# Effectiveness of Online Recruitment and Selection Process : A Case of Tesco

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## Abstract

The purpose of this paper is to give an overall assessment of effectiveness of using internet to recruit and select people with the case reference to Tesco. For this research paper, exploratory, theory building approach is used. Online recruitment is effective in terms of saving cost of recruitment and selection. Case exploration about the effectiveness of online recruitment and selection depicts that it saves time to hire and reduces recruitment cost. Effectiveness of online recruitment and selection process can be used by other firms working in different industries, students working on internship programs on HRM, HR practitioners and researchers to develop further thesis and projects.

## Introduction

Recently there has been significant increase in use of internet to recruit and select people has grown (Hopkins &Markham, 2003). Various research evidences show that online recruitments have become easy way to save cost and valuable time of firms (Hart, Doherty & Ellis-Chadwick, 2000). Some recent studies on the effectiveness of internet in recruitment and selection have reflected the benefits delivered by Internet to the organizations. This research article evaluates the effectiveness of internet to recruit and select people with reference to the case of Tesco in terms of recruitment and admin cost, time to hire, market image and to attract right kind of candidates.

## Research Methodology

Exploratory and Qualitative research approach is selected for this research. In this research, theory building approach is followed.

## Data Collection Method

This research uses two methods for data collection one is Case study method and another one is literature review (Goddard & Melville, 2004).

## Building Theory and Online Recruitment & Selection

There are two forms of online recruiters that can be categorized as corporate recruiters and third party recruiters. The difference between these two categories is that in third party recruiting, jobs are not limited like corporate recruiters (Tong & Shivanand, 2005). Organizations have adopted several advanced modes to perform their human resource practices like recruitment, selection, training and development, performance appraisal etc. Online recruitment is effective in terms of speedy information collection of applicant, giving detailed and uniform data to the applicant sand time saving (Internet Recruiting: Is It Right for you, July 2001). This finding is further supported by Hopkins &Markham (2003) study which argues that to speed up the recruitment process, online recruitment is considered as the best practice. Online recruitment is also effective in terms of performing talent management process (Burbach & Royle, 2010).

These findings are challenged by the report based on the perspective of top executive. It states that top executives usually avoid internet recruiting due to their reluctance towards the use of internet to apply for a job (Top Executives Shun Internet Recruiting, April 2000). According to these executives, internet does not give detailed impression of their experience that is important for showing their knowledge area. It can be argued from this point that still there is a need to improve the perception of top executives to make them realize that online recruitment and selections are effective. It is also identified that Davenport Management Limited, a UK firm has achieved immense benefits after the execution of hiring management

system (HMS), an online recruitment and selection in terms of reduced recruitment cost, hiring of quality candidates and quick selection process. At NHS, E-recruitment process follows a systematic way to recruit people in a cost effective way and saves time of candidates (Recruitment Guidelines). It also shows the extent of e-recruitment use in UK firms.
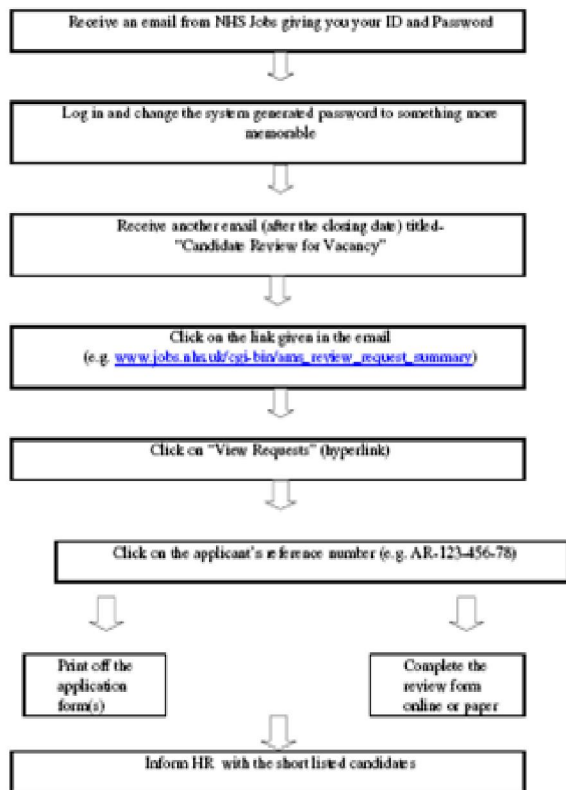


(Recruitment Guidelines)

It is also indicated that before the execution of HMS, the pass rate of applicants was between 20 and 30 and after the use of this online recruitment and selection process, the pas rate has increased to 50 and 60 (E-recruitment delivers return on investment for DML, May/June 2007). This data shows the effectiveness of using online recruitment and selection process.

Again, in article by Tong (2009), it is discussed that some organizations have concern about website privacy, as online sharing of personal data may be used by other employers that further can cause harm to the organization. So, it can be argued that this is a drawback of using online recruitment in terms of website privacy

(Tong, 2009). This finding is also rejected by the research of Gravili done on the use of internet recruitment in Italian market (Gravili, 2003). This study states that online recruitment is effective in terms of giving competitive edge to the firms, enhanced company reputation, increase in quality of candidates. Grocery firms use online media for their recruitment process in higher degree in comparison to other process and activities (Hart, Doherty & Ellis-Chadwick, 2000).

It can be argued from this research data that online recruitment is effective and positive for organizational point of view (Lyons & Marler, 2011). It is identified that in the U.S, the trend of online recruitment has become a leading point. After this, now in UK, internet use for personal hiring has emerged significantly. Forrester (1998) argue that investment in the use of internet for recruitment and selection process was around 105 million dollars. Again, it is identified that around 60% increase in online recruitment was recorded in 1999 by Electronic Recruiting Index (Gravili, 2003). This data suggests that online recruitment has taken a phenomenal growth in both US and UK. This finding is also further supported by the research of Procter (2010) on River Island, a UK retailer that has also implemented online recruitment and selection that assisted it to develop a candidate focused recruitment system. This data also shows the robustness of e-recruitment and selection process. It can be interpreted from this graph that complete use of HRM intranet is around 27%. It shows the use of HRM intranets is also increasing gradually (Sanayei & Mirzaei, July/December, 2008.
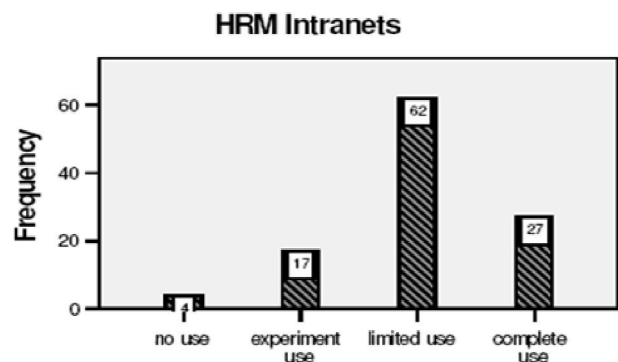


(Sanayei & Mirzaei, July/December, 2008)

Similarly, in a survey conducted over 750 firms on the use of online recruitment and selection process, it is identified that only 151 fortune firms responded for the responded over the use of online recruitment and selection. As a result of this survey, it is identified that out of 10 organizations, 9 were using online media for HR practices (Piotrowski, & Armstrong, 2006). According to the survey conducted by Taleo, use of company website for recruitment was 27% in 2000 that has increased to 77% in 2005. It also observed that in 2002, 93% of global 500 firms were following online recruitment. Out of this percentage, 96% were in America, 94% were in Europe and 93% were in Asia (Barber, 2006). It is also identified that use online recruitment and selection resulted into wider access, cost reduction, quick process and market image development.

### Description of the Case

Tesco is the grocery retailer of UK that follows online recruitment (Tesco Careers, 2011). The company follows its company website for recruitment and selection process. Tesco uses its company website for external recruitment to fill the managerial positions. Tesco uses internet to fulfill the vacant posts of harder to fill jobs for example, pharmacists and bakers. This data reflects the effectiveness of online recruitment and selection for Tesco. This grocery retailer also employs Google for external recruitment through advertisements on Google.

Tesco also follows Bond Talent program, a web based software application to fill the vacant posts. This software application is used by Tesco to perform a proactive approach for its recruitment and selection process. With this mode of hiring, the company is able to manage time to hire that is considered one of key performance indicators. It is also true that with online recruitment and selection, Tesco saves around 50% cost of recruitment. Similarly, the company also saves around 35% cost for time to hire and 75% in recruitment administration (Candidate Manager). Tesco has replaced much of its focus on online recruitment from

traditional modes of hiring like magazine, television and radio to save the cost involved in external hiring. With the company website, candidates can easily identify different levels of job like management posts, local jobs and head office posts.
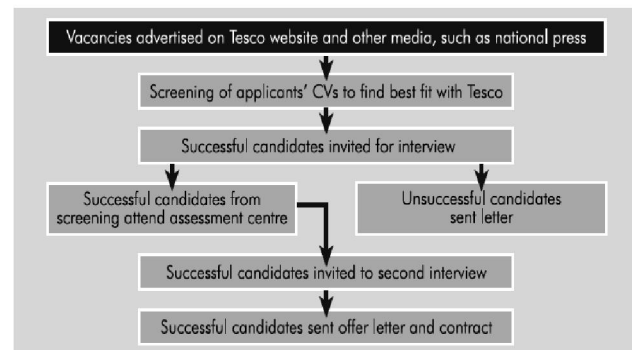


(Recruitment and selection at Tesco)

### Case Analysis and Theory building on the effectiveness of Online Recruitment and Selection Process

Analysis of the case on the effectiveness of online recruitment identifies some positive Tesco Case suggests that use of online recruitment is effective. This case reveals various pros of using online recruitment and selection.

Time to hire: Online recruitment saves Time to hire that is perceived in the case of Tesco. With the help of online recruitment and selection process, Tesco has attained the status of just in time hire process.

Recruitment and Administration Cost: Online recruitment and selection procedure also saves cost of recruitment and administration recruitment.

Competitive edge: It is also revealed that use of online recruitment and selection also provides a competitive edge to the firms.

Speedy Data collection: Online recruitment and selection also helps in terms of gaining advantages on the basis of speedy data collection regarding candidates.

## Results of the Research

Online recruitment and selection process is the method to recruit and select people through the use of internet. Overall research data indicates that online recruitment and selection is effective in terms of time to hire reduction, recruitment and administration cost saving. Apart from this, it is also identified that online recruitment is also effective in terms of developing competitive edge for the firms by developing market image and attaining quality candidates.

## Conclusion

This study has explored the effectiveness of online recruitment and selection process, a case study of Tesco is also used to draw findings. It has been investigated that internet recruitment and selection are effective in terms of saving recruitment cost, reducing time to hire and helping companies in developing competitive edge, market image and attracting right skilled candidates. Online recruitment is also effective in terms of managing talent process that is also considered effective. It has been investigated that e-recruitment will likely to grow in coming years.

Use of online recruitment and selection process offers advantage in the form of economies of scale. Therefore, this feature of e-recruiting would attract lot of corporations to invest their resources in developing e-recruiting supply chain. Only limited researchers have been conducted over the effectiveness of online recruitment and selection process. So, there is lot of scope to conduct further research over this growing phenomenon that is currently on the prime focus for corporations.

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