

EMPIRICAL STUDY ON THE RELATIONSHIP BETWEEN ELECTRONIC RECRUITMENT AND ORGANIZATIONAL PERFORMANCE: EVIDENCE FROM NIGERIA MANUFACTURING COMPANIES

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Abstract

The study examined the relationship between electronic recruitment and organizational performance with particular reference to selected manufacturing companies in Ibadan metropolis. Structured questionnaire was used to collect data from twenty (20) respondents through purposive method. Data was analyzed with the aid of Pearson Product Moment Correlation (PPMC) Analytical Technique. The result revealed that e-recruitment and news paper were significantly influence organizational performance in terms of saving cost and time management, while other recruitment sources also have positive impact on organizational performance but not significant. The result also indicated that internet has been accepted and widely used as the source to find the job placement. However, newspaper is also equally popular as a recruitment source. The paper finally recommended that firms should design very simple and attractive web site that job seekers will be able to use successfully.

Key words: E-Recruitment, News Paper, Organizational Performance, Nigeria

Introduction

The success of organizations in this global modern business environment depends on the calibre of the manpower that steers the day to day affairs of the organizations. The process of recruiting and selecting

all categories of employees into both private and public companies has been a matter of concern to many and this needs a serious attention. According to Holm (2012), recruitment is a core function of organizations, which consists in increasing the human capital to pursue strategic goals. The modern technological innovation has improved the process of recruiting knowledge sources by using the internet. It allows organizations to make cost savings, update job offers and status at any time, to shorten the recruitment cycle time, to identify and select the best knowledge potential out of a wider range of candidates and gives the company an opportunity to improve its image and profile. Dhamija, (2012) affirmed that the use of internet technology for recruitment has thoroughly changed the activities of a recruiter. E-recruitment, which stands for online recruitment, can be generally defined according to Kim and O'Connor (2009), as "any recruiting process that an organization conducts via web-based tools". The process of recruitment is thus to be redefined when internet support is used, and all three previously mentioned phases of the process become web-based.

Singh and Narang, (2008), stated that e-recruiting activities and services involved online job posting such as on corporate websites or job portals, receiving of applications over the internet, storage of these applications, screening applications, online tests, response and status management. According to the authors, e-recruitment should not be considered as a process itself, but more as a web-based assistance that must be integrated into recruiting and selecting methods. In the same line, Bartram (2000) highlighted three phases of recruitment according to him the first phase is about identifying the potential knowledge the company needs and attracting them in a large pool. The screening phase is about filtering the applications and sorting out a smaller group of candidates, who fit the position, according to key criteria considered crucial to the job profile. The final phase is about selecting from the remaining applicants by conducting interviews and eliminating the candidates who fail to meet the requirements of the recruiter (s) and head management.

Many studies agreed that electronic or internet recruitment has improved business organizations performance in term of cost savings, efficiency, and convenience for both recruiters and job seeker (Cappelli, 2001; Bartram, 2000; Parbudyal and Dale, 2003; Greenspan, 2003 and Khan, Taha and Ghouri, 2011). However, online recruitment has been widely criticized for difficulties in clear and consistent interpretation (Ryan and Ployhart, 2000; Smith and Rupp, 2004; and Furtmueller, Wilderom, and Mueller 2010). Many company-designed websites are very complicated that about three-quarters of all job seekers are unable to use them successfully (Brown, 2004).

It is on this background that this study intends to examine the effect of electronic recruitment(e-recruitment) on organizational performance with special reference to selected manufacturing companies in Ibadan metropolis, Nigeria.

Literature Review

Concept of Internet

The internet began as the Advance Research Project Agency Network (ARPANET) during the cold war in 1969. It was developed by the U.S. Department of Defence's (DOD) in conjunction with a number of military contractors and universities to explore the possibility of a communication network that could survive a nuclear attack. It continued simply because the DOD, its contractors, and the universities found that it provided a very convenient way to communicate (Barua and Whinston, 2000).

The main purpose of the internet is to share information. No one owns the Internet, nor is it controlled or regulated by anyone. There is no single governing body, such as the Federal Communications Commission (FCC), that regulates the internet. However, many of the general laws and legal principles that have developed over the years in other fields, such as computer law, copyright, libel and trademark also apply to the Internet (Zusman and Landis, 2002). It is a true universal, shared resource (Netscape, 2000).

The internet offers a variety of services. The two most popular are the World Wide Web (WWW) and electronic mail (email). Other commonly used services include newsgroups, file transfer, chatting, and searching. The web is a collection of electronically linked documents that are stored on the internet. The internet is made up of an immense network of computers of all different types--from huge government mainframes to networked workstations to office or personal computer. Users connect to the internet by an Internet Service Provider (ISP) or by a Local Area Network (LAN). ISPs are companies that bring World Wide Web access to individuals. The ISP pays for a very high-speed connection to the Internet and then offers the user access to that connection for a monthly or hourly fee. A LAN connects to the Internet and is managed by a company, school, university, or other institution.

Once linked to the internet, a user can access files and programs stored on other computers and send email messages to anyone else who has an Internet account (Netscape 2000). Physically, the Internet is a vast network of wires. Multiple high-speed "backbone" cables carry information to a series of other network cables (or nodes), which in turn carry information to smaller outlying cables, and so on.

The resulting diagram of the Internet would look like a vast overlapping series of finer and finer strands encompassing the globe.

Concept of Recruitment and Selection

According to Costello (2006) recruitment is described as the set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short and long term interests. In other words, the recruitment process provides the organization with a pool of potentially qualified job candidates from which judicious selection can be made to fill vacancies. Successful recruitment begins with proper employment planning and forecasting. In this phase of the staffing process, an organization formulates plans to fill or eliminate future job openings based on an analysis of future needs, the talent available within and outside of the organization, and the current and anticipated resources that can be expanded to attract and retain such talent. Also related to the success of a recruitment process are the strategies an organization is prepared to employ in order to identify and select the best candidates for its developing pool of human resources. Organizations seeking recruits for base-level entry positions often require minimum qualifications and experiences.

According to Jovanovic (2004), recruitment and selection process are important practices for human resource management, and are crucial in affecting organizational success. Due to the fact that organizations are always fortified by information technology to be more competitive, it is natural to also consider utilizing this technology to re-organize the traditional recruitment and selection process through proper decision techniques, with that both the effectiveness and the efficiency of the processes can be increased and the quality of the recruitment and selection decision improved. A human resource information system is a system exploited to acquire, store, manipulate, analyse, retrieve, and distribute relevant information regarding an organization's human resources (Huselid, 1995)

Electronic Recruitment and Organizational Performance

Cappelli, (2001) concluded that recent developments in recruitment practices show that job applicants, as well as professional recruiters and organizations in need of personnel, are increasingly turning to the internet. Recruiters use it to advertise job postings and search applicant pools, while job seekers use it to apply online. Globally, many organizations make use of e-Recruiting which has become a leading e-commerce application. Today, virtually every corporate website and commercial job board accepts

online resume submissions via online forms and resume builders. Incoming resumes are routinely stored in an internal database designed to be used specifically by automated candidate management processes. These resume databases continue to gain popularity, yet little research has been conducted on design, actual use, and impacts. The major advantages of e-Recruiting services according to Bartram (2000) include cost savings, efficiency, and convenience for both recruiters and job seekers. A study conducted by Khan et al. (2011) in Pakistan found that time saving; browsing wide area of employment and global employment pool are the determinants which motivates job seekers for online searching of employment. According to the authors, e-recruitment has been adopted at global level, to date 94% of Global 500 companies are using e-recruitment, as compared to just 29% in 1998 (Greenspan, 2003). Galanaki, (2002) and Tong and Sivanand, (2005) supported that e-recruitment enable the firm to perform the tasks in speed and improves the process. One of the outcomes of the growth of e-recruitment technologies has been that applying for jobs has become simpler and more streamlined. In the same vein, Bush and Gilbert (2002) claimed that the adoption of the Web as a medium by organizations has been faster than any other medium in history. According to the author, e-recruitment eliminates the geographical boundaries and potential job seeker can search for the jobs around the globe. Moreover, e-recruitment plays a critical role in enhancing organizational survival and success (Parbudyal and Dale, 2003). Also Veger (2006) suggested that internet has potential to bring swift changes in recruiting processes and make it easier for employer. Tong and Sivanand (2005) also confirmed that e-recruitment emerges as a handy and advantageous method over traditional methods of recruitment. According to the authors, advancement of technology and approaches facilitates the processes and operations of companies and enhance their performances, as now global companies using an advancement in e-recruitment by using (.dot) .jobs domain, which offers dedicated company recruitment website to direct job seekers to gain access easily to the openings of vacancies.

However, findings of Ryan and Ployhart, (2000); Smith and Rupp, (2004); Furtmueller et al., (2010) and Brown (2004) are conflict with previous researchers who agreed that e-recruitment has positive significant on organizational performance.

Research Framework

After careful consideration and review of available literature, the proposed research framework is shown in figure 1 below

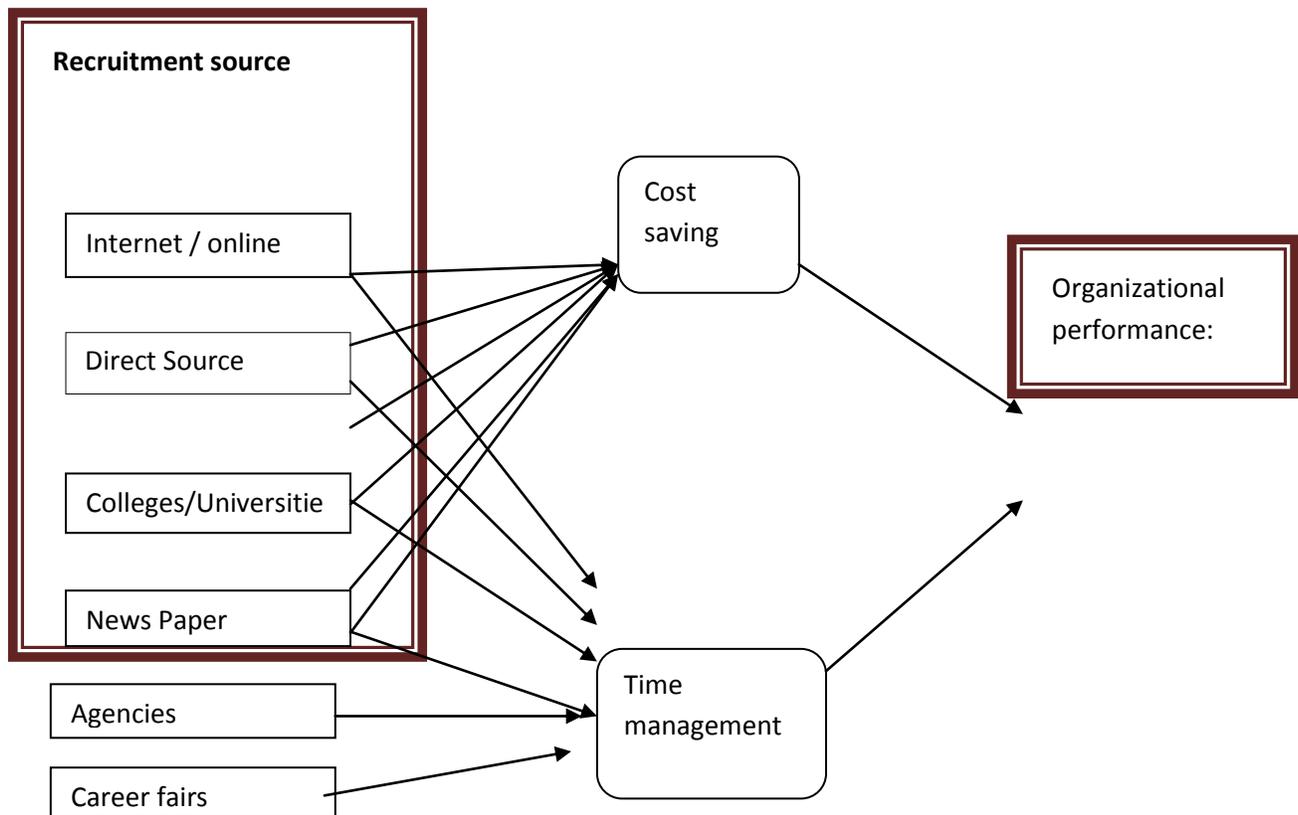


Figure 1: conceptual Model

Source: Designed by the Researchers, 2014.

Research Questions

- Is there any relationship between e-recruitment and cost saving compare with others?
- Is there any relationship between e-recruitment and time management compare with others?

Research Methodology

The survey research design method was used in this study. It involves using a self-design questionnaire in collecting data from the respondents. The population of the study covered all staff Human Resource Departments in all selected manufacturing companies in Ibadan metropolis such as Nigeria Bottling Company, Procter and Gamble, Nigerian Breweries Plc, 7up Plc, Yale Nigeria Limited, Bento Pharmaceutical Company, University Press Plc, Heinemann Publishing Company, Fan Milk Plc and Sweetco Nigeria Limited. Head of personnel and their assistants were chosen from each company totalling twenty (20) respondents as sample size for the study. While the instrument used in this study is a close-ended questionnaire that was designed by the researchers. In order to establish the reliability of this instrument, a pilot study was carried out on a sample of twenty (20) respondents in Ibadan, using a

test – retest method. The result of the reliability test was 0.79 meaning that the instrument is reliable. In order to confirm the validities of the instrument, face and content validities were ensured the instrument was given to professionals for scrutiny and evaluation. Data was analysed with the aid of Pearson Product Moment Correlation (PPMC).

Data analysis and Discussion of Results

Table 1. Relationship between Recruitment Sources and Cost Saving

Recruitment sources	r-value	P-value	Remarks
Online/ electronic/ internet	0.334	0.000***	S
Direct source	0.021	0.835	NS
News paper	0.292	0.003**	S
Colleges/ Universities	0.099	0.145	NS
Career fairs	0.078	0.620	NS
Agencies	0.284	0.035**	S

*** significant at 1% level

** significant at 5% level

Ns = not significant, s = significant

Source: field survey, 2014.

The result of Pearson Product Movement Correlation Coefficient (PPMCC) in Table 1 revealed that electronic recruitment ($r=0.334^{***}$ $P<.01$), news paper ($r = 0.292^{**}$ $P<.05$) and agencies ($r =0.284^{**}$ $P<.05$) were significantly related with saving cost. It was also revealed direct source, Colleges/ Universities and career fair were positive but not significant related with the saving cost .The result also indicated that e-recruitment has highest influence on saving cost followed by News paper and agencies. This implies that e-recruitment is the one major recruitment sources that enhances job performance in term of cost saving. The result is corroborates the work of Cappelli (2001), Bartram (2000), Parbudyal and Dale (2003), Greenspan (2003) and Khan et al. (2011) that electronic or internet recruitment has improved business organizations performance in term of cost savings, efficiency, and convenience for both recruiters and job seeker.

Table 2. Relationship between Recruitment Sources and Time Management

Recruitment sources	r-value	P-value	Remarks
Online/ electronic/ internet	0.409	0.000***	S
Direct source	0.009	1.005	NS
News paper	0.387	0.000**	S
Colleges/ Universities	0.010	0.985	NS
Career fairs	0.0810	0.658	NS
Agencies	0.184	0.062	NS

*** significant at 1% level

** significant at 5% level

Ns = not significant, s = significant

Source: field survey, 2014.

The result of Pearson Product Movement Correlation Coefficient (PPMCC) in Table 2 revealed that electronic recruitment ($r=0.409^{***}$ $P<.01$) and News paper ($r = 0.387^{**}$ $P<.01$) were significantly related with time management. It was also revealed that direct source, Colleges/ Universities and career fair and agencies were positive but not significant related with the time management. The result also indicated that e-recruitment is still most powerful among recruitment sources in terms of time management. This implies that e-recruitment and news paper are major recruitment sources that improve organizational performance in terms of time management. The study is in agreement with Tong and Sivanand (2005) who admitted that e-recruitment enable the firm to perform the tasks in speed and improves the process. Also in another study conducted by Khan et al. (2011) in Pakistan, it was found that time saving; browsing wide area of employment and global employment pool are the determinants which motivate job seekers for online searching of employment.

However, this study conflicts with the work of Ryan and Ployhart (2000); Smith and Rupp (2004) and Furtmueller et al., (2010) who confirmed that e-recruitment is time wasting and cost oriented.

Conclusion and Recommendation

The study examined the relationship between electronic recruitment and organizational performance with particular reference to selected manufacturing companies in Ibadan metropolis. The result revealed that e-recruitment and news paper were significantly related to organizational performance in terms of saving cost and time management, while other recruitment sources also have positive impact on organizational performance but not significant. The result indicated that internet has been accepted and widely used as a source to find the job placement. However, newspaper is also equally popular as recruitment source. The study is in agreement with previous studies which affirmed that e-recruitment has contributed significantly to the organizational performance. Therefore, the paper recommended that firms should design very simple and attractive web site that job seekers will be able to use successfully.

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