



RECRUITMENT PROCESS IN MNC'S THROUGH SOCIAL MEDIA SITES - A STUDY

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Abstract:

Many organizations are carrying out recruitment process by using social media networking sites. Social networking sites are used to facilitate and improve process of recruitment method in HR management. Social networking sites address the needs of employers and job-seekers via internetworking on electronic platform likes face book, twitter, LinkedIn, naukri.com, and monster.com which increase the speed of employment, reducing the cost of recruitment, huge availability of jobseekers and improve the quality of recruitment and services. In this paper it describes awareness about the recruitment through social media. Social Media in recruiting process is a win-win for both company and potential candidates. The paper concludes with instead of relying heavily on external recruitment firms or job boards, many companies are focusing on locating specialized talent through Social Media sites such as LinkedIn. This paper will focus on the most popular social media platforms: LinkedIn, Face book, Twitter and other platforms like Naukri.com, Monster.com.

Key Words: Social Media Networking Sites. Recruitment & Sourcing Cost

Introduction:

Social interaction among people in which they create, share or exchange information and ideas in virtual communities (a social network of individuals who interact through specific social media, potentially crossing geographical and political boundaries in order to pursue mutual interests or goals. Some of the most pervasive virtual communities are online communities operating under social networking services.). *Social media* as "a group of Internet-based applications that build on the ideological and technological foundations and that allow the creation and exchange of user generated content." Furthermore, social media depend on mobile and web-based technologies to create highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user generated content. They introduce substantial and pervasive changes to communication between organizations, communities, and individuals. *Social networking site* is the phrase used to describe any Web site that enables users to create public profiles within that Web site and form relationships with other users of the same Web site who access their profile. Social networking sites can be used to describe community-based Web sites, online discussions forums, chat rooms and other social spaces online, people looking to connect with other business-associated contacts usually move to sites like LinkedIn, but one need to understand that social media is beyond Twitter, Face book, LinkedIn and Blogs. Social networking sites such as Face book, Twitter and LinkedIn are some of the most powerful tools available to recruiters today. Face book has more than 500 million members and regularly surpasses Google in site visits per day. LinkedIn has increased its number of registered users from roughly 40 million in 2009 to more than 100 million in 2011. As usage continues, more businesses are recognizing the fact that high-quality candidates can be reached faster and at lower cost using social networks than traditional recruiting methods. Social networks can give recruiters a competitive edge in locating and engaging the best candidates available to reach company's recruiting objectives. Job seekers use social media for a host of reasons. Searching for a job may not be the single most popular activity on social media, but it is an important one. Recruitment, correspondingly, is one of the main activities that bring corporate users to social media, alongside branding, product news, attracting customers and nurturing existing customers. The social media most used for recruitment are LinkedIn, Face book and Twitter. Budgets for social media recruitment are quite low. Only 15% of companies spend more than 5% of their HR budget on social media, and many spend nothing at all on them. Only 29% of companies have staffs who are dedicated to recruiting via social media.

Changing Nature of Recruitment:

In the past, to recruit employees, originations would simply advertise opportunities in the local press; engage a recruitment consultant or, more recently, post jobs online via the company website or on popular job boards. This 'passive approach', many claim, is on the way out. In 2009, for example, it was reported that Monster.com saw a 31% drop in revenue. This was greater than the overall decline in the recruitment industry worldwide. Today, with the advent of social media, hiring managers and recruiters find that they need to be more proactive in their approach, by engaging with talent across a wide range of social networking platforms. Essentially, companies and recruiters need to be where their candidates are in order to engage them in the recruitment process.

Diversity and Adoption Trends:

There are a lot of statistics available that point towards a lack of diversity on social media sites. Although candidates can be sourced effectively via social networking sites, the risk is, if this strategy is not complemented with other traditional search methods, then talent will be missed. Here are some of the relevant highlights:

- ✓ Just over 80% of LinkedIn users are Caucasian and only 30% are at Director or Manager level (Quantcast, 2010)
- ✓ Only a small percentage of social media users have postgraduate degrees (Google Ad Planner Data, 2010)
- ✓ High earners (£100k+) are a minority (Google Ad Planner Data, 2010)

Relationships Matter:

Pros and cons of using social media for recruitment

PROS

Cost effective – social media hiring is low cost and often free.

Fast – there are many examples of employers using sites such as LinkedIn to make 'quick' hires.

Employer branding and retention – there is a plethora of social media tools online for companies to promote the employer brand effectively to prospective hires and current employees.

CONS

Lacks diversity – 83% of LinkedIn users are Caucasian (Quantcast, 2010).

Time consuming – too much information for companies who want to conduct a detailed and robust search. This is where recruiters can help.

Lack of control – managing brand outposts is tricky and inevitably negative content will slip through the net.

Transparency – how reliable is candidate information online?

Discrimination – personal information could lead to employers being influenced by factors like race, religious views and age.

Limited – ultimately the candidate can decide what information they are willing to share. You only see what you see.

The familiar tag-line used by professional social networking site LinkedIn sums up the recruitment industry – it's all about building relationships. The 'broker' relationships shared between consultants and senior executives are, however, no longer exclusive to those two parties. With the arrival of social media, professional relationships have been democratized. Recruitment firms, many argue, will have to add real value in order to survive. Recruitment experts agree that it's now much easier for employers to gather data about potential candidates through social media sites. Checking a candidate's credentials through his or her profile on social media sites is a global trend, and one which is shared by SMEs and multinational companies and across all levels of employees. This, as some experts suggest, creates a more diverse applicant pool in a very cost-effective way.

- ✓ 80% of companies use social media for recruiting and 95% of those companies are using LinkedIn for that purpose (research conducted by lewishowes.com)
- ✓ In 2010, 83% of employers were using or planning to use social networks for hiring, 46% planned to spend more on social recruiting and 36% spent less on job boards (Jobvite, 2010)

This method alone, however, takes the 'personal touch' out of relationship building and candidate identification. Furthermore, it doesn't factor the importance of 'candidate referrals' into the recruitment process (although there are now online tools that offer 'referring' services, discussed in more detail later). There is also a hidden cost in the time you have to invest to get results. Basically, recruiting via social media has its limitations. The recruiter therefore has a key role to play. Value can be added by becoming an expert in using social media to source the right candidates. This can be achieved by going beyond a simple database search and developing search strategies across many different interactive platforms (blogs, webinars, and social networking sites) and engage appropriately with the desired individuals. In 2011 it is likely that traditional recruitment methods will continue to be complemented by 'tech-savvy' recruitment methods. Ultimately, however, success will be

measured by the quality of the shortlist. This is only achieved after a robust identification interview and evaluation process.

The Impact of Social Media on Recruitment As social media technology continues to evolve and become more widespread, it presents an exciting opportunity for the recruitment industry over the next decade. Recent research (by Jobvite 2010) highlights that LinkedIn, Twitter and Facebook are the most popular sites used by hiring professionals. Others include Xing and Viadeo. These sites can generally be used in three ways – to search for candidates, to post jobs and for employer branding. 35% of job seekers in Sweden log onto social networking sites every day (Personified, 2010). In 2011 we will also see the wider adoption of Smartphones.

- ✓ The number of smartphones in use globally is expected to hit 1.7 billion by 2013 (Initiative, 2010)
- ✓ Web-enabled smartphones now make up 20% of the three billion mobile devices worldwide (Analysys Mason, 2010)
- ✓ 37% of UK smartphone users have a social networking app on their phones which they use at least once a week (ComScore,2010)

Recruiters are beginning to look at ways in which to extend their services to the mobile device through the development of apps, or taking advantage of popular location based tools such as Four Square as another recruitment channel: posting jobs and seeking referrals through a specific location network. It is worth noting that innovations such as these are generally being used to recruit within the sectors that gave birth to the technology in the first place – namely the digital media and creative sectors - although some recent reports have highlighted its use within the professional service industries too. Text messaging, for example, in some studies is shown to have a response rate to job postings eight to 12 times higher than email.² These innovative recruiting trends however do tend to focus on recruitment at the junior, entry level and specialist end. An example would be electronics retailer ‘Best Buy’s’ recent recruitment campaign to find an online marketing expert. Online channels were used and one of the job pre-requisites was that the individual must have at least 250 followers on Twitter. Professional social networking in Europe tends to take place on LinkedIn, Viadeo, and Xing. Here we look at those sites as well as some of the other popular social media resources for recruiters looking to engage online.

LinkedIn: The latest statistics indicate that there are over 20 million professionals on LinkedIn across Europe and the network has over 85 million members worldwide. Between June and December 2010, one million people signed up within the UK taking the country total to five million users overall.³ Site demographics reveal that 38% earn more than £50,000 per year and 31% earn between £30,000 and £50,000 per year (Quantcast, 2010). 25% of FTSE 100 companies hire through LinkedIn and there are around 700,000 LinkedIn networking groups. IT, financial services and media, are the main sectors recruiting through LinkedIn. Only between 10% and 20% of LinkedIn members are actively looking for work.⁴ The countries in the list to the right are responsible for the highest percentage of site traffic.⁵ (June 2010).

Obviously population size is a factor here and the Netherlands (with a population of 16.5 million people) has the highest adoption rate per capita outside the USA. This corresponds with our own experience of developing business within the Benelux region, being that networking and relationship building are a key part of business transactions. LinkedIn also features in the top 20 most visited websites in The Netherlands, UK, Ireland and Denmark. LinkedIn is very open about its ambition to continue to support, rather than replace, the recruitment industry. Its latest product ‘Talent Advantage’ is designed for recruiters who seek to get the most out of LinkedIn’s functionality, providing subscribers with a personal dashboard and improved search capability. It has also recently announced a new CV template service and releases relevant job seeking data such as ‘most popular CV buzz words’ used by LinkedIn users.

Viadeo: Viadeo is often labeled as LinkedIn’s rival in professional social networking, however it is important to note that the site is relatively unheard of in the USA; where LinkedIn dominates the market. To extend its presence on

Highest % of site traffic by country

1. United States	42.8%
2. India	13.7%
3. United Kingdom	6.7%
4. Netherlands	3.7%
5. Canada	2.8%
6. Italy	2.3%
7. Germany	2.3%
8. Spain	2.0%
9. Australia	1.9%
10. South Africa	1.4%



the Asian Pacific continent, Viadeo opened a new office in San Francisco in July 2010. Viadeo is also only about a third of the size of LinkedIn. In December 2010 it announced that it had passed the 35 million member mark, an increase of over five million within six months and over 25 million in 18 months. The site is currently recording more than 300,000 new subscribers every day, with three million profiles being viewed and around 1500 new connections made between professionals. (Viadeo, 2010) The growth of this French site, launched in 2004, is largely due to its commitment to providing a 'bespoke' local offering for each country, which factors in language and cultural factors. The site is currently accessible in six languages (French, English, German, Portuguese, and Italian) and its members can create their profiles in different languages, unlike its competitors. Viadeo's corporate value to "Think Global, Act Local" has been particularly useful in growing its user base in China and Latin America.

Table of users by country and region:

Latin America	11.3 million
Europe	8.1 million
China	5.5 million
France	4.5 million
USA	5 million
India	3 million
Other countries	2.1 million
Spain	1 million
Italy	1 million
UK	500,000
Other EU countries	110,000

Twitter: Twitter is also gaining traction as a job search and hiring tool. Studies highlight that many employers, large and small, value Twitter as a source of information about candidates. Spin-off sites such as twitjobsearch.com and search tools such as 'Tweet Deck' assist employers and recruiters trying to tap into the twitter sphere to source candidates or plug into the conversations people are having about their organisations and industries. Similar to text messages, hiring managers have had some success in 'tweeting' jobs and getting an immediate response. In the last 18 months however, some reports have highlighted the limitations of Twitter. A Canadian based analytics company scanned 1.2 billion messages that were sent in August and September 2009. Between December 2009 and December 2010 Twitter has added 100 million people, doubling its user base. It claims that more than 95 million tweets are now sent every day. Its European market grew 106% between June 2009 and June 2010 and has an overall global market penetration of 7.4% of all internet users (Twitter blog, 2010). The Netherlands, UK and Ireland feature in the top 20 countries for adoption of internet users (ComScore, 2010). Europe and the USA have the most Twitter users accessing the site via Smart phones. Mobile users increased by 62% between 2008 and 2009 and 16% of all new users to Twitter now start on mobile (Twitter blog, 2010). They discovered that 71% of tweets are essentially 'ignored' as they don't get any kind of reaction (Sysomos, 2010). Similarly, another report highlighted the fact that 90% of the content on Twitter is created by the same 10% of users. (Harvard, 2009) That aside, twitter users are becoming increasingly more connected and more professional; in the way in which they interact with the site. The average user is following more people, is being followed by more people and has posted more updates. Users appear more willing to share information about themselves including personal bios, locations and web addresses.



Facebook: Facebook has more than 500 million users, of which 50% log into the site everyday. Around 33% of all internet users visit Facebook at least once per month. The UK, Italy, France and Germany are the highest represented European countries on Facebook. (Socialbakers, 2010) Open networks such as Twitter and LinkedIn, it is assumed, are the most useful tools for professional networking and recruitment rather than closed networks such as Facebook. Although companies are engaging with Facebook for hiring purposes, they do it significantly less than via the other popular social media channels. The reality is that if Facebook could persuade more people to use the site in a professional way, it could start to compete with sites such as LinkedIn for professional demographic. Although Facebook has over 400 million more users than LinkedIn, recent statistics (based on age) show that Facebook and LinkedIn have roughly the same number of professional members. Within the last 12 months the site has begun to evolve into a place in which to conduct business and establish professional connections. Large organisations, including many major consumer brands, are using 'fan pages' to market products and services to consumers, as well as to drive traffic to the careers pages on traditional websites. The new 'resume' style profile (discussed earlier) also allows potential candidates to promote their experience and skills within these forums. Earlier this year Facebook also launched 'Work for Us', an app which allows companies to post jobs and receive applications via Facebook.



Xing: Despite launching in 2003 (the same year as LinkedIn) Xing currently only has approximately ten million members with around 50% of its users located in German speaking countries. Its does have members across 200 countries however; Spain (1.5 million, approx) and Turkey (1 million, approx) as well as Germany are where the site has most market penetration. The site is available in 16 languages: English, German, Spanish, French, Portuguese, Dutch, Swedish, Finnish, Chinese, Russian, Hungarian, Polish, Korean, Italian, Japanese and Turkish. Xing is not only popular for individuals (from junior to executive level), but also for companies in terms of employer branding. According to recent statistics, more companies are creating profiles on the Xing network. Whereas all industries are well represented, Media with 12% of its members, followed by Services 12% and IT 10% are the leading positions in the DACH countries. In 2010 Xing launched an Outlook plug-in which essentially connects Outlook users directly to the site allowing them to interact with their Xing network. Xing is also a valuable support for career planning. Members can find relevant job ads available only on Xing Jobs, which are filtered according to personal information in their member profile. They also see which jobs are currently on offer in their network and how they are connected to recruiters. In contrast to traditional job portals, members are not required to actively seek a new job, but rather can also be found by HR professionals if they choose. At present, over 75,000 recruiters in the German speaking market alone are active on Xing.

Conclusion:

As we have seen in this paper, there are a number of limitations associated with its use within a recruitment context. Although, as an employer, some quick gains can be achieved; using this method exclusively for recruitment, particularly at the executive level, misses out the relationship building and the robust selection and assessment of individuals, which, if overlooked, undermine the process overall. No one is more aware and engaged in social media than a recruitment consultant – the advantages are obvious. Rather than recognizing social media as a recruitment solution (where the recruiter becomes obsolete) employers are instead realizing that they need to work more closely with the experts in order to get their hiring right first time – not making the mistake of investing a significant amount of time and resource into social media and not getting a return on their investment. The social media sites also recognise this, and new tools are becoming available all of the time that allow recruiters and employers to work together to take advantage of social media hiring. There is no doubt that social media has improved the recruitment process by making it more open and democratic; increasing the visible talent pool from which to engage and recruit. Having an intimate knowledge of someone’s capabilities or knowing who the best person for a role is, however, can only be gained through personal knowledge of an individual and of a particular industry sector. You can’t simply rely on who may or may not have an online profile and also that the information contained on it is true. It is unlikely therefore, that social media will replace the traditional recruitment methods in the near future.

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Table of users	
<i>German speaking countries:</i>	(APPROXIMATE)
Germany	3.6 million
Austria	360,000
Switzerland	330,000
<i>DACH region user statistics</i>	(APPROXIMATE)
Executive	22%
Managerial	18%

