

## **The Effectiveness of Electronic Resume Databases**

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*This study addressed the effectiveness of computerized recruitment databases. The perspectives of the prospective employee and the prospective employer were used. Eighty-five students entered information about themselves into both Peterson's Connexion database and the Kinexus database. The number of resulting contacts were recorded. Also 250 personnel directors were surveyed. One hundred of the personnel directors were known to use at least one of the recruitment databases; the other 150 were not. The results of the survey were analyzed on the number of new hires for the various methods; cost effectiveness of the various methods; and the preference for the various methods. Results indicated that computerized recruitment databases were not an effective method of recruiting college graduates for entry level positions; were not cost effective; and were not the preferred method of recruitment.*

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The search for employees has been a problem that has plagued employers for years. As a result, many methods of recruitment have been developed. Of these methods, the employee referral is probably the oldest. In today's job market the employee referral is a cheap method of recruitment and results in high tenure employees (Aamodt & Carr, 1988). However, when recruiting large numbers of people or searching for those with specific skills, employee referrals may not produce the best results because of the limited pool of applicants.

Media advertisements have long been the most popular methods of recruiting for most employers (DeLong & St. Clair, 1990). However, with tough economic times, a media campaign for a single job can cost from \$3,000 to \$5,000 (Casper, 1985).

Employment agencies were developed to fill an increasing need for more skilled workers. There are two types of employment agencies, public and private. Public employment agencies not only locate potential employees but also can screen them for the company. Private employment agencies search for specific candidates for vacancies within companies. Private agencies are generally used for recruiting upper level management jobs. These private agencies alleviate much of the company's burden by recruiting and screening applicants, which enables the company to select the truly qualified candidates. Private employment agencies typically charge a large fee for their services.

College job fairs have been another popular recruitment method. This method allows company recruiters to seek out, and to meet, potential employees. The college job fair also allows the recruiters to have personal contact with potential employees.

Increasing competitiveness, specificity of skills dictated by increased use of technology in the work place, economic constraints, and negative economic pressures have combined to make it imperative that business and industry be able to reach a wider pool of potential employees.

In addition to the need for greater numbers of potential employees, the need for applicants with specific skills, and clusters of skills has emerged (Blocklyn, 1988). These needs have had a significant impact on recruitment. Indeed, response to these needs has led to the development of a variety of new recruitment techniques.

This study addresses one of the new and promising recruitment techniques. This method, On-Line or Database Recruitment, has become increasingly popular. The number of companies selling this type of recruiting database is up from 35 such companies in 1985 to at least 159 in 1990 (Willis, 1990).

There are two major types of databases in current use. The first type allows recruiters to list advertisements about their companies to attract potential employees. The second, called the resume database, lists resumes of those people seeking employment. The resume databases are usually free to applicants but are sold to companies or search firms. The users (purchasers) are able to search the data-bases for potential candidates who have the qualifications the company needs and is looking for (Casper, 1985).

Resume databases may be divided into five general categories: Those maintained by executive search firms; university alumni groups; employment agencies; those open to the general public; and corporate job banks.

(Willis, 1990). The databases vary both in their degree of confidentiality and in their potential or intended markets. For instance, there are databases that list only banking executives within a certain compensation range.

Databases maintained by executive search firms have the highest level of confidentiality. These databases generally can only be accessed by a recruiter in a controlled network of search firms. Many of the databases in this category contain only accomplished candidates in particular field such as banking or in a designated compensation ranges. Some of the search firms sell access to their databases. Potential employer access to these databases is usually very difficult (Willis, 1990).

University databases are generally operated by a university or group of universities as a service to their alumni. However several companies have begun selling resumes of students to employers. There is no fee for the students to enter however employers are charged a fee. Access fee for these databases vary from database to database (Willis, 1990).

Some of the larger employment agencies operate their own databases while many are maintained by chains of franchised employment agencies. These databases operate in networks with sizes ranging from 50 to 200 hundred members. Within this category there are many databases that hold candidate for a particular function or industry (Willis, 1990).

Corporate job bank databases are maintained by individual companies. These databases contain information on retired or temporary workers that are willing to work on special assignments, fill in for permanent staff on vacation or to act as consultants (Willis, 1990).

This study concerned databases that fall into the category open to the general public. As a rule these are maintained by private database companies and composed primarily of college students. College students are generally not charged a fee to enter the system. The company subscribing to the database does pay a fee to the company selling and maintaining the database (Willis, 1990).

The confidentiality of the databases open to the general public is not as strictly observed as with those maintained by executive search firms. A company that subscribes to the general public database has complete access to all the names in the database. However, the executive databases do not allow the subscriber to access the names of those executives who might be found in the database, but who are currently employed by the searching firm.

At the present time there is no published material regarding the effec-

tiveness of these databases for recruitment. The growth of these systems in recent years does suggest at least anecdotal evidence for their effectiveness. Recruiters, for example, are beginning to realize the value of these systems with savings in time and cost (Casper, 1985). The cost of the databases varies from \$375 per 12 resumes to \$10,000 for each 10 searches. (Tetzeli, 1992)

The databases utilized in this study were Peterson's Connexion, Kinexus, and Resume Link. These databases are free to students who want to enter and are comprised, primarily, of college students. They are all resume databases and are open to the general public.

The purpose of this study was to examine the effectiveness of the use of databases in recruiting entry level college graduates. This study explored the issues from the perspective of both the employee and the employer. It was assumed that companies subscribing to the databases were utilizing the system. It was further assumed that students who used the system to seek employment could expect to be contacted by at least some of the subscribing companies. Therefore, it was expected that students would receive a considerable number of contacts from potential employers who were using the database. The percentage of new hires made by subscribing companies using each recruitment method was obtained and examined. The expected finding was that employers who were using a database for recruitment would hire more entry level people with college degrees through use of the database system, and that they would rate the database system above other recruitment methods.

## METHOD

### Subjects

The sample of students entered into the database consisted of 85 college seniors and graduate students from three schools. The students were selected on the basis of availability.

The survey sample consisted of 100 personnel directors who's company subscribed to Peterson's Connexion system, Kinexus or Resume Link; and 150 personnel directors who were randomly selected from the Who's Who in HR Directory (Adams, 1990) and were not known to use any of the three databases.

## **Databases**

Three computerized recruitment databases were used in this study. Peterson's Connexion System is located in Princeton, New Jersey. This database is free to students who enter the system through their college or university. There is a \$40 entry fee for persons who have already graduated. An application form completed by the student is used by Peterson's to form an entry in the database that can be searched by potential employers.

The Kinexus database is located in Chicago, Illinois. This database is free to students who enter the system through their college or university. There is a \$20 fee for those who do not enter the system through their school. A 14 question survey, completed by the student, is mailed to Kinexus. This information is then used by Kinexus to develop a resume which is shown to potential employers as they search the database.

The Resume Link database is located in Hilliard, Ohio. This database is free to students. Information is obtained from the students and is transposed into resume form for potential employers to search.

## **Procedure**

Forty-eight of the students were entered into Peterson's Connexion recruitment database and 40 were entered into the Kinexus system. Each student received a telephone log for recording calls they received regarding employment. Each student was asked to record the date of the call; the name of the business or organization that contacted them; and the name of the database that was used.

After the student data were entered in the database, the students were called twice by the experimenter and asked to report the content of their log sheet. All information was recorded.

The personnel directors received a survey designed to ascertain the methods of recruitment used by their companies; the number of hires from the various recruitment methods; the cost effectiveness of the methods; and their personal preference for the different methods.

## **RESULTS**

### **Personnel Sample**

One hundred thirty-three of the 250 Personnel Director Surveys were returned resulting in a 53% response rate. Of the personnel directors known to subscribe to one of the computer databases, 18% reported that they had actually used the system for recruitment.

The mean percentage of hires using online recruitment was 1.7%. By comparison, 70% of the companies used newspaper ads for recruitment. The mean percentage of hires from newspaper ads was 29%.

Twenty-one percent of the personnel directors who used one of the computer systems indicated that they preferred to use computer searches. This was obtained by calculating the percentage of personnel directors that rated the computer systems a 3 or higher on a 1 to 5 scale. Overall, employee referrals were rated as the most preferred recruitment technique. Ads in newspapers were next, followed by college job fairs.

Ten percent of the personnel directors indicated they found the database system to be cost effective. Employee referrals were found to be the most cost effective. Advertisement in newspapers was next, followed by walk ins.

These results do not support the hypothesis that personnel directors who use Online Recruitment will recruit more employees via computer database searches than with other recruitment methods. Personnel directors who utilized the computer database hired fewer people from the system, ranked it less cost effective than other methods, and preferred it less than other methods.

### **Student Sample**

Of the 85 students registered in the Connexion and Kinexus systems, 64 were contacted successfully by the author at the end of the study. Only one student had received a call about a job (from a company that subscribed to an Online Recruitment Database) and none received a job offer. None of the 21 students who left the study early were contacted by a potential employer upon their departure.

These results do not support the hypothesis that students entered into a computerized database would receive a considerable number of calls regarding employment from database subscribers. Only 1 of the 64 students received a call from a subscribing company and none received a job offer.

## DISCUSSION

The results indicated that Personnel Directors recruit a higher percentage of new employees using older, more proven methods such as ads in newspapers, employee referrals, and college job fairs than with the newer online recruitment methods. These same methods were preferred by the Personnel directors far more than the use of computer databases.

Employee referrals, ads in newspapers, and college job fairs were ranked as the most cost effective, and as the most preferred methods. Computerized databases were rated as the least cost effective and least preferred method for recruiting entry level college graduates.

The high cost of computerized databases may prohibit personnel directors from using online recruitment for recruiting college students for entry level positions. For example Skillsearch charges varied from \$375 for every 12 resumes taken from their database, to \$10,000 charged by University ProNet for every 10 searches (Tetzeli, 1992). The Human Resources Information Network charged a \$1,790 subscription fee for the use of their database (Eng, 1991). However, these costs may not be prohibitive when recruiting candidates for upper level management positions or for people with highly specialized skills. The Department of Defense for example has entered the database game with its Operation Transition. The large numbers of trained personnel that are leaving the military are entered into their database. This gives business an excellent place to search for people with specialized skills using the database (Edmondson, 1991). In addition, the expense factor may be one of the reasons why personnel directors showed a low preference for database recruitment.

Online Recruitment is still a relatively new method of recruitment. The newness of online recruitment may represent one reason why personnel directors prefer the older more proven methods such as employment agencies and media advertising.

The newness of the systems is compounded by the high-tech nature of Online Recruitment. Computer anxiety may be inhibiting faster growth of online recruitment. The high-tech nature of Online Recruitment lacks the personal touch of recruitment methods such as college job fairs. This loss of personal involvement in dealing with the recruitment of new employees may account, in part, for the low preference for using Online Databases.

In the future, if the number of online recruitment systems continues to grow and if the prices for the systems begin to settle there may be an increase in the use of online recruitment.

Based upon the fact that increasing numbers of companies are selling the database systems, (Willis, 1990) their increased use must be assumed. It is possible that the database systems are being used for recruiting highly specialized groups of individuals with specifically targeted skills. This may mean that the systems are being used to recruit employees for upper level management positions and for positions at a level significantly higher than college graduate entry level. It would be appropriate for future studies to address these possibilities. Studies such as this one, that include larger numbers of computerized recruitment databases in different categories and that deal with the recruiting of candidates for positions at all levels within organizations are needed.

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