

LINKED-IN OR LOCKED- OUT? A STUDY OF LINKED-IN AS AN EFFECTIVE RECRUITMENT AND JOB SEARCH TOOL

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ABSTRACT

This research article has looked into how e-recruitment has been widely used for recruitment purposes with particular reference to Linked-In as an effective recruitment tool. Linked-In as an effective recruitment tool in modern organizations has been discussed with respect to the growing number of users and the various uses that Linked-In can be put to by recruiters and job seekers. This is an empirical research and the primary research tool adopted is the questionnaire. The findings indicate the Linked-In is an effective recruitment tool for both active and passive job seekers. The passive job seekers can be converted to active ones as they can be easily contacted by potential recruiters by just viewing their profiles displayed on Linked-In. While searching through Linked-In, information on one's area of specialization can be easily obtained by networking with like minded users. Endorsements and recommendations of profiles on Linked-In is a key feature and contributes toward it becoming an effective recruitment tool. In the modern age where internet and social networking is easily available, working professionals and educated persons can easily access Linked-In. The future of Linked-In seems bright.

KEYWORDS: LinkedIn, E-Recruitment, Online, Active Job Seekers, Passive Job Seekers, Rich Picture

INTRODUCTION

Recruitment includes those practices and activities carried out by the organization with the primary purpose of identifying and attracting potential employees (Breaugh and Starke 2000). Online recruitment, also known as e-recruitment is one of the world wide trends for HR functions (Bussler & Davis 2001). It has evolved into a sophisticated interactive engine with the ability to automate every facet of the hiring process virtually (Joe Dysart 2006). This study has looked into how e-recruitment has been widely used for recruitment purposes. This study particularly evaluates LinkedIn as a recruitment tool.

Rationale

There are very few researches devoted to understanding the role of Linked-in as a recruitment and job search tool. This research will initiate a new discourse on the potential benefits and drawbacks of Linked-in to inform academics, practitioners about the value of the new in-vogue tool that is growing at a rapid pace. The research on e-recruitment particularly LinkedIn remains underdeveloped and hardly any empirical findings informs theory and practice.

Research Objectives

- To analyze the potential benefits and drawbacks of online recruitment

- To specifically evaluate Link-in as an online recruitment and job search tool

Literature Review

The internet helps making the selection of employees easy, especially with respect to long distances (Galanaki 2005). E-recruitment has grown rapidly over the past few years and is now widely used by recruiters and job seekers across the world (Cober & Brown 2006). One of the most popular non-traditional forms of recruiting is e-recruitment (Smith 2004). E-recruitment has been defined as the use of the internet to identify and attract potential employees (Breaugh & Starke, 2000). It refers to the practice of advertising job vacancies online and the formal sourcing of information about the jobs online (Galanaki 2002). E-recruitment enhances the effectiveness of the recruitment process (Stone 2005). E-recruitment has come up with a valuable method for finding potential candidates who are not necessarily looking for a change in their current jobs but would be open to the right opportunity.

Advantages and Disadvantages of E-Recruitment

The general advantages of e-recruitment include shorter recruiting cycle time (Workforce 2000), attracting passive jobseekers (Hays 1999), providing global coverage at a constant basis (Baillie 1996; McDougall 2001; Mohamed 2002) opportunity to address specific labor market niches (Greengard & Thaler-Carter, 1998), reaches a wider range of applicants (CIPD, 1999; Workforce 2000a) gives the company a more up to date image (CIPD, 1999), better quality of response (Welch, 1999), low cost (CIPD 1999) easier to apply for a job (Kaydo & Cohen, 1999), reduction of unqualified candidates (Pin 2001), more opportunities for smaller companies (Pin, 2001), less intrusive (Kuczynski, 1999), candidates are young, educated and computer literate, thereby showing interest in the recruitment company (Zall 2000; Galanaki 2002).

Some disadvantages of e-recruitment include discrimination between internet user and internet non-user (Flynn, 2000), being inappropriate for top management profiles (Ferrero & Vidal, 2001), huge volume of unqualified and low quality candidates (Galanaki 2002; Pearce & Tuten, 2001), user unfriendly tools (Feldman & Klaas, 2002), lack of personal touch (IRS employment review 2005). Thus e-recruitment has come out to be as significant part of recruitment strategy. It can be used to track and manage candidate applications; it can provide benefits in terms of efficiency and cost. Thus a continuous improvement in understanding the technological issues related to e-recruitment is recommended. From the relevant literature there is an argument that e-recruitment is needed to be used with other techniques. It has been argued by Caggiano (1999) and Borck (2000) that internet based recruiting will not replace traditional practices in recruiting but a well implemented e-recruitment strategy can help the recruitment process become more successful. Cullen (2001) also supports that e-recruitment is not treated as a standalone tool but is integrated to an overall recruiting strategy.

The internet is being used to deliver different kind of services like HR planning, HR evaluation, HR rewards and HR recruitment under the overall umbrella of EHRM. Rapid advances in technology have changed the way business is conducted and a number of organizations and individuals are using the internet and electronic mail (Erica 2007). Internet has changed the way of recruitment from both perspectives i.e. organizations and job seekers (Epstein 2003). Two trends that are forcing small and medium sized businesses to invest in the tools for a successful e-recruiting strategy are demographic trends and financial scarcity (Abra 2007). On one hand better technology and easier access to information is increasing the probability of finding the best match for a given opening. On the other reduced application costs also encouraged increased applications from under qualified job seekers, leading to efforts to improve screening mechanisms

(Freeman & Autor 2002). Thus we see that the future candidate will be connected to a central system, with an increasing involvement from the line manager in the process.

The internet is acting as a link between employers and job seeker. Technology has enabled corporate websites, suppliers and job seekers to become more sophisticated and interactive (Harris 2007). The following are the major players in the recruitment market:

Job Seeker: The person who desires for a job. There are 2 kinds of job seekers

Active Job Seeker: The candidates who frequently search for a job for better opportunity of growth, personal reasons to change and professional reasons etc.

Passive Job Seekers: Are those workers who are not currently planning to change their jobs but regularly surf the net during their normal routine. Corporate websites is their most preferred destination. In recent years online recruitment has seen a dramatic increase. Online methods of recruiting include commercial job boards/portals, corporate websites and more recent years e-mails.

LinkedIn

Using the internet to find potential employees has come a long way from advertisement-based websites. Frog Recruitment director Kennelly says companies are experimenting using social networking sites to look for skilled staff such as engineers and accountants an expertise which is in hot demand. One area that offers real potential and has got many recruitment firms excited is an online professional business network known as Linked In. Frog Recruitments development manager Katherine Hall says a recruiter creates a profile for themselves in Linked In the same way they would in social networking sites like Facebook or My Space. The site allows only individual profiles, so it's not possible for an agency or group to register. It is full of potential candidates in many industries. Social-oriented networking sites like Face book and My Space are becoming more popular in the recruitment industry. Instead of banning the use of social sites in the office, companies are encouraging the staff to go online to find people who might be interested in filling vacant positions. (Tatham 2009)

LinkedIn, the online professional network, provides people with the opportunity to interact with other professionals in their fields, locate potential employers through company pages and employees, and participate in forums relevant to their professions. As an information resource, LinkedIn lets people learn more about a company, assess an individual's professional record, and gather clues about industry and social trends. Professionals from human resources and recruitment environments to competitive intelligence researchers find innovative uses for LinkedIn. Information professionals will find LinkedIn useful as a source of information not only on individuals and companies, but also as a means of gathering and sharing data across various LinkedIn entries. Endorsements and recommendations are LinkedIn equivalents of reference letters. Instead of a formal referral, former or current colleagues write a recommendation or endorse a skill (Fawley 2013).

LinkedIn does not have the mass consumer appeal of some of its counterparts, but with 15 million users it is a business tool that cannot be ignored. Its users are of a similar profile and as such could be a more valuable group than the diverse users of its competitors (Flinders 2009). Face book has 108.3 million users globally and MySpace has 81 million. But LinkedIn's 15 million users could be viewed as qualified leads by businesses seeking staff or partners.

The recruitment industry is one such example using LinkedIn. David Bloxham, director of Recruitment Services at recruitment firm GCS, says the firm uses LinkedIn extensively. "About 50% of our mid and senior level candidates connect to us via LinkedIn." He says LinkedIn is particularly useful for IT recruitment. "It is an IT base network and much of the initial take-up has been in the IT sector." He says LinkedIn is a business tool, like SAP, and recruiters are realizing how powerful it is. With a 137% increase in users in a year LinkedIn is clearly growing in popularity. Compared with the social networking giants that are MySpace and Face book, LinkedIn is small. But from a business perspective, the content is valuable. The recruitment industry is increasingly using it as a business tool (Flinders 2009). LinkedIn is a free networking site that enables building a network quickly.

In his more than 15 years as a headhunter, Jeff Vijungco has tried Monster, Craigslist, CareerBuilder, and other online job boards. Lately the head of recruitment at Adobe Systems Inc. (ADBE) has scrapped most of them. "I think job postings are such old news," Vijungco says. "Social is the hot new industry" (Fiorino 2009). LinkedIn, the biggest professional-networking website, got into the field early with the introduction of Recruiter in 2008. The service lets head-hunters search its more than 187 million profiles and contact potential candidates (Fiorino 2009). In 2011, LinkedIn Corp. introduced additional features including Talent Pipeline, which enables recruiters to track and stay in touch with candidates. The Mountain View, Calif.-based company held five per cent of the \$5.4 billion online-recruitment market in 2011, double its share the previous year, according to researcher Outsell. LinkedIn's online-recruitment division generated \$138.4 million in the third quarter of 2012, 55 per cent of its total revenue (Olga 2012).

It charges companies \$8,000 a year for one to two users of Recruiter, while headhunting firms usually charge about 20 per cent of a new hire's annual salary (Olga 2012).

METHODOLOGY

This is an empirical research and epistemologically relevant as the theory on the topic remains relatively underdeveloped. Epistemologically, this research is posited into positivist traditions and adopts a realist approach (Fisher 2004). Adopting a quantitative approach in line with the epistemological positioning, does increase the validity of the findings, although there is substantial debate on achieving validity and reliability through qualitative research. The primary research tool adopted was the questionnaire, which was administered to sample of academics and working professionals. The total sample size was 100, which was a limitation of this study. However considering pilot study on this topic, it had the potential to reveal new insights and generate substantial epistemological theorizing on the concept under investigation.

Findings

The first step during the data analysis stage was to establish the reliability. Hence Cronbach's alpha scores was obtained and it showed satisfactory score of .717 which is considered to be reliable (Nullany 2006).

Table 1

Case Processing Summary			
		N	%
Cases	Valid	100	100.0
	Excluded ^a	0	.0
	Total	100	100.0
a. Listwise Deletion Based on All Variables in the Procedure			

Table 2

Reliability Statistics	
Cronbach's Alpha	N of Items
.717	15

The next step in the data analysis was to check how far all the independent variables showed causal relationship with the dependent variable. The findings in the table below showed that R (.738) which is the correlation value between predictor variables combined and dependent variable. The R-square value (.545) explains almost 55% variance in the dependent explained by independent variables (sig.000).

Table 3

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.738 ^a	.545	.470	.35827
a. Predictors: (Constant), Lacks personal touch, Passive recruitment, Lab or mark niches, User friendly, Geographic bound, Pool of qualified and, Cost effective, Locked out non users, Active recruitment, Highlight skills, Top management only, Endorsement com, Rich picture, Connect with profess				

Table 4

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.050	14	.932	7.262	.000 ^b
	Residual	10.910	85	.128		
	Total	23.960	99			
a. Dependent Variable: effective recruitment tool b. Predictors: (Constant), lacks personal touch, passive recruitment, lab or mark niches, user friendly, geographic bound, pool of qualified and, cost effective, locked out non users, active recruitment, highlight skills, top management only, endorsement com, rich picture, connect with profess						

Once the regression values were checked, next step was to check for multi-collinearity. The collinearity statistics indicated by variation inflationary factor (VIF) showed values less than 5, which established that there was no presence of multi-collinearity (Tabachnick and Fidell 2007). Further to investigate higher levels of causal relationship between dependent and independent variables path analysis ‘Analysis of Moment Structures’ (AMOS) using IBM SPSS version 20 was utilized. The numbers along the path are standardized path coefficient representing the strengths of causal relationships between observed variables (Ullman 2007). The first level of analysis showed that all 14 items showed significant relationships as shown through the table and path diagram below. However respondents disagreed that LinkedIn is a user friendly tool and hence showed negative values.

Table 5

Regression Weights: (Group Number 1 - Default Model)							
			Estimate	S.E.	C.R.	P	Label
Cost effective	<---	Recruitment tool	1.000				
Geographic bound	<---	Recruitment tool	.570	.043	13.169	***	
Active recruitment	<---	Recruitment tool	.724	.042	17.354	***	
Passive recruitment	<---	Recruitment tool	.608	.044	13.850	***	
Rich picture	<---	Recruitment tool	.468	.061	7.717	***	
Endorsement recommendations	<---	Recruitment tool	.175	.027	6.402	***	

Table 5: Contd.,

Highlight skills	<---	Recruitment tool	.346	.042	8.158	***	
Connect with professionals	<---	Recruitment tool	.687	.064	10.668	***	
Labor market niches	<---	Recruitment tool	.937	.119	7.851	***	
Pool of qualified candidates	<---	Recruitment tool	.429	.061	7.052	***	
Locked out nonusers	<---	Recruitment tool	.656	.070	9.326	***	
Lacks personal touch	<---	Recruitment tool	.338	.052	6.481	***	
Top management only	<---	Recruitment tool	.504	.053	9.463	***	
User friendly	<---	Recruitment tool	-.114	.034	-3.365	***	

***Significant

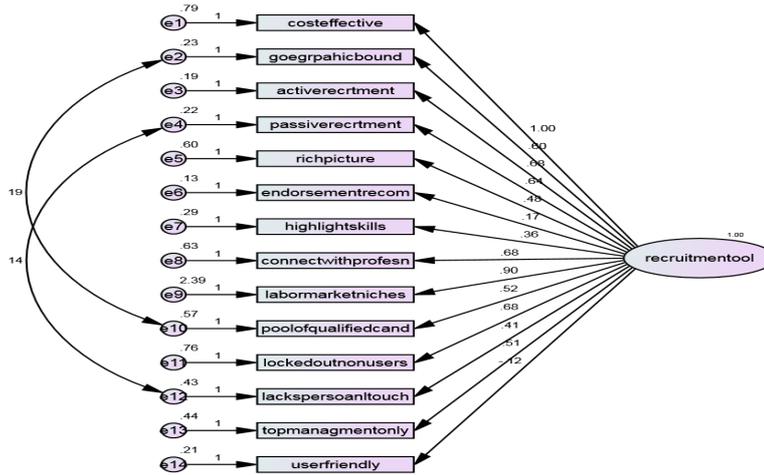


Figure 1

The second level of analyses was done where the items with high modification indices were co-varied such as e2 with e10 and e4 with e12. Item 14, which was user friendly software, was removed from the model. The findings showed a better fit (Hu and Bentler 1999) with no negative values. The CMIN/DF (6.017), CFI (.899) and RMSEA (.109) also improved as shown through the figure and tables below.

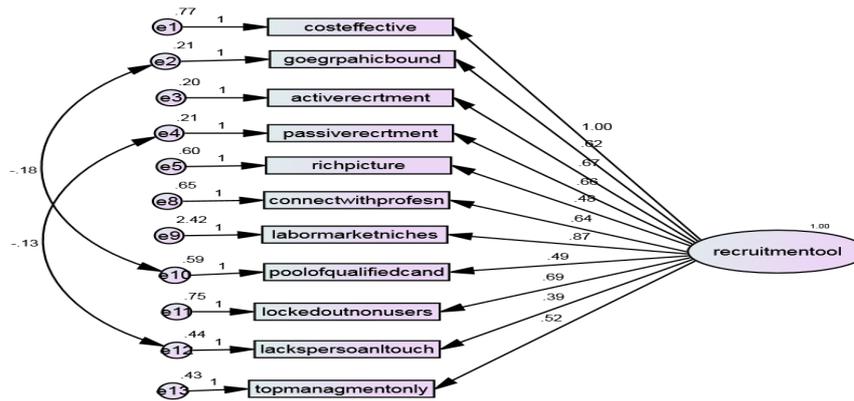


Figure 2

CMIN

Table 6

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	27	469.302	78	.000	5.017
Saturated model	105	.000	0		
Independence model	14	871.629	91	.000	9.578

Baseline Comparisons

Table 7

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.562	.472	.507	.415	.971
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Table 8

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.081	.145	.173	.012
Independence model	.208	.195	.220	.000

Finally to check the hypothesized relationship that a rich picture, which is a cumulative output of LinkedIn, is responsible for effective recruitment was proved to be correct. ‘Endorsements and recommendations’ were found to significantly contributing towards ‘rich picture’, which mediated the relationship between effective recruitment and endorsements and recommendations. The regression values were quite good (.65 and .57 respectively). The figure and table below shows the findings.

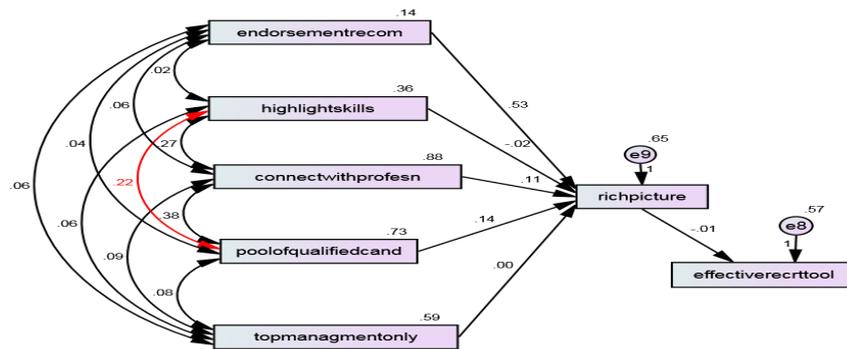


Figure 3

Table 9

Regression Weights: (Group Number 1 - Default Model)							
			Estimate	S.E.	C.R.	P	Label
Rich picture	<---	Endorsement recommendations	.530	.155	3.421	***	
Rich picture	<---	Highlight skills	-.025	.112	-.220	.826	
Rich picture	<---	Connect with professionals	.106	.074	1.435	.151	
Rich picture	<---	Pool of qualified candidates	.138	.078	1.763	.078	
Rich picture	<---	Top management only	.005	.077	.061	.951	
Effective recruitment tool	<---	Rich picture	-.009	.062	-.149	.881	

DISCUSSIONS

The findings indicated that LinkedIn is an effective recruitment tool. All the identified independents variables were significantly contributing towards making it an effective recruitment tool. It was found to be effective tool for both active and passive job seekers (McDougall 2001; Mohamed 2002), although it was found to be more appropriate for top management jobs. Creation of rich picture (Fawley 2013) through endorsements, recommendations was a key feature of LinkedIn that contributed towards making it an effective recruitment tool. There is a potential mass that can be left out

from this social media, but this mass is not critical and these will be potentially underdeveloped and poorly qualified job seekers who may realize its benefits in the later stage of their life cycle. Linked-In is more powerful in 'linking-in' the members than locking out non-users. It is argued that in this age where internet and social networking is so easily available, working professionals and educated professionals can easily access it. Further, as the traffic for recruitment on Linked-In will increase, non-users can be easily converted. Linked-In can be used for converting passive job seekers into active ones as they can be easily contacted by viewing the job profile displayed on the site. While searching through Linked-In, information on one's area of specialization can be easily obtained by networking with like minded users. The future of Linked-In seems to be bright.

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CONCLUSIONS

Like all social media tools LinkedIn is also relatively new player in the recruitment market. Although the initial reports and findings looks positive for this online portal, the sustainability, effectiveness and robustness of LinkedIn will be more visible with time to come. However, like all social media, LinkedIn is currently the favorite and more so for the technology and social media savvy audience. The key to its future success will perhaps depend on how it is able to be more inclusive and integrate wider audience into its fold. Therefore, it has to become more user friendly portal and perhaps integrate with other social medial tools.

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