E-recruitment in Iranian Bank and insurance industry

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Abstract

Currently, e-recruiting is one of the most successful e-commerce applications as a method for quickly reaching a large pool of the potential job seekers. The capability of advanced e-recruiting tools has enabled recruiters to quickly identify and hire qualified candidates, and to build ongoing relationships with prospective employees. The aim of this paper is to review and analyze the E- recruitment in Iranian banks and insurance industry. And content analysis was used to achieve this. In other words, in this study The website content was analyzed by researchers. These organizations are selected based on the ranking of the top 100 organizations in 1390. The results of this study indicate that Most of these organizations have at least part of the electronic recruitment and Obviously, these organizations have understood the importance of the electronic recruitment. also in this organizations more have been emphasized on advertisement and HR Policies and activities. also these organizations had less attention to recruitment process, internship, Types of employment, HR Vision, Announcing the results & Post Resume.

Keywords: E-recruitment, e-banking, insurance, banks and credit institution.

Introduction

Financial services industry has recently been open to historic transformation, it can call e-developments are emerging and advancing rapidly in all areas of financial intermediation and financial markets: e-finance, e-money, electronic banking (e-banking), e-brokering, e-insurance, e-exchanges, and even e-supervision. The new information technology (IT) is turning into the most important factor in the future development of banking, influencing banks' marketing and business strategies. In recent years, the adoption of e-banking began to occur quite extensively as a channel of distribution for financial services due to rapid advances in IT and intensive competitive banking markets (Salehi & Alipour, 2010). Also Banking, being an information intensive activity, has been quick in adopting Information Technology (IT) and especially Internet in its operations. Banks extensively use Internet as the delivery channel (Kumar, Sareen& Barquissau, 2012).

Internet recruitment or e-recruitment is quickly becoming a prevalent human resource management practice worldwide (Izquierdo, Aguinis & Villagrasa, 2010) and Many organisations have witnessed the transformation of conventional recruitment methods to online recruitment, particularly since the mid-1990s. The shift was made possible by the advancement of Internet technologies and the advantages generated by Internet recruitment. Over 40,000 jobs were reported to have been posted on the Internet and other online tools such as job boards, company websites, and niche sites. Approximately 24.7% of job seekers found their jobs through the Internet in 2005. In fact, it was reported that more than 4 million people are using the Internet to job search on a daily basis (Teoh, Tan& Chong, 2013).

Different authors define e-recruitment differently, yet the essence is similar. For example, Galanaki (2002) defines that online recruitment refers to posting vacancies on the corporate web site or on an online recruitment vendor's website, and allowing applicants to send their resumes electronically via e-mail or in some electronic format. To these definitions different dimensions can be added in which e-recruitment is performed. The scope of e-recruitment can also involve the possibility to conduct remote interviews and assessments, like psychometric or aptitude test online, and using banner advertisements and smart agents to search the web. In addition, interactive tools can be used to link the Corporate databases with the web site, like search engines, interactive application forms, e-mail auto respondents and electronic mailing lists (Handlogten, 2009).

The use of Internet recruitment has enabled organizations to reach appropriate job seekers in wider geographical locations at any time. Furthermore, the Internet permits firms to recruit the right candidates at a much lower cost. For instance, a study by the Society for Human Resource Management (SHRM) reported that the average cost per hire from Internet recruitment methods was $377 in comparison to the average cost per hire of $3,295 from recruitment through a major metropolitan newspaper. In the case of job seekers, the Internet allows them to search for jobs either nationally or even internationally, regardless of time zone and location, without having to spend a single

cent. Job seekers can look for jobs, gather company information, and contact potential employers in order to match themselves with jobs (Teoh, Tan& Chong, 2013).

E-recruitment has many benefits to offer, but there are still major problems to be considered. As the potential audience can be millions, the number of applications can also be very large. An employer can receive hundreds of applications and it is very difficult to find the right candidates to be interviewed from such a large group. Applying through the internet can also be intimidating for some people as one must submit very personal and confidential information over the web. The internet is full of false agencies, which collect CVs and personal information of the applicants and this problem is not easy to correct. However, the technological development is fast and there are more and more people using the internet, so the effectiveness of the online recruitment will increase in the future (Seppälä, 2009). Thus , in this research, we analysis erecruitment in top iranian bank and insurance institute.

Literature review

Electronic human resource management

Since the mid-1990s, organizations have increasingly introduced electronic human resource management (e-HRM), which is understood to be a set of information technology (IT) applications that cover 'all possible integration mechanisms and contents between HRM and ITs aiming at creating value within and across organizations for targeted employees and management (Bondarouk& Ruel, 2013).

Electronic human resource management (e-HRM) is used interchangeably with virtual human resource management, human resource intranet, web-based human resource management, computer-based human resource management systems and human resource portals. EHRM can be narrowly defined as the administrative support of the HR function in organizations by using internet technology. E-HRM is also defined as a way of implementing HR strategies, policies, and practices in organizations through a conscious and directed support and/or with the full use of web-technology-based channels. Another definition of EHRM is using computer systems, interactive electronic media and telecommunications network to fulfill HR functions (Erdogmus, Esen, 2011). In other words, e-HRM can defined as a way of implementing HR strategies, policies and practices in organizations through a conscious and directed support of and/or with the full use of web technology- based channels (Parry & Tyson, 2011).

e-HRM will probably offer opportunities for the HR function to reduce the time spent on the administrative work, and instead focus on developing practices, designing HR policies, business planning, performance and succession planning, and building human capital. In other words, e-HRM is expected to act as an enabler of the dynamic capabilities of the HR function. Further, e HRM is expected to enhance the operational capabilities of the HR function by simplifying administrative processes, reducing the time required for HR transactions, tracking job records, managing the employee payroll and benefit programmes (Bondarouk& Ruel, 2013).

E-recruitment E-recruitment has been an issue of interest over the past ten years. Internet is considered as the latest tool in hiring. It is a real revolution spreading over the world of job hunting and hiring. The term online recruitment, e-recruitment, cybercruting, or internet recruiting, imply the formal sourcing of job information online. The first references to e-recruitment appear in articles of the mid-1980s. The closing of twentieth century has given rise to a vast debate concerning the response of HRM to the changing external and internal environment of the firm. Online job search and recruitment activity have vastly expanded since the year 2000.

E-recruitment can be divided into two types of uses: corporate web site for recruitment and commercial jobs boards (such as monster.com) for posting job advertisements. Corporate websites are a company's own website with a link for job posting/career options where candidates can log into for current openings (Sharma, 2010). and in this study We have focused on this approach. The following table gives a review of the Benefits of e-recruitment**.**

Table1: Benefits of e-recruitment

Benefits of e-recruitment
Faster processing of résumés
Lower recruiting costs
Time saving
24 hrs a day, 7 days a week online
Global access/access to passive Candidates
Image of being up-to-date and modern
Target-group-oriented
Screening out of Under-qualified Candidates
More opportunities for smaller companies

(Abel, 2011)

E-recruitment offers a lot of advantages for recruiters, but it has been seen critically as well. Barber (2006) discussed the disadvantages and challenges of online recruitment and pointed out that the loss of personal touch is a danger. Pin et al. (2001) asked HR professionals about this in their study and 50% of the respondents agree with the statement that recruiters disregard the personal contact or the building up relationships with the candidates. Following Pin et al. (2001), the lack of human touch is also a pitfall of e-recruitment. As a consequence, qualified candidates can be eliminated by the procedure. IES research (2005) was an audit of 100 graduate employers" recruitment websites. Based on 40 interviews with HR managers, this study found out that some potential applicants do not use the Internet or are less familiar with it. These applicants are getting left out of the application procedure. In the study of Pin et al. (2001), 34% of HR professionals see a discrimination against people who do not surf the Internet. According to Maurer & Lui (2007), the type of job determines whether e-recruitment is suitable or not. They argue that low-skilled positions do not benefit from e-recruitment.

Regarding Carlson et al. (2002), e-recruitment can generate a high quantity of applications which seems to outline an advantage of e-recruitment, but can lead to an overwhelming and time consuming procedure as well. Therefore, companies have to take these disadvantages into consideration when they are planning e-recruitment practices (Abel, 2011).

Steps Involved In E-Recruitment are considered below:

Step 1: Identify The Need For Recruitment: Job descriptions of various positions are created after analyzing the company's goals. Based on the Job Description of the vacant position, the job specification of the prospective candidates can be identified.

Step 2: Design An Effective Job Advertisement**:** The aim of a job advert is to attract interest, communicate quickly and clearly the essential (appealing and relevant) points, and to provide a clear response. Design should concentrate on clarity or text, layout, and on conveying a professional image. An effective job advert should clearly specify the Job Title, Company Profile, Job Description, qualification required and how to apply for the position.

Step 3: Research For The Feasible Online Recruitment Advertising Space Available: Depending on the budget and the availability of the potential candidates, decide whether to advertise online on own company's website or solely on a recruitment site.

Step 4: How Applicants Will Apply To The Position: Consider whether the applicants should directly contact you through an email or a telephonic call. Candidates can also apply online on the company's website, adding themselves to the company's databank of resumes.

Step 5: Attract Candidates**:** Post the job advert and attract potential candidates towards the company. The companies that use their corporate website for the purpose of recruitment, are either a well-known brand as an employer or take measures to drive job seekers to their website. Advertising channels like jobs boards or print media can be used to drive people to the site.

Step 6: Sort The Applications And Create a Talent Pool: Screen the candidates based on the requirements of the job description of the vacant position. Also, the resumes of all the candidates can be kept as a "talent pool" and accessed at a later date whenever another vacancy arises.

Step 7: Contact The Shortlisted: Contact and call the shortlisted candidates for the final round of interview immediately through phone calls or emails, before they are hired by another company. Step 8: Close The Deal**:** Offer the job to the selected candidate. Once he accepts the offer, the deal is said to be closed. Else search for another potential candidate (Tyagi, 2012).

Research method

Content analysis was used in this study And websites of banks and insurance companies were studied from the perspective of the E-recruitment. This study was carried out based on E-recruitment items, Such as: advertisement, job board, forms fulfillment, post resume, track profile, announcing the results, HR vision, recruitment

process, type of employment, HR structure, HR policies and activities & internship. Content analysis is a method of analyzing written, verbal or visual communication messages. It was first used as a method for analyzing hymns, newspaper and magazine articles, advertisements and political speeches in the 19th century. Today, content analysis has a long history of use in communication, journalism, sociology, psychology and business, and during the last few decades its use has shown steady growth. Content analysis is a research method for making replicable and valid inferences from data to their context, with the purpose of providing knowledge, new insights, a representation of facts and a practical guide to action (Elo & Kyngas, 2007).

In this study, the top 22 bank and insurance industry were selected. These organizations are selected based on the ranking of the top 100 organizations in 1390. This ranking is done by the Industrial Management Institute in 1390 and This ranking was based on an organization's income. To assess the reliability of this research, The retest method was used.

Data analysis

In this study, the top banks and insurance companies were studied in terms of E-recruitment. the virtual recruiting environment is defined as the online environment that allows companies and potential job applicants to interact with each other. Such environments may vary in sophistication from relatively simple job bulletin boards that provide basic job descriptions and little or no opportunity for applicant interactions, to highly sophisticated sources that allow applicants to complete job applications and even perform online situational job interviews (Maurer & Liu, 2007). Thus a process of recruitment include advertisement, job board, forms fulfillment, post resume, track profile, announcing the results, HR vision, recruitment process, type of employment, HR structure, HR policies and activities & internship. Table 2 indicate the names of the institutions and categories of E-recruitment in these institutions show.

Table 2: names of the institutions and categories of E-recruitment

Name	Ad	Job board	forms fulfillment	Post Resume	Tracking	Announcing the results	HR Vision	recruitment process	Types of employment	HR Structure	Policies and activities	internship
saderat Bank	0	0	0	0	0	0	0	0	0	0	1	0
Parsian Bank	1	0	1	0	0	0	0	0	0	0	0	0
Mellat Bank	0	0	0	0	0	0	0	0	0	0	0	0
melli Bank	0	0	0	0	0	0	0	0	0	0	1	0
Tejarat Bank	0	0	0	0	0	0	0	0	0	0	1	0
Pasargad Bank	1	1	1	0	1	0	1	0	0	0	0	0
maskanBank	1	0	0	0	1	1	0	0	0	1	1	0
Iran Insurance	0	0	0	0	0	0	0	0	0	1	1	0
Sepah Bank	0	0	0	0	1	0	0	0	0		1	0
Agricultural Bank	0	0	0	0	0	0	0	0	0		1	0
Mehr Financial institution's	0	0	0	0	0	0	0	0	0		1	0
EN Bank	1	0	0	0	1	0	0	0	0		0	0
Saman Bank	1	1	1	0	1	0	0	0	0		1	0
Bank of sanat & madan	1	1	0	0	1	0	0	0	0		0	1
sarmayeBank	1	1	1	1	1	0	0	0	0		0	0
Ansar Bank	1	1	1	0	0	0	0	0	0		0	0
Asia Insurance	0	0	0	0	0	0	0	0	0		0	0
Sina Bank	1	1	1	0	0	0	0	0	0		1	0
Bank Karafain	1	1	0	1	0	0	0	0	0		0	0
Dana Insurance	0		0	0	0	0	0		0		1	0
Alborz Insurance	0		0	0	0	0	0		0		0	0
Parsian Insurance	0		1	0	0	0	0		0		1	0

As it can be seen in the above table, in this organizations more have been emphasized on advertisement and HR Policies and activities. also these organizations had less attention to recruitment process, internship, Types of employment, HR Vision, Announcing the results & Post Resume.

insurance industry more emphasis on HR policies and practices and forms fulfillment. Also in banks, more emphasis on HR policies and practices. Table3 shows percent of E-recruitment in top bank and insurance organizations.

Table3: percent of E-recruitment in top bank and insurance organizations

Industrial Sector	Number of firms in sector	Organizations have e-recruitment	percent
Banks and credit institutions	17	16	94.11
Insurance	5	3	60

According to the above table, it can be said that Most of these organizations have at least part of the electronic recruitment and Obviously, these organizations have understood the importance of the electronic recruitment.

Conclusion

The use of the Internet for organizational recruiting has been on the rise throughout the past decade. Recent survey results indicate that approximately 90% of large organizations have official recruitment web pages (Braddy, Meade & Kroustalis, 2008). In Iran the role of the banking industry is very important And these organizations have an important role in the top 100 organizations. Also the organizations are proactive in helping the country's economy. it should be noted that the Iranian economy is moving from a product-oriented to service-oriented and role of the organizations are getting stronger. The results of this study indicate that in some ways these organizations were stronger and in some ways have performed poorly. These organizations worked well in aspect of advertisement and HR Policies and activities. But above said organizations Have performed poorly in aspects of recruitment process, internship, Types of employment, HR Vision, Announcing the results & Post Resume. And These organizations need to reinforce the weaknesses. in Banking industry Advertising is more considered. also track profile and Modify Resume are more exist in the bank, and These issues are very important in this industry. This is because the banks more put advertisements, Modify Resume and fill out the form on their website. Most banks in the category of Advertising had general conditions such as gender, education and Degree. But eghtesad-e-novin and Karafarin banks had put the advertisement in their websites more completely. In the advertisement, the kind of job, the public condition of jobseekers, the place of job, the number of members, level, gender, course, Qualifying Conditions, age, experience, average, the questions of tests and the getting exams cards had been explained. In the case of job fulfillment, these institutes were included, the personal information's, contacts, being familiar with foreign languages, having information of computer knowledge, educational experience. Saman bank, except the above said conditions, having passes training courses, having licenses, interests, health condition, references, and the reason of choosing the institute put them on its websites. Tejart bank, Agricultural bank, mehr institute, melli bank, dana insurance and pasargad bank had been focused on employee training. Saderat bank and Iran insurance had paid attention to employees warfare, introduction of HR department. The bank had believed that they try to change their members to the experts by providing the condition in the

field of education. Among the organizations, saman bank was the only institute that, paid attention to express the preference of organization. And also human resource especially. The bank, had mentioned staffing policy clearly. Also, Parsian Insurance was the only institution stated working hours. Limitations of this study include the presence of expired ads, sites with white screen, no network support, lack of information, lack of standardized sites and the like. According to findings, suggestions can be offered. For example:

- Providing culture of using internet And training people on how to register and use the e-recruitment;
- remove expired items from the website and update websites;
- provide the capability to support web sites;
- introduce and explain the advantages and disadvantages of organization
- alignment between e-recruitment and other electronic human resources management functions;
- provide a real image of organization;

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