received, the recruitment automation tool can send an automatic email acknowledging its receipt, saving time and money.

The ability to multiple-post online is an attractive feature that can save a recruiter valuable time. It is a central feature for Internet integration software. Several software tools have links with major American job boards. However, complete integration between several systems with different submission forms is still beyond current software capabilities.

The cost savings with Internet integration are significant. Recruiters can save money and time for the Optical Character Recognition (scanning), letter generation and multiple job posting.

Another aspect of Internet integration is searching, in which resume agents can automatically search the Internet for resumes that match specified criteria. This will be discussed in more detail in the active sourcing section.

As outlined before, some software vendors offer outsourcing solutions for resume databases. The Internet allows recruiters to store resumes on the server of the software provider and manage them through their Web browser. This solution is offered by Recruitsoft.com. It represents the fastest growing segment in the recruitment software solutions market and is likely to be the future of resume management solutions.

There are many benefits of a system that requires no IT support — no server space needed, no back up and no upgrade is needed. The downside is the service model pricing for high volume.
4.5.5 Testing and screening software

Skills are becoming a critical issue to many businesses, with experience becoming less of an issue. Indeed, in many professions, skills used on the job today were not tough when you were at university. Nobody has more than five years’ experience in them. Therefore, the focus for recruiters is less on the resume – which emphasizes the experience of a candidate – and more on the skills they can demonstrate. Moreover, as resumes are written by the candidate, they are always positive and usually do not contain all of the information required. Therefore, two types of tests can be administered – e.g. the skills test and the personality test. These two tests are usually non-correlated (an excellent programmer could score very poorly on personality test). Yet personality tests are usually a good indicator of work performance.

Online testing is in its infancy. It will grow significantly in the future allowing corporations to optimize their investment in people, reduce the number of unqualified applications, screen people and help people to choose. Recruitsoft.com has been presenting a true paradigm shift in recruiting by focusing on the skills and less on the resume. Among the companies already using these technologies are:

- Microsoft (http://www.microsoft.com/skills2000) uses tests not only to select people but to attract them and help them to choose a job.
- FutureStep (http://www.futurestep.com), from Korn Ferry, determines interest and aptitude to build online profiles.
- Employment Connection from Fortune and CareerMosaic gives tests that allow you to rate your charisma quotient or EQ.
- Inacom (http://www.inacom.com) uses a game format to select its applicants.
4.6 After the hiring

The Internet allows corporations to attract and reach more potential employees (including passive job seekers) than before. Yet the ability to attract passive job seekers or employees from other corporations is a mixed blessing. Other companies also have the ability to reach your employees and may try to convince them to “jump ship.” Therefore, to be an expert at filling positions is a function we would like to provide ideally only when our corporation is growing. This in turn will prevent unnecessary turnover, which simply adds to the overhead of the company. However, if hiring is often seen as ‘important – urgent’ and retention as ‘important – non-urgent’, (see Figure 4.9), we have to acknowledge the interconnection between the two. Filling a bucket efficiently is good, but it is even better if the bucket is not leaking. Often management consultants will emphasize the key aspect of spending your energy and time on important, non-urgent tasks. Building a resume database, branding your company as an employer of choice, and retention are all important, non-urgent tasks. We will next cover the retention aspect.

It is not the intention of this report to cover retention strategies, but we would like to outline several related Internet issues that some companies are beginning to consider:

1. Do we block our Internet access to employment sites?
2. Do we monitor Internet traffic to employment sites?
3. Do we check resume databases for our own employees?
4. Do we allow employees to have a personal page with their resume?

These are a few of the issues in which proactive retention strategies have to meet corporate regulations. According to a small poll done on Monster.com, the reaction of employees is divided. To the question: “Do you know if your company monitors your Internet activity?” 40% of the 28,632 visitors replied “Yes, and it angers me.” Thirty six percent said “Yes, and I think it’s their right.”
5. ACTIVE RECRUITMENT STRATEGIES ON THE INTERNET

To develop a successful active searching plan on the Internet, it is necessary to implement these three best practices:

- Define a replicable search process
- Formulate a search plan
- Develop a knowledge of the tools

5.1 The shift toward active searching

Until very recently, few companies even considered actively looking for candidates. With a large pool of qualified candidates, a constant influx of graduates, and a tacit agreement not to hunt for competitors’ employees, active recruitment seemed both unnecessary and uncivil.

These days, in order for companies to stay competitive in the global market, it is necessary to fill mission critical positions quickly and with top-notch talent. However, these higher-level candidates, who are necessary to a corporation’s success, often do not respond to advertising. These are candidates who have experienced downsizing earlier in the 90s and have built their own network of contacts within their fields.

Though these issues are most predominant in high-growth industries such as IT and software development, they exist in nearly all sectors of the economy.

Traditional recruitment strategies—advertising in newspapers, on the radio and at career fairs—are no longer producing the desired results. The skills, resources and fortitude needed to aggressively pursue candidates have been in short supply at most companies. Consequently, they have outsourced this task.

5.1.1 Outsourcing: solution or problem?

Hiring managers are faced with a dilemma when it comes to effective use of their recruiting budget: Is my hiring criteria immediate or a sustained effort? Do I address the recruiting effort with employees or use outside resources? To stay competitive, should I:

- invest in staff development,
- use an experienced outsource team and bypass building expertise in-house,
- pay for specially trained search agencies as a cost of doing business, or,
- use specially trained contractors?
The solutions chosen are often philosophical as much as driven by budgetary considerations. There is no one answer; each manager will make his/her own choices. In either case, there exists a mix of competitive opportunities for Internet trained professionals to serve their employers and their clients, and to make money in the process.

Recruitment fees can be substantial, often amounting to 20-30% of a candidate's salary. For key positions this may be acceptable, but when fewer candidates respond to ads and outsourcing increases, the recruiting budget can be quickly strained. Sole reliance on search firms is a zero-sum game. Companies get their candidates and the recruiter retains control of the candidate database. Unfortunately, the company is no closer to finding the next candidate it needs.

In essence, search firms are information brokers. They develop files and databases of candidates and contacts, nurturing their connections to tap into a variety of business fields. These databases have served as “barriers to entry” for companies seeking to develop their own recruiting expertise.

5.1.2 Rethinking the traditional paradigm

In our heated competitive environment, more and more companies are turning to the Internet to solve their problems. The Internet makes all kinds of information infinitely more accessible and can level the playing field for anyone seeking to enter the active recruitment market. Anyone with an Internet connection can now quickly build a candidate database, given the proper strategy and tools.

With dozens of ways to find candidates, hundreds of destinations to go to and millions of sites that represent passive candidates, active sourcing can be a formidable challenge. Few recruiters have the time or expertise to develop those strategies, but it is imperative that you look into them now. Your competitors have most likely done so and may already be implementing their plans.

Today, more and more companies are seeking to develop an organization trained in active recruitment practices. In 1997, when AIRS first began to offer its training seminars in Advanced Internet Recruitment Strategies, less than 30% of the attendees were corporate recruiters and more than 70% were third-party recruiters. Two years later, the tables have turned; the greater percentage of attendees are from corporations. In fact, 40% of the companies in the Fortune 100 have received AIRS training and more than 20% of companies in the Fortune 500 have.

The use of the Internet for recruiting has expanded far beyond IT. Companies, professional organizations, conferences and trade publications are represented across industries. The number of technical Internet users is expanding rapidly and many non-technical companies are successfully recruiting these candidates.
This environment will drive more and more companies to question their approaches and practices. Some companies will only venture into well-established territory, using fee-based resume databases such as Monster.com to try to locate candidates. Others may decide they must adopt an aggressive approach, and use advanced search techniques to actively hunt for candidates inside Web sites all across the Internet. Each company must determine which active search strategies are the best fit for this competitive environment and their own recruiting culture. Companies can ill afford however, not to take advantage of Internet opportunities.

5.2 Laying the groundwork for active searching

Some of the Internet landscape for candidates is so accessible that even a casual Web watcher will stumble over a handful of commercial resume databases, such as Monster.com, HotJobs and DICE.com. These sites let companies and recruiters post jobs or search through their resume databases for candidates. They see an enormous volume of traffic and are among the most widely known locations to place resumes. Though all of these sites combined (and it is estimated there are thousands of them) may contain three to five million unique resumes, they are not necessarily the most effective places to search for candidates.

Current statistics indicate that over 92 million people in North America are online. Many of these people have an online presence—a homepage—through their Internet Service Provider (ISP), their employer, their college or a virtual community. In fact, there are more than 10 times as many candidates posting information about themselves in this way than in online resume databases.

Every homepage has the potential to be a resume, or a form of a resume. People post their homepages to share their lives and interests with others. They tell about their jobs, backgrounds and interests, creating links to similarly skilled co-workers, alumni and friends. Even if it is not called a resume, a homepage can relay the same information that a resume does—and sometimes much more.

Unlike the candidates in the pay-per-view resume databases, information about these candidates is free. As they are not actively seeking employment, they are passive candidates, and they remain hidden to a company’s competitors.

Naturally, in order to exploit this situation, it is necessary to determine where these candidates are likely to appear and how to find them. Because the Internet is not neatly organized, this can be a difficult task. It is made more complicated by the sheer volume of material on the Web—upwards of half a billion Web pages—and the lack of reliable navigational aids. It is all too easy to get lost and overwhelmed.
In order to take control of the situation and implement a successful active search strategy, we have identified three best practices:

- Defining a replicable search process
- Formulating a search plan
- Developing a knowledge of the tools

5.2.1 Defining a replicable search process

To search effectively through the enormous quantity of information on the Internet, it is critical to use a search process. Without one it is easy for recruiters to fall into the trap of following links that look interesting but take them off in other directions—often far less productive directions.

A search process keeps you focused on the job of searching and retrieving candidates on the Internet. Step by step, it lays out the plan to get you ready, keep you focused, find the right people and manage the data you gather. The search process consists of 7 steps:

1) Understand the blueprint of the Internet
   Initially, plan to spend some time understanding how the Internet is structured, why people put information up on the Internet and where that information can appear. Only with such an understanding can you begin to plan what kind of information you want to find.

2) Define your Internet search path
   There are plenty of places to look on the Internet as well as plenty of ways to look. However, you need to determine the best way to proceed so you can find good candidates quickly. Do you start looking at corporate Web sites? Or examine alumni listings at colleges? Or search for relevant associations and organizations? Or maybe peruse a newsgroup or sort through a mail list? Any of these approaches could eventually take you to the right
candidates, however, you'll be much more effective sourcing candidates with a directed strategy that helps you determine the best path to follow and the best tools to use to find your candidates.

3) **Gather search terms**
Keywords, or search terms, serve as the starting point for all your searches. They define exactly what you are looking for on the Internet. Because the Internet is so vast, you need to gather keywords that focus on precisely the candidates you are seeking. Such keywords can be descriptions of your candidates: particular words and phrases that describe a special skill, tool or practice—or locations in which candidates might appear, or the companies, groups, conferences or publications to which they might be connected.

4) **Search the Internet**
There are many ways to search the Internet. Each tool and method finds different types of information and is best suited for particular jobs. For example, to search through newsgroups you will want to use DejaNews, a search tool especially suited to that task. For highly specific searches on the Web, you will want to use a large search engine that supports complex search algorithms, such as AltaVista, Northern Light or HotBot.

5) **Retrieve candidates, additional search terms and bookmarks**
Every search you conduct is only the start of a journey. Sometimes the search takes you right to a candidate, but more often your search takes you to places that provide additional information or sites you will want to revisit.

6) **Manage, store, index and search that data**
When you retrieve information about candidates, you need to store that data in a way that allows you to access it quickly. You do not want to simply print out every relevant Web page you find: it is too time-consuming and wasteful. You need to store the data on your computer so you can get at it at a moment’s notice.

7) **Contact candidates**
Once you’ve found candidates who match your requirements, you need to contact them. Often, because of the nature of communication on the Internet, you will have to send them email messages. Spend time honing these messages: they will serve as your first impression and hopefully the start of a lasting relationship.

5.2.2 **Formulating a search plan**

Once you have established a process, you need to formulate a search plan for finding candidates. Each type of candidate that you are trying to recruit, will require their own search plan. Searching for a programmer in Silicon Valley is different from searching for a public relations director in Indianapolis. Both
types of candidates may be out on the Web, but the means you use to find them will be different. That is because they are likely to be located in different places.

On the Internet, as in the real world, people who share interests or talents group together. They want to stay informed about each other’s ideas and projects, communicate their ideas and share resources. This is how they stay savvy and marketable. They do this through discussions on mailing lists and newsgroups or they create links to each other’s sites and personal homepages. Finding one candidate often leads you to many more.

Even though you may be looking for hundreds of different types of candidates, our research indicates there are three distinct categories that all types of candidates fit into regardless of their backgrounds, education and skills. These categories are **public, specialized** and **perpetual**.

**Public** candidates are people who speak for a company, serve on its board or managerial staff or are profiled in the press. They are often the easiest types of candidates to find because their companies like to disseminate the names, titles and biographies of these upper-level employees.

**Specialized** candidates are people whose skill sets define them as unique individual contributors or multi-skilled managers. These people are more difficult to find and they are also less likely to respond to general calls for interest.

**Perpetual** candidates are people whose skill sets match the openings you are constantly trying to fill, providing the core skills and services the organization needs. You search for these candidates by data mining: sorting through lists and groups for people who match your requirements.

Any candidate search also has an associated priority that defines what is most important about the candidate you are seeking. These priorities are **industry**, **skill** and **location**.

For example, if you need a project manager who has experience with new drug applications in the pharmaceutical industry, your priority is industry. The other priorities factor into your search, but industry is the most critical element.

Using these criteria as our starting point, we can create a matrix of the candidate types and search priorities.
The intersecting points define specific candidates and the search plans needed to find them. For each such intersection, there is a specific search plan to follow.

For example, if you are looking for a VP of community relations in Minneapolis (a public candidate with location as priority), the matrix points to a search plan that helps you find a public candidate who has the required skills and is located in a specific area. This search plan describes a course of action to follow and the best places to look.

In this case, when looking for a candidate who must be located in a particular area, you begin by searching through local news sites. Candidates at this level will likely be quoted or appear in feature articles. You can qualify such a search according to title, job responsibility or likely source companies.

Next, you will want to look into Web sites of local source companies who might already employ someone in this role. You should also search for company profiles of local companies to see if you can unearth contact information that way.

If these actions do not yield any candidates, you should try searching by page title for press releases, profiles and directories that match your location and the skills of the candidate.

Finally, you could look into the Web sites of local organizations, conferences and colleges to see if your candidate has ties to relevant local groups or is an alumnus of a local school.

5.2.3 Developing a knowledge of the tools

In order to perform each course of action described in the search plan, you need to develop a working knowledge of the tools that allow you to find candidates.

Remember, the Internet is a giant database – far bigger than the resume databases. You need a way to pull information from that database just like you are able to pull information from a resume database. While you can search for a word like resume or a phrase like AS/400 programmer, such searches return too much information to be effective. You must be able to focus your search to find candidates who meet your specific requirements.

To do that you need to employ advanced search techniques. Two of the most important tools to employ are:

- Advanced Internet search strings
- Source searching techniques
A) **Advanced Internet search strings** allow you to specify exactly what you are looking for. Similar to the expressions you create to query a database, search strings are complex expressions that let you search the Internet. There are several elements to search strings.

First, they utilize **Boolean logic**. Rather than just searching for a word or phrase, you need to search for a variety of words and phrases. Using Boolean logic (AND, OR, NOT) allows you to describe in greater detail the words and phrases you want to appear in a document. Employing a set of connectors (AND/OR/NOT) and qualifiers (quotations and wildcards), you can refine such searches so specific words must or must not appear. For example, a search for an AS/400 programmer in Texas could be written as:

```
resume AND (AS/400 OR as400) AND (Texas OR TX)
```

Second, they employ **field search commands**. Sometimes you know that a word will appear in a specific location as part of a Web page. The word resume, for example, is likely to appear as the title of a page rather than on the page itself. (You don’t see the word resume on a printed resume.) With field search commands, you can look for the word resume in just the title of a page, narrowing the set of pages you’ll get back. For example, you can search for resumes this way:

```
title:resume AND “unix system administrator” AND (Illinois OR IL)
```

Finally, they are constructed by doing some **“outside-the-box” keyword thinking**. Instead of just searching for the typical words that might describe a candidate, such as resume and programmer, you need to come up with specific words that only such a candidate would use. These are the buzzwords and lingo that are used in the industry. Using such words or phrases will lock onto qualified candidates quickly. For example, if you know that Webmasters are likely to talk about ASP, CGI and PERL, you will want to consider using those terms in your searches.

B) **Source searching techniques** allow you to dig into specific Web sites to search for passive candidates. Often, you do not need to search the entire Internet for candidates because you already know where they are. They gather at the companies, organizations and educational institutions to which they have connections: the colleges they attended, the professional associations and user groups they belong to, publications they write for and the source companies they work for.

Of course, you will need to do some research to find such sites. Once you determine where these places exist on the Web, you can use special search techniques to examine what is inside these sites and who links to them. Two such techniques, known as X-Raying and Flip-and-Search, give you the opportunity to discover candidates in places most recruiters never look.
The X-Ray command allows you to look inside a Web site. You can search through all the pages that exist on a server. Search engines index all of the pages on a server but companies and organizations link you to the information they specifically want you to see. X-Ray shows what is INSIDE the servers of source companies, colleges and other organizations—including everything else on the server the search engine has indexed. It helps locate precisely those pages that contain information about your candidates. It provides a quick way to get right at the people who are important to you.

For example, if you find a user group that focuses on a skill your candidate needs, you may want to see if there are resumes or profiles of the people who run the group. You can also look at the alumni site of a college that offers a specialized degree that your candidate needs to have. X-Raying provides a powerful tool for delving into sites.

A second technique, Flip-and-Search, allows you to look at all the people who are linked to a particular location. For example, if you find an organization or publication that is important to your candidates, they are
likely to create links from their Web pages to that site. With X-Ray you can look inside the server. With Flip-and-Search you look outside in order to find everyone linked to the server. Everything that is linked is related in some way.

Once again, you need to find a site that candidates are likely to link to a source company, a college, a conference or simply an industry resource. From the list of links to that site, you can narrow your search to find only pages that describe your candidates.

For example, if one of your competitors is shutting down some of its operations, you can use Flip-and-Search to find candidates whose homepages are linked to their corporate Web site. Qualifying such searches with specialized keywords can help you find candidates who are weighing their options.

Knowing how and where to use such tools and techniques can help you to find the candidates you need, making your active searches faster and more effective.
6. CONCLUSION

Our research identified five emerging trends in Internet recruiting:

1) Using the Internet as the main means for recruiting is already a reality for some organizations. We expect organizations will be driven by cost and software integration to make this methodology the standard for all.

2) The recruitment profession is undergoing significant changes. The recruiter needs new skills in order to excel in this new environment. Recruiters will have to learn to market their companies to job seekers in order to compete with other companies on the Web. They will need to maintain strong interview skills in order to effectively screen responses to job postings. Most importantly, however, they will have to become skilled Internet researchers capable of being effective “data miners” in order to successfully search the Net.

3) Online testing and pre-screening will evolve, eliminating the cumbersome duties of sorting through thousands of resumes. These preliminary stages will cut down the number of resumes submitted for the various online job postings for which there are no skills shortages. They can also act as mini-interviews to screen out unqualified candidates. Innovative approaches such as video conferencing interviews, interactive skill games and online testing will emerge.

4) Recruiting agencies without some form of added value in terms of pre-selection will lose market share. The surviving agencies will become experts in constructing services tailored to customers and in building detailed databases of highly skilled candidates. Eventually, these agencies may become outsourced HR departments dealing directly with line managers and the posting of jobs.

5) Companies will maintain relationships and a database of candidates. The evolution in recruitment automation software will lead to changes in the client server architecture. Eventually, the software automation solution will not reside on the recruiter’s server, but on the software provider’s, with the recruiter being able to access it through the Web. The Internet will become the “virtual” network, allowing companies to manage, share and store profiles through their browser without needing to maintain an in-house database.
7. APPENDICES
APPENDIX A – INTERNET RECRUITING CHECKLIST

The following checklist is designed as a benchmarking exercise - helping companies to identify what they can do to implement or improve an Internet recruitment strategy. The checklist is divided into three sections:

A. **Best Practices**: Ensure that the site is optimally designed for recruitment purposes.
B. **Participation Rates**: Determine how popular Internet recruiting is with candidates.
C. **Results**: Understand the effectiveness of Internet recruiting, quantifying the cost and speed of recruiting.

Companies that have experience with online recruiting are in a position to complete all three sections. Companies that are planning to implement an Internet recruiting strategy will only use Section A at this point, but can turn to Sections B and C when ready to evaluate initiative. HR managers working collaboratively with the Web site team will achieve positive and effective results for the entire organization.

A. **BEST PRACTICES**

The best practices for successful Internet recruiting are listed below. Top Internet recruiters answered YES to the following questions. For each answer that you tick as a NO, determine whether it would be appropriate to initiate the action, given the unique circumstances of your organization. These best practices follow the structure of Chapter 4, with the referring paragraphs listed.

1. **Attract potential employees to your Web site**

<table>
<thead>
<tr>
<th><strong>NEWSPAPER ADVERTISING</strong></th>
<th>Yes</th>
<th>No</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Do you continue to use newspaper and trade journal advertisements to list job openings?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.1</td>
</tr>
<tr>
<td>1.2 Is your URL included in all print ads?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.1</td>
</tr>
<tr>
<td>1.3 Has the emphasis of your print ads shifted from listing specific jobs to indicating that detailed job opportunities can be found on the Web site?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.1</td>
</tr>
</tbody>
</table>

<p>| <strong>ONLINE CAREER BOARDS/ONLINE NEWSPAPERS</strong> | | |
|---------------------------------------------|-----|----|-----------|
| 1.4 Have you evaluated several job boards/online newspapers for the following criteria: industry, regional focus, no. of visitors and no. of resumes? | ❑ | ❑ | 4.2.3 |
| 1.5 Have you evaluated the job boards/online newspapers based on the following criteria: length of individual visit, price per posting and number of jobs posted? | ❑ | ❑ | 4.2.3 |</p>
<table>
<thead>
<tr>
<th>ONLINE CAREER BOARDS/ONLINE NEWSPAPERS (continued)</th>
<th>Yes</th>
<th>No</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6 Do you include a link to your corporate Web site in your online career board or newspaper postings?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.3</td>
</tr>
<tr>
<td>1.7 Have you created a short-list of the job boards by job type?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.3</td>
</tr>
<tr>
<td>SEARCH ENGINES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.8 Is the employment page of your Web site indexed with the major search engines?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.4</td>
</tr>
<tr>
<td>NEWGROUPS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.9 Do you post job openings on newsgroups?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.5</td>
</tr>
<tr>
<td>WWW ADVERTISING BANNERS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.10 Do you have an online advertising budget?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.6</td>
</tr>
<tr>
<td>1.11 Have you determined a short-list of Web sites where potential employees can be found?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.6</td>
</tr>
<tr>
<td>1.12 Have you already used, or do you plan to use, banners on these sites?</td>
<td>❑</td>
<td>❑</td>
<td>4.2.6</td>
</tr>
</tbody>
</table>

2. Sell your company

<table>
<thead>
<tr>
<th>APPROPRIATE INFORMATION</th>
<th>Yes</th>
<th>No</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Is the following information included on the corporate Web site?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a job openings with the company</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>b sufficient description of the positions</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>c location of jobs</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>d compensation and benefits</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>e general corporate information</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>f description of the corporate culture</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>g description of the work environment</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>2.2 Is there a job listings search engine (to search by location, area of expertise or department)?</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
<tr>
<td>2.3 Do you have links from your corporate Web site to local information sites such as the local chamber of commerce, tourist bureau or board of education?</td>
<td>❑</td>
<td>❑</td>
<td>4.3</td>
</tr>
</tbody>
</table>
### 3. Help them apply

<table>
<thead>
<tr>
<th>DESIRED FEATURES</th>
<th>Yes</th>
<th>No</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Is the “How to Apply” link easy to find?</td>
<td>❑</td>
<td>❑</td>
<td>4.4</td>
</tr>
<tr>
<td>3.2 Do you offer job seekers the option to send in their resumes electronically, as well as by fax and by mail?</td>
<td>❑</td>
<td>❑</td>
<td>4.4</td>
</tr>
<tr>
<td>3.3 Do you specify which is your preferred medium for receiving resumes?</td>
<td>❑</td>
<td>❑</td>
<td>4.4</td>
</tr>
<tr>
<td>3.4 If you offer the option of sending a resume by email, do you specify which format you want it in?</td>
<td>❑</td>
<td>❑</td>
<td>4.4</td>
</tr>
<tr>
<td>3.5 Is there an online resume builder, including the option to update the resume at a later time?</td>
<td>❑</td>
<td>❑</td>
<td>4.4</td>
</tr>
</tbody>
</table>

### 4. Streamline the processing of applications

<table>
<thead>
<tr>
<th>SOFTWARE AUTOMATION</th>
<th>Yes</th>
<th>No</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Does the Human Resources department use software programs to automate the major functions, such as:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Resume management, including:</td>
<td>❑</td>
<td>❑</td>
<td>4.5.2</td>
</tr>
<tr>
<td>• storing in a central place</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• searching</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• leaving notes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Workflow, including:</td>
<td>❑</td>
<td>❑</td>
<td>4.5.3</td>
</tr>
<tr>
<td>• automated answer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• candidate status</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• report generation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• HRMA integration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Internet integration, including:</td>
<td>❑</td>
<td>❑</td>
<td>4.5.4</td>
</tr>
<tr>
<td>• accepting resumes online</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• multiple postings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• automatic email response</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• email job openings (push)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### B. PARTICIPATION RATES

Human Resources departments need to be fully aware of how popular the corporate Web site is for recruiting. This section helps companies get a better sense of how important potential employees are as a user group of the Web site.

#### 6. Popularity of the employment page

<table>
<thead>
<tr>
<th>PAGE VISITS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>How many visitors are there to the Web site each month?</td>
</tr>
<tr>
<td>6.2</td>
<td>How many visitors are there to the employment page each month?</td>
</tr>
<tr>
<td>6.3</td>
<td>Not including the home page, how does the employment page rank in visitor popularity?</td>
</tr>
</tbody>
</table>

#### 7. Source of applications

For this section, collect the data for a fixed time period, ideally on a quarterly or half-yearly basis.

<table>
<thead>
<tr>
<th>TOTAL APPLICATIONS RECEIVED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>How many resumes were received during this period?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPLICATIONS RECEIVED FROM THE INTERNET</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2</td>
<td>How many applications came from the Internet (both the Web site and job boards)?</td>
</tr>
<tr>
<td>7.3</td>
<td>What percentage of total applications came from the Internet?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPLICATIONS RECEIVED FROM PRINT MEDIA CAREER SECTIONS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.4</td>
<td>How many applications came from ads in the career section of newspapers and trade journals?</td>
</tr>
<tr>
<td>7.5</td>
<td>What percentage of total applications came from ads in the career section of newspapers/trade journals?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPLICATIONS RECEIVED AT JOB FAIRS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.6</td>
<td>How many applications were received at job fairs?</td>
</tr>
<tr>
<td>7.7</td>
<td>What percentage of total applications came through job fairs?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPLICATIONS RECEIVED THROUGH EMPLOYEE REFERRALS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.8</td>
<td>How many applications were received through employee referrals?</td>
</tr>
<tr>
<td>7.9</td>
<td>What percentage of total applications came through employee referrals?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPLICATIONS RECEIVED THROUGH CAMPUS RECRUITING</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.10</td>
<td>How many applications were received through campus recruiting?</td>
</tr>
<tr>
<td>7.11</td>
<td>What percentage of total applications came through campus recruiting?</td>
</tr>
</tbody>
</table>
C. RESULTS

Section C is designed to assist managers in determining the effectiveness of Internet recruiting in terms of its cost and speed, as well as in assessing the importance of specific job boards. Given the rapid increase in Internet recruiting, these numbers will shift and should be updated regularly.

8. Cost of recruitment (see appendix F for details)

<table>
<thead>
<tr>
<th>INTERNET RECRUITING</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 What was the cost per Internet recruit? $</td>
</tr>
<tr>
<td>8.2 What was the cost per newspaper/trade journal recruit? $</td>
</tr>
<tr>
<td>8.3 What was the cost per job fair recruit? $</td>
</tr>
<tr>
<td>8.4 What was the cost per headhunter recruit? $</td>
</tr>
<tr>
<td>8.5 What was the cost per campus recruit? $</td>
</tr>
</tbody>
</table>

9. Time savings

<table>
<thead>
<tr>
<th>SAVINGS IN THE RECRUITMENT CYCLE</th>
<th>Days</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1 How many days are there between the identification and posting of a job opening?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a • on the Web site?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>b • in newspapers?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>9.2 How many days are there between the advertising of a job opening and the reception of resumes?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a • on the Web site?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>b • in newspapers?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>9.3 How many days does it take the HR department to process a resume received:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a • by Internet?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>b • by fax or mail?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>9.4 After the resume has been processed, how many days does it take to hire a candidate whose application was received:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a • by Internet?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>b • by fax or mail?</td>
<td>3.1.2</td>
<td></td>
</tr>
<tr>
<td>9.5 How many days are saved in total during the recruiting cycle by using the Internet?</td>
<td>3.1.2</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX B – OVERALL PICTURE

**Newspapers & other print**
- Shorter ads
- Advertise Web site

**Career Fairs**
- First interview

**Search Firms**
- For hard-to-find executives only

**Referrals**
- Expand using Internet networking power

**Corporate Web Site**
- Centerpiece for advertising and selling company

**Recruiters**
- Become more of a marketer, Web researcher and screener

**Software Tools**
- To store and manage profiles
- To screen candidates
- Access candidate databases
- Focus on cultural fit

**Job Boards**
- Selected by traffic, industry and location

**Searching**
- Resume banks
- Search engine
- Spiders/agents

**Usenet**
- Automated posting
- Lead generation

**Line Managers**
- Target passive job seekers
- Generate traffic

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## APPENDIX C – INTERNET RECRUITING IMPACT

The following chart is designed as a tool for companies to identify the impact of Internet recruiting on their firm.

<table>
<thead>
<tr>
<th>What is your ...</th>
<th>Low impact</th>
<th>High impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Healthcare</td>
<td>High tech</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Healthcare</td>
<td>High tech</td>
</tr>
<tr>
<td>Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>Europe</td>
<td>North America</td>
</tr>
<tr>
<td>Asia</td>
<td>Europe</td>
<td>North America</td>
</tr>
<tr>
<td>Asia</td>
<td>Europe</td>
<td>North America</td>
</tr>
<tr>
<td><strong>Position to fill</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manual Workers</td>
<td>Sales &amp; Marketing</td>
<td>IT &amp; Engineering</td>
</tr>
<tr>
<td>Manual Workers</td>
<td>Sales &amp; Marketing</td>
<td>IT &amp; Engineering</td>
</tr>
<tr>
<td>Middle management</td>
<td>Graduates</td>
<td></td>
</tr>
<tr>
<td><strong>Company brand awareness</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No brand awareness</td>
<td>Internationally known</td>
<td></td>
</tr>
<tr>
<td>No brand awareness</td>
<td>Internationally known</td>
<td></td>
</tr>
<tr>
<td>Locally known</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Web site traffic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low traffic</td>
<td>High traffic</td>
<td></td>
</tr>
<tr>
<td>Low traffic</td>
<td>High traffic</td>
<td></td>
</tr>
<tr>
<td><strong>Main traditional recruiting medium</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Referrals and internal posting</td>
<td>Campus recruiting</td>
<td>Newspapers</td>
</tr>
<tr>
<td>Fairs</td>
<td>Search Firms</td>
<td></td>
</tr>
</tbody>
</table>
**APPENDIX D – LINKS**

Listed here are the major links mentioned in the report as well as links for online recruitment.

1. **Newspapers Online:**

   CareerPath http://new.careerpath.com/

2. **Job Boards (alphabetical)**

   America’s Employers http://www.americasemployers.com
   America’s Job Bank http://www.ajb.dni.us/
   Best Jobs USA http://www.bestjobsusa.com/
   CareerBuilder http://www.careerbuilder.com/
   CareerMosaic http://www.careermosaic.com/
   CareerWeb http://www.careerweb.com
   DICE.com http://www.dice.com
   Fortune.com careers http://cgi.pathfinder.com/fortune/careers/
   GoJobs http://www.gojobs.com
   HeadHunter.net http://www.headhunter.net/
   HotJobs http://www.hotjobs.com/
   JobBank USA http://www.jobbankusa.com/
   JobOptions (E-Span) http://www.joboptions.com/
   Monster.com http://www.monster.com/
   NationJob http://www.nationjob.com
   Net-Temps http://www.net-temps.com/
   Yahoo Classifieds http://classifieds.yahoo.com/employment.html

   For more links go to http://www.rileyguide.com/ or http://www.airsdirectory.com

3. **Newsgroups**

   DejaNews http://www.dejanews.com/
   Reference.com http://www.reference.com/

4. **Search Engines and Directories:**

   AltaVista http://www.altavista.com
   Excite http://www.excite.com/
   Go.com (InfoSeek) http://www.go.com/
   HotBot http://www.hotbot.com
   Lycos http://www.lycos.com/
   Northern Light http://www.northernlight.com/
   Yahoo http://www.yahoo.com
APPENDIX E – METHODOLOGY

The 1998 recruitsoft.com/iLogos Research report Achieving Results With Internet Recruiting is based on a review of existing studies and articles on electronic recruitment, an analysis of leading Web sites and a survey of 50 Global Fortune 500 companies that are currently using the Internet for recruiting purposes. To maintain confidentiality, these companies are not identified in the report.

The report examines companies from a wide range of industries. We have not limited our review to high tech companies, even though they are often the most advanced in the use of online recruiting.

The data for the survey was gathered by telephone interviews of human resource and information technology professionals. The survey took place in the first quarter of 1999, with the final data analysis completed in April to June 1999.

All statistics given in this report based on the full sample are 95% statistically significant +/- 13%, except the Global Fortune 500 chart on figure 2.5, significant at +/- 4%. All the conclusions are based on 95% statistically significant differences.
APPENDIX F – COST PER HIRE

The cost per hire is important information to compute in order to optimize your processes as well as your recruiting channels. In order to help you to identify the variables, we built matrices inspired by the models available to date:

<table>
<thead>
<tr>
<th>MAIN COMPONENTS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For this section, collect the data for a fixed time period, ideally on a quarterly or half-yearly basis.</strong></td>
<td></td>
</tr>
</tbody>
</table>

1 INTERNAL COSTS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 What were your staff salary costs?</td>
<td>$ a</td>
</tr>
<tr>
<td>1.2 What were your benefits costs (bonuses, etc.)?</td>
<td>$ b</td>
</tr>
<tr>
<td>1.3 What were your staff travel, lodging and entertainment costs?</td>
<td>$ c</td>
</tr>
<tr>
<td>1.4 What is the time spent by your staff on the following recruiting channels:</td>
<td>Staff cost per channel (multiply % by (a+b))</td>
</tr>
<tr>
<td>a. Internet</td>
<td>....%</td>
</tr>
<tr>
<td>b. Newspapers</td>
<td>....%</td>
</tr>
<tr>
<td>c. Job fairs</td>
<td>....%</td>
</tr>
<tr>
<td>d. Campus fairs</td>
<td>....%</td>
</tr>
<tr>
<td>e. Search firms</td>
<td>....%</td>
</tr>
<tr>
<td>f. Referral</td>
<td>....%</td>
</tr>
</tbody>
</table>

2 BRANDING COST

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 What is the total cost of print, radio, billboards, etc.?</td>
<td>$</td>
</tr>
</tbody>
</table>

3 HIRING COSTS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 What were your travel costs (including meals, lodging, etc.)?</td>
<td>$ d</td>
</tr>
<tr>
<td>3.2 What were your video conferencing costs?</td>
<td>$ e</td>
</tr>
<tr>
<td>3.3 What were your ‘signing bonus’ costs?</td>
<td>$ f</td>
</tr>
<tr>
<td>3.4 What were your interview/testing tool costs?</td>
<td>$ g</td>
</tr>
<tr>
<td>3.5 What were your reference-check costs?</td>
<td>$ h</td>
</tr>
<tr>
<td>3.6 What were your total training costs?</td>
<td>$ i</td>
</tr>
<tr>
<td>3.7 What were your total relocation costs?</td>
<td>$ j</td>
</tr>
<tr>
<td>3.8 The total hiring cost (k=d+e+f+g+h+i+j)</td>
<td>$ k</td>
</tr>
</tbody>
</table>

4 OPPORTUNITY COST

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 What were the average opportunity cost per day?</td>
<td>$ l</td>
</tr>
</tbody>
</table>

---

1 The Saratoga Institute and Cluff & Associates
2 No distinctions have been made if online selection and screening are used.
<table>
<thead>
<tr>
<th>CHANNEL SPECIFIC COSTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>For this section, collect the data for a fixed time period, ideally on a quarterly or half-yearly basis</em></td>
<td></td>
</tr>
<tr>
<td><strong>INTERNET CHANNEL</strong></td>
<td></td>
</tr>
<tr>
<td>5.1 How many new recruits hired during the period applied through the Internet?</td>
<td>a1</td>
</tr>
<tr>
<td>5.2 What was the average time taken to fill a position by this channel?</td>
<td>days b1</td>
</tr>
<tr>
<td>5.3 What was the cost of maintaining the employment section of the Web site?</td>
<td>$ c1</td>
</tr>
<tr>
<td>5.4 What was the cost of additional software packages to support recruiting on the Internet?</td>
<td>$ d1</td>
</tr>
<tr>
<td>5.5 What was your total spending on Internet job boards been?</td>
<td>$ e1</td>
</tr>
<tr>
<td>5.6 What was your total spending on Internet resume databases?</td>
<td>$ f1</td>
</tr>
<tr>
<td>5.7 What was your total spending on advertising banners on Internet sites?</td>
<td>$ g1</td>
</tr>
<tr>
<td>5.8 What was your total cost of Internet recruiting?</td>
<td>$ h1</td>
</tr>
<tr>
<td>5.9 What was your the staff cost? (see 1.4)</td>
<td>$ i1</td>
</tr>
<tr>
<td>5.10 What was your total Internet cost? (j1=h1+i1)</td>
<td>$ j1</td>
</tr>
<tr>
<td>5.11 What was your total cost per Internet recruit?</td>
<td>$ k1</td>
</tr>
<tr>
<td>5.12 Opportunity cost (multiply b1 by l)</td>
<td>$ l1</td>
</tr>
<tr>
<td><strong>PRINT MEDIA CHANNEL</strong></td>
<td></td>
</tr>
<tr>
<td>6.1 How many new recruits hired during the period applied through print advertising?</td>
<td>a2</td>
</tr>
<tr>
<td>6.2 What was the average time taken to fill a position by this channel?</td>
<td>days b2</td>
</tr>
<tr>
<td>6.3 What was the cost of newspaper/trade journal advertising/advertising agency?</td>
<td>$ c2</td>
</tr>
<tr>
<td>6.4 What was your staff cost (see 1.4)?</td>
<td>$ d2</td>
</tr>
<tr>
<td>6.5 What was your total print cost? (e2=c2+d2)</td>
<td>$ e2</td>
</tr>
<tr>
<td>6.6 What was your cost per print media recruit?</td>
<td>$ f2</td>
</tr>
<tr>
<td>6.7 Opportunity cost (multiply b2 by l)</td>
<td>$ g2</td>
</tr>
</tbody>
</table>

3 Typically it is around $1,000 per day per position, but here occupation level can impact greatly.
### JOB FAIRS CHANNEL

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many new recruits hired during the period applied through job fairs?</td>
<td>$a_3$</td>
</tr>
<tr>
<td>What was the average time to fill a position by this channel?</td>
<td>$b_3$</td>
</tr>
<tr>
<td>What has your cost of job fairs been?</td>
<td>$c_3$</td>
</tr>
<tr>
<td>What were your staff costs (see 1.4)?</td>
<td>$d_3$</td>
</tr>
<tr>
<td>What were your travel cost associated with job fairs? (fraction of c)</td>
<td>$e_3$</td>
</tr>
<tr>
<td>What were your total job fair costs?</td>
<td>$f_3$</td>
</tr>
<tr>
<td>What were your cost per job fair recruit?</td>
<td>$g_3$</td>
</tr>
<tr>
<td>Opportunity cost (multiply b3 by l)</td>
<td>$h_3$</td>
</tr>
</tbody>
</table>

### CAMPUS FAIRS CHANNEL

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many new recruits hired during the period applied through campus fairs?</td>
<td>$a_4$</td>
</tr>
<tr>
<td>What was the average time to fill a position by this channel?</td>
<td>$b_4$</td>
</tr>
<tr>
<td>What was your cost of campus fairs?</td>
<td>$c_4$</td>
</tr>
<tr>
<td>What was your staff cost (see 1.4) ?</td>
<td>$d_4$</td>
</tr>
<tr>
<td>What was your travel cost associated with campus fairs? (fraction of c)</td>
<td>$e_4$</td>
</tr>
<tr>
<td>What was your total campus fairs costs?</td>
<td>$f_4$</td>
</tr>
<tr>
<td>What was your cost per campus recruit?</td>
<td>$g_4$</td>
</tr>
<tr>
<td>Opportunity cost (multiply b4 by l)</td>
<td>$h_4$</td>
</tr>
</tbody>
</table>
### SEARCH FIRM CHANNEL

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many new recruits hired during the period applied through search firms?</td>
<td>(a_5)</td>
</tr>
<tr>
<td>What was the average time taken to fill a position by this channel?</td>
<td>(b_5)</td>
</tr>
<tr>
<td>What was your cost of search firms?</td>
<td>(c_5)</td>
</tr>
<tr>
<td>What was your staff cost (see 1.4)?</td>
<td>(d_5)</td>
</tr>
<tr>
<td>What was your total search firm cost?</td>
<td>(e_5)</td>
</tr>
<tr>
<td>What was your cost per search firm recruit?</td>
<td>(f_5)</td>
</tr>
<tr>
<td>Opportunity cost (multiply (b_5) by (l))</td>
<td>(g_5)</td>
</tr>
</tbody>
</table>

### REFERRALS CHANNEL

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many new recruits hired during the period applied through referrals?</td>
<td>(a_6)</td>
</tr>
<tr>
<td>What was the average time taken to fill a position by this channel?</td>
<td>(a_6)</td>
</tr>
<tr>
<td>What was your cost of referrals?</td>
<td>(c_6)</td>
</tr>
<tr>
<td>What was your staff cost (see 1.4)?</td>
<td>(d_6)</td>
</tr>
<tr>
<td>What was your total referral cost?</td>
<td>(e_6)</td>
</tr>
<tr>
<td>What was the cost per referral recruit?</td>
<td>(f_6)</td>
</tr>
<tr>
<td>Opportunity cost (multiply (b_6) by (l))</td>
<td>(g_6)</td>
</tr>
</tbody>
</table>

### OVERALL SUMMARY

<table>
<thead>
<tr>
<th>Source</th>
<th>Cost per recruit</th>
<th>Opportunity cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>$k_1$</td>
<td>$l_1$</td>
</tr>
<tr>
<td>Newspapers</td>
<td>$f_2$</td>
<td>$g_2$</td>
</tr>
<tr>
<td>Job fairs</td>
<td>$g_3$</td>
<td>$h_3$</td>
</tr>
<tr>
<td>Campus fairs</td>
<td>$g_4$</td>
<td>$h_4$</td>
</tr>
<tr>
<td>Search firms</td>
<td>$f_5$</td>
<td>$g_5$</td>
</tr>
<tr>
<td>Referrals</td>
<td>$f_6$</td>
<td>$g_6$</td>
</tr>
</tbody>
</table>
APPENDIX G – INTERNET RECRUITING TERMINOLOGY

Banners: Images displayed on a Web site to advertise a service or a product. Advertising banners are also a hyperlink to the advertiser’s site.

Cache: On your computer’s hard drive, each Web page visited is stored on the client’s computer to speed up subsequent viewing. The cache can also be a local copy for several users on a local server.

Hits: The number of hits is the numbers of files downloaded from the server. A typical Web page will often have approximately 10 hits (one for the page itself and one for each image).

Hyperlink: Or more simply “link,” is a text or image that gives access to another part of the Internet by clicking on its surface.

Job Board: A Web site specialized in posting job openings, usually searchable by keyword, location or industry. Job boards are typically either the online version of a newspaper career section or a Web site devoted strictly to promoting job opportunities (for example: MonsterBoard, Online Career Center, CareerMosaic).

Newsgroup: A collection of messages created by a group that makes up a discussion of a specific subject. The group can be moderated or not.

Resumes Banks: A searchable database of resumes of job seekers, often included on a job board.

Robot (or Bot)/Agent: A program that works as an agent for someone, often as a searcher of information. In the case of resume gathering, a Bot searches resumes online.

Search Engines: A search engine is an online tool that searches for data according to the description you supply. It searches a static database of millions of pages, known as an index. The largest, most robust search engines for active recruitment searches are AltaVista and Northern Light, among others. Directories, sometimes mistaken for search engines, manually index all of their content rather than using automated methods. They are typically much smaller than search engines. Two of the most well known and popular directories are Yahoo! and Excite. Company URLs should be submitted to directories and search engines alike.

Traffic (Web site ~): A measure of the usage of a Web site most often indicated by the number of hits or the number of visitors.

URL (Uniform Resource Locator): A technical term to describe the Internet address of a site. For the World Wide Web, it usually has the form: http://www.companyname.com.

Visitor: A single computer accessing a server; one visitor can easily see 10 pages and generate 100 hits.
AIRS and recruitsoft.com/iLogos Research jointly develop and distribute intelligence reports for the Internet recruitment market. recruitsoft.com/iLogos Research is a private research firm, noted for publishing the first statistics-based report profiling the rapid evolution of Internet recruitment in North America. As the market leader in Internet recruitment training, AIRS is uniquely positioned to report on the thousands of Web-savvy companies that are beginning to use the Net as a data warehouse, filled with candidates they can pro-actively hunt.

This report examines the strategies, successes and failures brand-leading global 500 firms have experienced on the Net. It also focuses on the initiatives these companies have underway to lower their recruitment costs, reduce hiring cycle time and attract higher caliber candidates.

About recruitsoft.com/iLogos Research
The research arm of recruitsoft.com, recruitsoft.com/iLogos Research grew out of the acquisition of iLogos—the pre-eminent North American analytical and consulting organization. It is headed by iLogos founder, and esteemed analyst and speaker, Yves Lermusiaux; and oft-quoted industry expert, former Kennedy Information Senior Analyst Alice Snell. The research team includes a number of analysts and consultants who specialize in tracking the trends and developments in the Internet recruiting industry. recruitsoft.com/iLogos Research is dedicated to understanding and meeting the needs of corporations looking for ways to win in today’s talent wars.

About recruitsoft.com
recruitsoft.com (www.recruitsoft.com) is a California-based Application Service Provider (ASP) delivering the most complete online recruiting solutions for corporations. recruitsoft.com’s “Recruiter WebTop™” application powers the career Web pages of large corporations and also provides a complete business application over the Internet that supports every aspect of the corporate recruiting process including requisition management, sourcing management, global collaboration management, recruiting workflow management, candidate relationship management and Web access to a range of recruitment enhancement services. recruitsoft.com’s system is 100% Web-based and requires no additional software, server installation or maintenance. It can be configured easily to each company’s specific requirements, and billing is on a pay-per-hire basis.

recruitsoft.com’s solution is unique in its ability to manage and process all sources of candidates, both active and passive. It also provides on-line skill-based recruiting that automates pre-screening and electronic head hunting. recruitsoft.com’s customers include major corporations in North America in the fields of high technology, aerospace, manufacturing, finance and professional services. The company is funded in part by Telesystem Software Ventures L.P. (Telsoft), a venture-capital arm of Telesystem Ltd., a Red Herring Top 100 company, and by Omnicom (NYSE:OMC), the world’s leading provider of marketing communications and advertising services, through its Internet investment arm, Communicade.

About AIRS
Founded in 1997, AIRS is the largest provider of Internet recruitment training services worldwide. AIRS Seminars, Corporate Training and Search Guide publications have helped over 3500 clients in high-growth companies and recruitment organizations define their active sourcing strategies via the World Wide Web. AIRS vertical portal at http://www.airsdirectory.com has become the starting point for hunting tens of millions of passive candidates hidden on the Net.
Some comments about recruitsoft.com/iLogos Research' 1998 Achieving Results with Internet Recruiting Report:

"For the serious strategists out there, we are particularly impressed with a study entitled 'Achieving Results with Internet Recruiting' published by iLogos Corporation... We think it's the first quality effort at gathering data that goes beyond anecdotal information to expert observation."
Gerry Crispin and Mark Mehler
Authors of CAREERXROADS

"Excellent report. To the point and clear in demonstrating what is required for successful recruiting on the Internet - an outstanding tool to help companies implement or improve their Internet recruitment strategy. Essential reading for HR managers..."
Anna Ciciretto
Manager, Human Resources
Nielsen Media Research Limited