

RECRUITING TRENDS 2007

EUROPEAN UNION

[AN EMPIRICAL SURVEY WITH THE TOP 1,000 ENTERPRISES IN THE EU]

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INCLUDING ONE INTERNATIONAL CASE STUDY

Over the years, IT and the Internet have taken a dominant role in modern recruitment and opened new opportunities to reach out to candidates, to improve HR processes and to open the path towards a systematic candidate relationship management. This survey with Europe's largest 1,000 firms together with a case study on eRecruiting in a multi national firm disclose how firms use the Internet to attract talent and how IT can successfully be used for modern eRecruiting. It turns out that indeed European firms are optimistic for the future of their business but at the same time face increased scarcities when trying to find new employees. As a consequence, the majority of all open positions are posted on corporate websites or Internet job boards and with 56% the majority of all new hires result from electronic channels. Also, the majority of all incoming applications are electronic, making paper-based applications more and more a thing of the past. And for internal processes, almost eight out of ten say that applicant management systems can accelerate recruiting and increase the efficiency of the entire recruitment process.

This report published by the Universities of Frankfurt/Main and Bamberg in Germany as well as Monster Worldwide is the first of its kind in the European Union. Together with more profound insights from a case study, the report thus offers a chance to deduce valuable recruitment recommendations and to embed them in the future vision of an applicant-oriented and integrated HR management.



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MANAGEMENT-SUMMARY

More than one out of two job ads via corporate website or internet job portal: The survey with the largest 1,000 enterprises in the European Union (response rate 10.2%) shows that 72.6% of all vacancies in these enterprises are published on the corporate website. One out of two job ads is posted on internet job portals. Even more interesting, 56.2% of all actual hires result from online job ads as compared to 18.7% from job ads in the printed press.

The electronic application dominates: Firms now favor candidates using electronic application channels. Because of the possibility to handle electronic applications without a further intermediate work step, the majority of the survey participants prefer e-application forms of the corporate website or the internet job portal (55.8%). As a result of this more than six out of ten incoming applications came via the internet (e-mail + e-application form) to the top 1,000 largest companies in the EU. More than half of these incoming electronic applications are e-application forms.

Growing optimism but a new “War for Talent” is expected: The largest employers in the European Union expect the competition for talent to intensify. The scarcity of candidate profiles caused by demographic changes is one of the main reasons for this development. On the other hand, many survey participants particularly expect an increasing shortage of professionals (work experience \geq four years) across all industry sectors. The consequences for companies are that they have to step up recruiting efforts and develop new approaches for candidate attraction and recruiting organization both within and across companies.

How to prepare for the “Battle for Brainpower”? A chance to solve this problem of decreasing manpower supply could lie in the possibility to extend the search for talent beyond borders. As a result of these changes, international recruiting gains importance for the top 1,000 companies in the European Union. Already 45.5% of all survey participants stated that international recruiting is of high or very high importance for their staff recruitment.

At the same time the competition for talent requires an improved applicant management to offer high standard service quality to the desired candidates and the operating departments within the company in question. For example 82.4% of these companies which use candidate management systems accelerated their staff recruitment, another 76.5% increased their recruitment efficiency and nearly seven out of ten survey participants reduced their costs for recruitment.

Recruiting trends, the role of IT and the Internet, upcoming demands on the labor market and new approaches to handle this situation are the main content of this report that empirically consists of:

- Survey of the top 1,000 enterprises in the European Union: 102 usable answers (response rate: 10.2%)
- One case study with a German enterprise within the European top 1,000



OVERVIEW OF THE RESULTS

The present report on the usage of information technology in the staff recruitment of the 1,000 largest companies in the European Union is the first of its style. It is of practical value and provides information on the organization of modern, IT-supported recruiting within the European economy.

In addition to the report on large-scale enterprises in the European Union, surveys were conducted with the top 1,000 enterprises in Germany, Austria and Switzerland this year.

RESULTS OF THE SURVEY OF LARGE-SCALE ENTERPRISES

The current situation of many large-scale enterprises in the European Union is characterized by two distinct, but contrary effects: On the one hand, the level of recruiting needs remains constantly high – and is even rising; and on the other hand, there is a lack of availability of professionals and young professionals as well as a declining supply of labor. At the same time, the number of incoming applications remains extremely high in many large-scale enterprises. Competition for the best candidates thus forces large-scale enterprises to take measures to speed up their processing of incoming applications and identifying qualified applicants. The applicants must be offered a high degree of service quality in this context. Furthermore, irrespective of the situation as regards applications, new methods – apart from the classic ways of attracting new staff – are becoming necessary to identify qualified candidates as early as possible, approach them and sign them up for the respective company.

With a view to the long-term changes in the labor market, large-scale enterprises anticipate the following developments:

- **Talent shortage:** Particularly in the two target groups of professionals (working experience \geq four years) and young professionals (working experience $<$ four years), at least two-thirds of the companies respondent assess 'high' manpower needs for the year 2011. But only around 40% of the survey participants expect an analogous supply of potential staff for these groups. The most common reasons given to explain this development are the lacking availability of the required profiles and a shrinking supply of labor caused by demographic effects.
- **Internet rules for candidate attraction:** An analysis of the current interaction between the different recruiting channels shows that, as far as large-scale enterprises are concerned, the two internet channels – the corporate website and the internet job portals – continue to play the most important role in recruitment. Almost three out of four vacancies (72.6%) are published in the careers sections of company websites. The number of vacancies advertised in external job portals has risen to 50.3% over the last year. During the same period, the number of advertisements placed in the print media has fallen and now make up only 22.9% of externally advertised jobs.
- **Most hires over Internet channels:** More importantly, corresponding to the role the Internet plays for candidate attraction, most actual hires now result from Internet channels. In total, the two internet channels account for 56.2% of all recruitment by large-scale enterprises. Hence, over half of all vacancies filled by the EU's large-scale employers can be traced back to an advertisement in the internet.

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- **More digital than paper-based applications:** The development of the individual application procedures over time shows that the importance of electronic applications has been growing continuously over the last few years. The percentage of digital applications now stands at 62.2%. By comparison, the top 1,000 large-scale enterprises in Germany and Austria only received 51.3% and 57.5% respectively of their applications in digital form. By 2011 the companies in the EU which were questioned expect a further increase in electronic applications. If these expectations are fulfilled, 78.5% of all applications to large-scale enterprises in the EU will be received in digital form.
 - **High relevance of e-application forms:** Among electronic applications, e-application forms of the corporate website and the internet job portal have a stable lead over e-mail applications during the past few months. More than two-thirds of all electronic applications came in via the e-application forms. By 2011 large-scale enterprises expect the share of structured electronic applications to increase by 14.9 percent-points to 52.1% of all incoming applications. The rising percentage of form-based applications in particular is in line with the preferences expressed by the companies. 55.8% of large-scale enterprises expressed a preference for form-based applications. A further 24.2% prefers to receive applications by e-mail. Thus, adding the preferences for the two digital application procedures together, the total, at 76.3%, is clearly far above the preference for the classic job-application portfolio.
 - **Benefits of eRecruiting – savings in cost and handling time as well as better candidate quality:** In total 82.4% of large-scale enterprises state that applicant-management systems have accelerated their staff recruiting process. More than two-thirds of all survey participants have reduced their costs in the recruitment process through the usage of applicant-management systems. Furthermore there are a lot of additional advantages for the enterprises questioned. 69.0% have increased the portion of successfully hired favorite candidates. Almost three quarters of all survey participants have been able to increase the quality of candidate data. 58.1% have been able to increase the candidate quality overall. The companies also enjoy further benefits as regards the cost and duration of the process. This study shows that 69.0% of large-scale enterprises had cut their costs for staff recruitment through applicant-management systems. A further 76.1% stated that they had achieved lower than average recruitment costs compared to other companies of the same size. More than two-thirds had decreased the average costs per placed employment ad, for the interaction with the applicants (Response Management) and for the internal processing of applications.

1 INTRODUCTION

A fundamental development of the past years has been the increasing contribution of the internet to modern recruitment which has led to a significant rise in efficiency in many large-scale enterprises. The online candidate attraction, the digital application processing and the software-support for internal HR processes has led to a decrease in process time and costs as well as an increase in matching-quality. The driving forces behind this development were job ads in internet channels such as the corporate website and external internet job portals, the usage of e-application forms and the wide implementation of applicant-management systems.

The enterprises questioned predict a bright future for 2007. 42.4% will employ more personnel at the end of 2007 than at the beginning of the year. The search for talent is gaining importance because of the improving economic situation, medium-term demographic effects as well as a low mobility of sought-after candidate profiles. This has led to a lack of availability for specific target groups on national and international labor markets. The large-scale enterprises will need IT-systems in their staff recruitment which not only offer the attraction of numerous applicants but also a specific and personalized target group communication and an analytical support for personnel selection in order to employ qualified staff despite a renascent "War for Talent".

The current status of IT-support in staff recruitment is just a preliminary stage on the way to a more ambitious target objective – the applicant-oriented and integrated HR management of the future. It is the aim of this series of surveys to actively participate in this development.

1.1 MOTIVATION AND QUESTIONS OF THIS SURVEY

Beyond the incentives mentioned above this survey is motivated by a set of further questions and issues. These are described briefly in the following to explain the research design.

1.1.1 RESEARCH MOTIVATION FOR THE "RECRUITING TRENDS 2007 – EUROPEAN UNION"

The "Recruiting Trends 2007" in the EU prosecute the dynamic development in the field of eRecruiting. The motivation is to check to what extent single changes become sustainable trends over time or are just temporary changes of single indicators. Beyond the pure observation of different trends over time, this survey aims to address new and recurring questions about recruitment as well as to present these to decision-makers in practice. In this survey there is an analysis of the availability of specific target groups with a different career status. The possibility of comparison between the development on the sides of employer and employee is one of the main assets of this series of studies. The reader obtains an increasing overview over IT-supported staff recruitment through an over time observation on the one hand and the width and depth of the objectives on the other hand. Finally, the present report enters a new field by comparing the situation in staff recruitment in Germany, Austria and Switzerland with the situation in the whole European Union.

1.1.2 SHORT SUMMARY OF "RECRUITING TRENDS 2007" IN GERMANY, AUSTRIA AND SWITZERLAND

High importance of the internet for candidate attraction: More than eight out of ten free positions in Germany and seven out of ten in Austria and Switzerland are published on the own corporate website. Nearly 60% of all job ads in Germany and nearly 50% of all ob ads in Austria and Switzerland are posted in internet job portals.

Most hires come from the internet: In the companies questioned most of the recruitments are generated via the internet (Germany: 64.1%, Austria: 44.2%, Switzerland: 39.5%).

Increasing relevance of digital applications: Over 50% of all incoming applications in Germany and Austria are e-mails or e-application forms. The Swiss companies received four out of ten applications via the internet. The top 1,000 companies of these three countries expect a dramatic increase of digital applications in the next five years.

High potential through applicant-management systems: 87.6% of the top 1,000 companies respondent in Germany expect an increasing efficiency in staff recruitment due to the use of applicant-management systems (Austria: 82.4%, Switzerland: 75.0%).

Optimistic forecast for 2007 but a new „War for Talent“ is expected: The companies in Germany, Austria and Switzerland face a bright future regarding their business development future but expect a shortage for Professionals with a working experience of four and more years on their labor markets.

1.1.3 ADDRESSED OBJECTIVES

Against the background of this context the current survey "Recruiting Trends 2007" in the European Union analyzes the following objectives:

- How do the large-scale enterprises in the EU use the different recruiting channels? How does their usage behavior vary over time? Are there any differences in usage behavior in the single countries and the whole of the EU?
- Which part do the individual recruiting channels play in successful hiring? Which target groups will be threatened by a lack of availability in the following years? How could these outcomes be judged against the background of a new "War for Talent"?
- How is the current proportion of incoming electronic and paper-based applications in the large-scale enterprises questioned? How many and which application channels are offered and favored? How do the survey participants estimate the long-term relevance of a structured e-application form?
- How is the current usage behavior regarding information systems in the internal application processing? How do the large-scale companies in the EU judge the relevance of applicant-management systems as well as its usage and efficiency? How could the development of internal databases and talent pools be rated?

- Which role does international recruiting play in the context of talent shortage now and which role will it play in the upcoming years? Do the enterprises questioned also use foreign internet job portals and if so which functionalities do they use?
- What are the mid- and long-term trends as well as the external and internal changes in staff recruitment? And how should future recruiting be positioned in the light of these developments?

1.2 METHOD AND RESEARCH DESIGN

To reach the objectives mentioned above the report is based on two complementary methodical approaches. These are an empirical survey with mail questionnaires on the one hand and a case study with an exclusive employer of Europe's top 1,000 on the other hand.

The survey is conducted by the Centre of Human Resources Information Systems (CHRIS), a research project of Frankfurt and Bamberg University in Germany, and the internet job portal Monster Worldwide.

1.2.1 METHODOLOGY OF THE EMPIRICAL SURVEY

To conduct the empirical survey the following dataset was bought in summer 2006.

- **Top 1,000 enterprises in the European Union:** This dataset contains the biggest 1,000 enterprises in the European Union. The companies were chosen and hierarchized according to their total revenue.

After the purchase of the dataset an adjustment of duplicates was conducted to avoid questioning one company twice. Following the dataset clearing all companies were asked by phone if they would like to participate in the empirical survey or not. Finally the identified enterprises received the questionnaire by mail including a polite request to answer it.

1.2.2 QUESTIONNAIRE STRUCTURE

In order to compare the surveys in Germany, Austria, Switzerland and the EU all empirical surveys were conducted with an identical questionnaire. Estimations and facts of the enterprises about short- and long-term recruitment were asked about in the first bloc of questions. The main focus was put on the estimation of future staff requirements, the predicted labor supply for specific target groups, as well as the usage of different recruiting channels and their contribution to efficient HR processes. The second bloc of questions addressed the proportion of incoming electronic and paper-based applications. Data about the current and future relevance of electronic applications as well as predictions about future incoming applications and their quality were collected in this part. The internal application processes were the content of the third bloc of questions. The fourth part of the questionnaire dealt with the usage of applicant-management systems and its benefits. International recruiting as well as the equality law represented the main points of the fifth bloc of questions. Finally some key data about staff recruitment as well as demographical company data were collected.

1.2.3 CASE STUDY PROCEDURE

In addition to the empirical surveys a case study was conducted with the media group Bertelsmann AG. In order to conduct this case study, appointments with the enterprise and two researchers of the Centre of Human Resources Information Systems (CHRIS) were fixed beforehand. In these two-hour interview sessions widely varied topics regarding staff recruitment in this specific company were addressed. A guideline which was developed beforehand acted as a framework for these interviews. The protocols and outcomes of these interviews were transcribed into case study reports which were finally corrected and released by the case study participants.

Special thanks to our interview partners in the involved company:

- Manuela Ebbes-Barr, Senior Manager, Bertelsmann Recruiting Services, Bertelsmann AG
- Gero Hesse, Vice President Human Resources Services, Bertelsmann AG

Furthermore we would like to thank the student assistants of the Centre of Human Resources Information Systems (CHRIS) for their help and operative support.

1.2.4 RESEARCH DESIGN

The report of the outcomes based on the empirical survey and the two case studies is structured as follows. The empirical survey with the top 1,000 enterprises of the European Union is presented in chapter 2. Following the data evaluation the outcomes will be supplemented by concrete company recruitment projects in practice in the case study. Finally, chapter 4 offers a short conclusion of the outcomes and forthcoming topics in IT-supported staff recruitment.

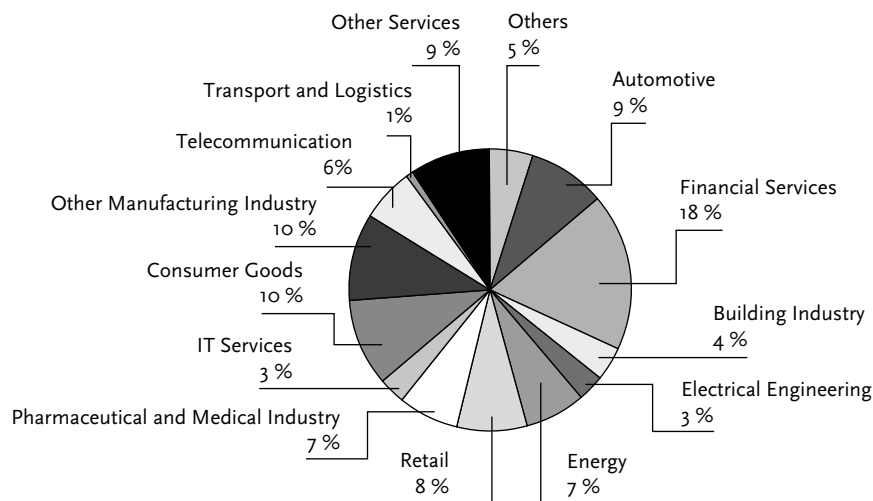
2 FINDINGS OF THE EMPIRICAL SURVEY OF THE TOP 1,000 ENTERPRISES IN THE EUROPEAN UNION (EU)

The survey with the top 1,000 enterprises is the core of this survey. All in all 102 enterprises answered the mail questionnaire. In the following the survey participants are categorized according to their industry, number of employees and planned new recruitments.

2.1 DISTRIBUTION OF THE SURVEY PARTICIPANTS

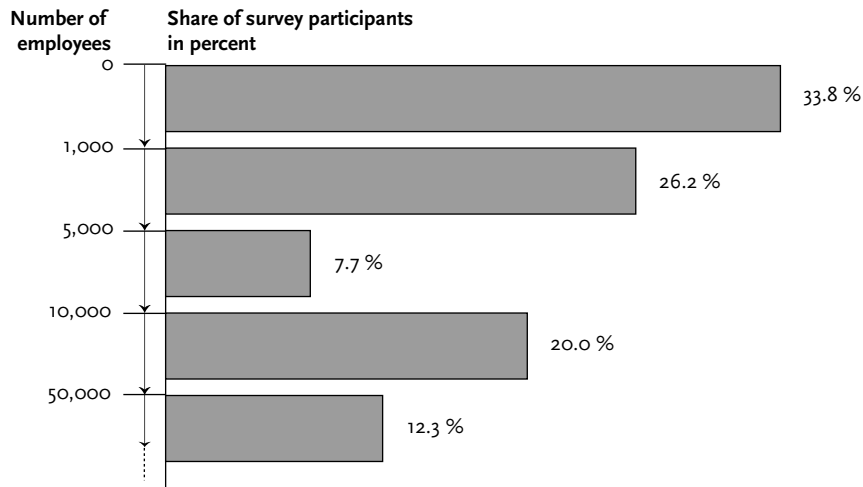
Figure 1 shows the unbundling of participants. With 18.0% most of the involved enterprises are located in the financial services area. Every tenth participant is dealing with consumer goods or located in the manufacturing industry. They are followed by companies of the automotive industry and service providers with 9.0%. The sample also includes 8.0% retailers and 7.0% power suppliers and companies of the pharmaceutical and medical industry. More than every twentieth participant comes from the telecommunication business.

[FIGURE 1]: Unbundling of participants



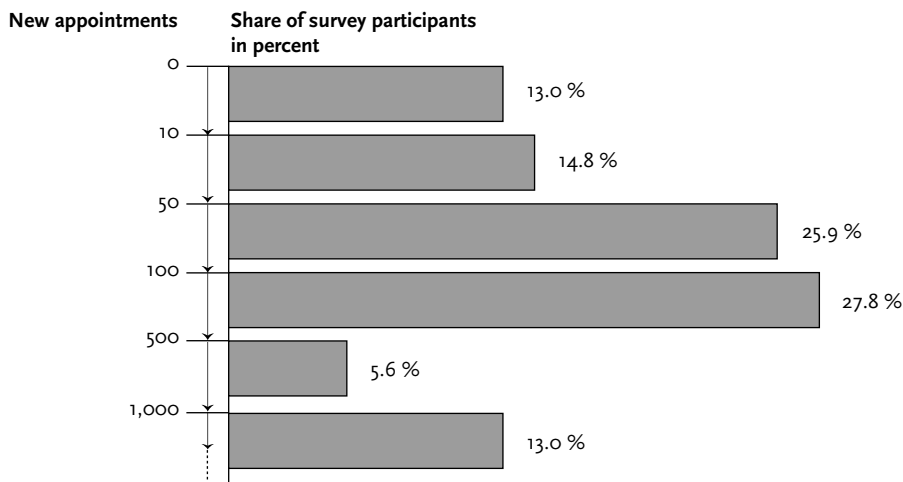
Another important criterion is the distribution of survey participants according to the number of employees. One third of the questioned enterprises employ fewer than 1,000 people. With 26,2% a little more than a fourth of the companies engage between 1,000 and 4,999 employees. 7.7% of the survey participants have a workforce of 5,000 to 9,999 people. Every fifth participant recruits between 10,000 and up to 49,999 workers. Finally 12.3% employ more than 50,000 employees in their workforce.

[FIGURE 2]: Distribution of survey participants according to employee numbers



Finally Figure 3 illustrates the distribution of survey participants according to their planned recruitments for 2007. 13.0% of the interviewees plan to recruit less than ten people in 2007. In total 14.8% would like to hire between ten and 49 new workers this year. Every fourth company intends to employ between 50 and up to 99 new people. With 27.8% most of the survey participants estimate recruiting between 100 and 499 new sign-ons. More than 1,000 new appointments are envisaged by 13.0% of the responding enterprises among Europe's top 1,000. In comparison to top 1,000 surveys in Germany and Austria only 9.0% of the large-scale enterprises in Germany and 4.3% in Austria plan to recruit more than 1,000 workers. This leads to the conclusion that especially the large enterprises in the EU are likely to grow and expand in the year 2007.

[FIGURE 3]: Distribution of survey participants according to their planned recruitments for 2007



2.2 THE LONG-TERM AVAILABILITY OF SKILLED WORKFORCES

The above-mentioned economic growth is also proved by official statistics. These statistics show that the number of job postings has continually increased since the year 2004. This is also confirmed by the Monster Employment Index, a monthly analysis of online job vacancies. The Index report is based on a real-time review of millions of employer job opportunities culled from 148 job boards across Europe. This Index increases by 60 points from 83 in December 2004 up to 143 in May 2007. So will we get a new “War for Talent” on the labor market? And for what kind of target groups could we expect a shortage in labor supply?

2.2.1 THE LONG-TERM ESTIMATION OF STAFF REQUIREMENTS AND LABOR SUPPLY

The English magazine „The Economist“ not only expects a revived “War for Talent” in the upcoming years but also a “battle for brainpower“ with an international dimension (The Economist, October 2006). Reasons for this talent shortage are the rising growth of international markets and the perennially lower knowledge transferability as well as the increasing average age of the total population. In the following it is analyzed for which target groups spanned by career status we could expect a talent shortage.

Figure 4 shows that 66.3% of all questioned enterprises expect very or rather high staff requirements for young professionals (work experience < four years) over a period of five years. But only 43.2% of the survey participants assess a high manpower supply on the labor market for 2011. For the group of professionals (work experience ≥ four years) a very or rather high supply is expected by 40.9% of the top 1,000 companies’ respondent. 64.5% of the interviewees estimate high staff requirements for this target group.

The situation on top- and mid-management level is similar regarding staff requirements and labor supply. Especially the group of mid-level managers could present a problem because less than a fourth of all companies respondent expect a very or rather high work supply. 39.6% forecast very or rather high job requirements for this target group.

[FIGURE 4]: Staff requirements and labor supply for the year 2011¹



¹ rather high or very high staff requirements / rather high or very high labor supply

Only the apprentices seem to be a target group with enough supply on the labor market in 2011. Just 23.4% estimate very or rather high staff requirements for this group in the next five years. On the other hand every third company expects a similarly high labor supply for the year 2011.

These results are confirmed by recruiting surveys with the top 1,000 enterprises in Germany, Austria and Switzerland. The professionals are the most demanded target group in all surveys alongside young professionals.

2.3 THE INTERNATIONAL CROSS-BORDER RECRUITING

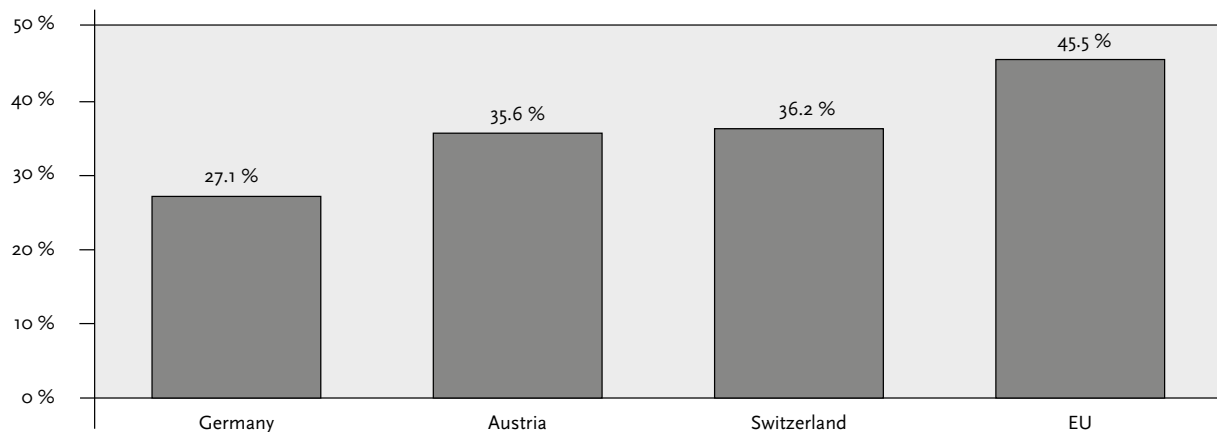
Several surveys in the last years showed that a lot of the enterprises regard international cross-border recruiting as a chance to support the build-up and development of foreign sales and production units and get away from the bad situation on the local labor market.

In total 86.8% of the questioned enterprises see this as a valid cause of cross-border recruiting.

2.3.1 THE IMPORTANCE OF INTERNATIONAL CROSS-BORDER RECRUITING

The top 1,000 enterprises of the European Union still frequently recruit their workforce on international labor markets. 45.5% of the questioned enterprises in this survey regard international cross-border recruiting as very or rather important. In comparison with the results of the surveys in Austria, Switzerland and Germany you can see a divergence. Just slightly more than every third company in Switzerland and Austria and every fourth company in Germany see a similar importance for international cross-border recruiting.

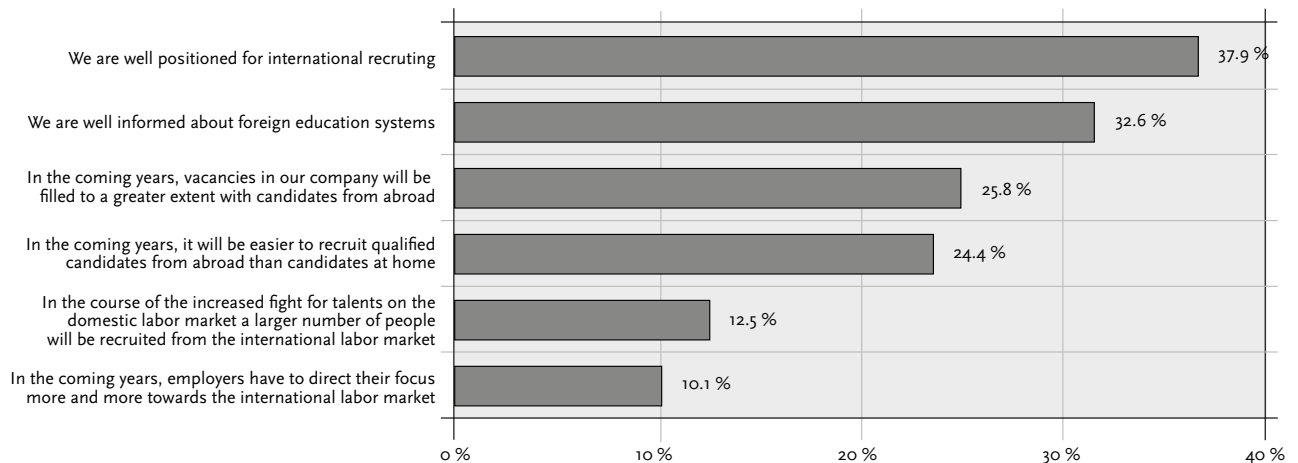
[FIGURE 5]: Fraction of firms who think international recruiting is important²



² rather high or very high importance

Figure 6 illustrates opinions of the questioned enterprises regarding international recruiting. In total 37.9% of the survey participants think that they are well positioned for international recruiting. Nearly every third company is well informed about foreign education systems. 25.8% plan to fill their vacancies to a greater extent with candidates from abroad. Each fourth survey participant estimates that it will be easier to recruit qualified candidates from abroad than candidates from the home market. Only 12.5% see international recruiting as an answer to a new “War for Talent”. Just 10.1% of the companies think that they will have to direct their focus more and more towards the international labor market.

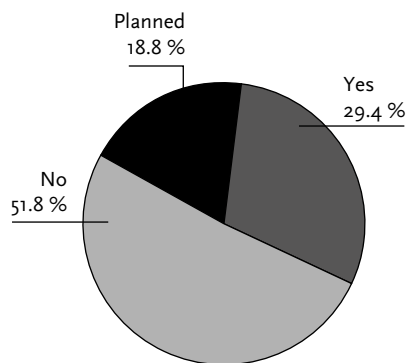
[FIGURE 6]: Opinions about international cross-border recruiting³



2.3.2 THE ROLE OF FOREIGN INTERNET JOB PORTALS FOR CANDIDATE ATTRACTION

In order to find highly qualified candidates the enterprises also have the opportunity to post domestic vacancies in foreign job portals and search their CV databases respectively. Nearly three out of ten top 1,000 enterprises in the EU use the functionalities of foreign internet job portals. Another 18.8% plans to use these job portals to post job ads and search through the CV databases. A predominant majority of 51.8% does not recruit new staff via foreign internet job portals.

[FIGURE 7]: Use of foreign internet job portals

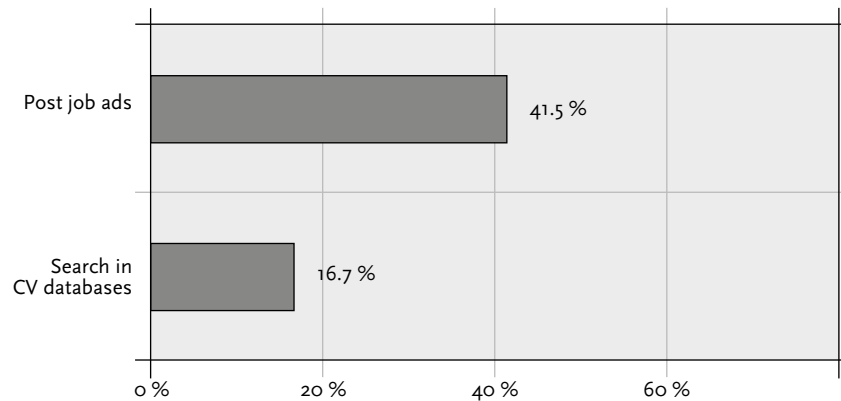


³ The values specified in this figure show these statements companies respondent rather or fully agree.

41.5% of these enterprises which are customers of foreign internet job portals often or very often use the functionality to post job ads. Only 16.5% of all survey participants search for suitable candidates in CV databases.

Related to the sum of all survey participants just 12.2% often or very often place their vacancies in foreign internet job portals and only 4.9% look for new employees in the CV databases there.

[FIGURE 8]: Functionalities of foreign job portals⁴



2.4 THE SHORT-TERM CANDIDATE ATTRACTION OF INTERNAL AND EXTERNAL CANDIDATES

Beside special cases like international recruiting, large-scale companies in the EU have two alternatives to employ new workers. On the one hand they can recruit new people via the national labor market and on the other hand they have the chance to fill their vacancies with other internal employees. In the following subchapter both versions of candidate attraction will be observed more closely.

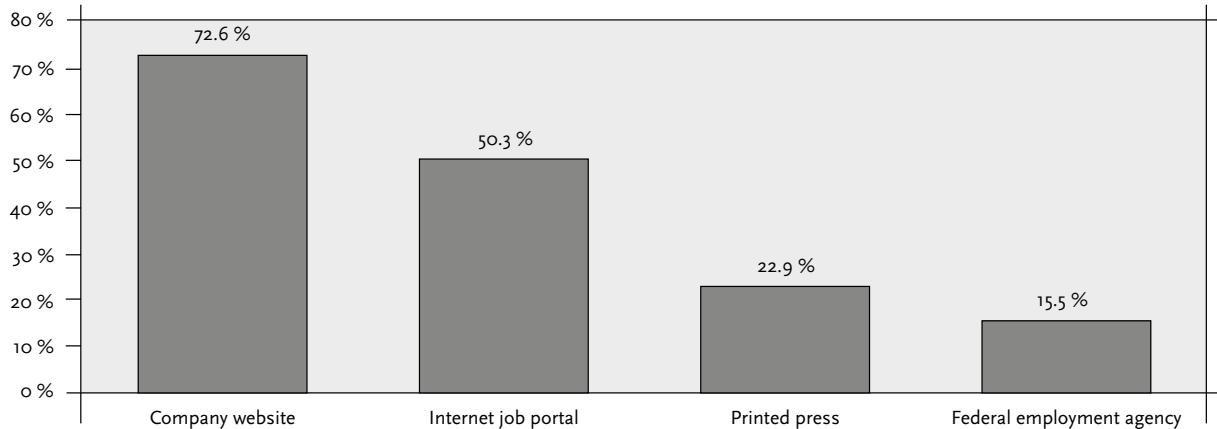
2.4.1 EXTERNAL STAFF RECRUITMENT

There are a lot of different recruiting channels in the short-term candidate attraction process to publish vacancies on the external labor market. These channels are illustrated in Figure 9 with the number of posted vacancies per channel. As Figure 9 shows, the most important recruiting channels for candidate attraction are the corporate website and the internet job portal. With 72.6% the most vacancies are published in the career section of the corporate website. This is followed by the internet job portals where more than every second vacancy in one of the 1,000 biggest companies in the European Union is posted. The printed press with newspapers or magazines takes third place in this ranking. 22.9% of all vacancies are announced via this channel. This is similar to the situation in Germany where a little more than every fourth free position is published in the printed press. The federal employment agencies as another recruiting instrument are seldom being used nowadays. Only 15.5% of all free work places are published regularly by this institution.

⁴ Frequent or very frequent use

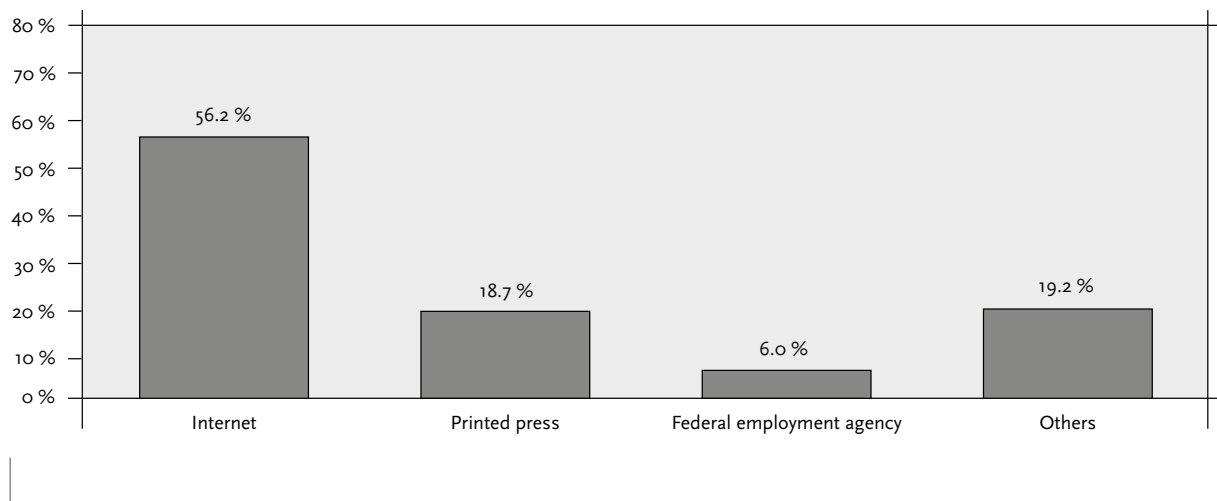
Compared to the situation in the single countries it is obvious that the agencies are losing relevance and reputation everywhere. Although around 15% of all vacancies in Germany and Austria are advertised by this federal institution.

[FIGURE 9]: Fraction of all open positions posted in different channels



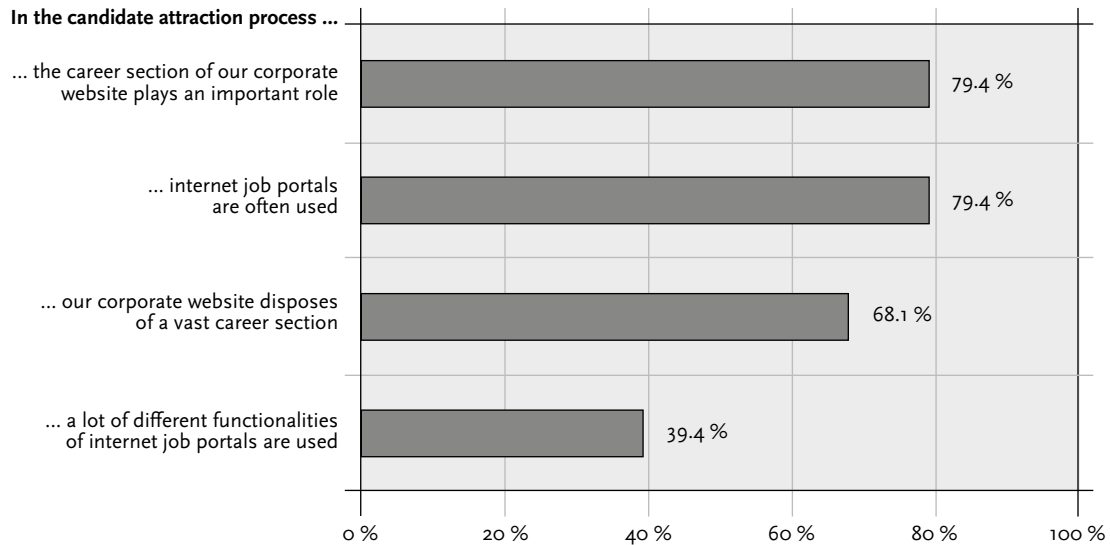
The online-channels are gaining ground in the candidate attraction process. Through this growth the online-channels are also becoming more important for the application processing and the overall recruiting process. More than every second employment results from a job ad on a corporate website or in an internet job portal. In total 56.2% of all survey participants recruit their new employees via these channels. A comparison with classical methods such as a job advertisement in a newspaper or magazine shows that the printed press only slightly matters any longer. Just 18.7% of all recruitments in the large-scale companies in 2006 resulted from published vacancies in the print media. More relevant for external staff recruitment in large-scale enterprises are the remaining recruiting channels including agencies for temporary work, job fairs and in special cases the individual networks of each applicant. An overall 19.2% of all new hires come from these channels. Staff recruitment via the federal employment agency is with only 6.0% of little importance for the large-scale companies in the European Union.

[FIGURE 10]: Where do actual hires come from



How do the large-scale enterprises use the online-channels for candidate attraction? Figure 11 illustrates aspects of the importance of these recruiting channels. In nearly eight out of ten companies the online-channels, corporate website and internet job portal, play an important role in the candidate attraction process. With 68.1%, more than two-thirds of all survey participants dispose of a vast career section on their corporate website. 39.4% of the enterprises questioned still use a lot of different functionalities of internet job portals, such as publishing job ads and searching in CV databases.

[FIGURE 11]: Aspects of candidate attraction⁵



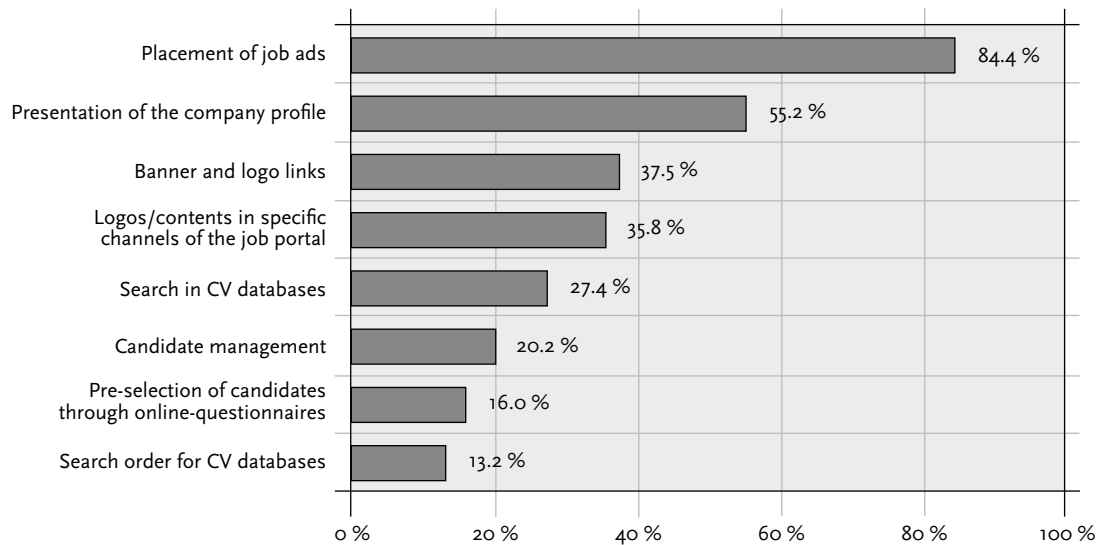
2.4.2 THE ROLE OF EXTERNAL INTERNET JOB PORTALS FOR THE CANDIDATE ATTRACTION PROCESS

The survey “Recruiting Trends 2006” in Germany (Keim et al. 2006) showed that the large-scale companies expect an increasing relevance of internet job portals for the recruiting process in the upcoming years. The usage and functionalities of internet job portals will be described in the following.

Figure 12 illustrates the usage frequency of all offered functionalities in internet job portals. Accordingly 84.4% of all survey participants post their vacancies via this channel. More than every second large-scale enterprise questioned uses the possibility to showcase their company in the form of small descriptions and essays. More than every third company streams their logo links and banners in the job portal. Another 35.8% take the chance to place their logo links and banners in the specially provided specific industry sector channels. A little more than a quarter of all enterprises questioned search actively in the CV databases of the internet job portals. Compared to a survey with over 11,000 job seekers in Germany there is a significant discrepancy between the usage by applicants and by companies because more than two-thirds of these job seekers have already left or plan to leave their CV in the internet job portal databases. Still every fifth large-scale enterprise questioned also uses the offer of candidate management. 16.0% pre-select their applicants through a little AC with online-questionnaires. Only 13.2% of all survey participants take the chance to give a search order to the CV databases in order to find suitable candidates.

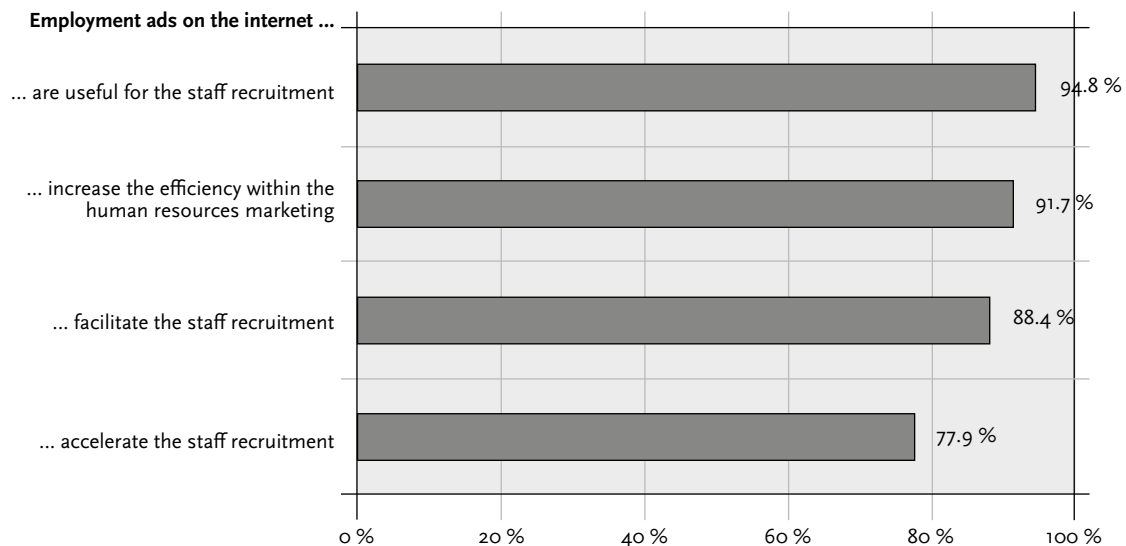
⁵ The values specified in this figure show these statements companies respondent rather, regular or fully agree.

[FIGURE 12]: Used functionalities of internet job portals⁶



With regard to the explicit advantages of online job ads, 94.8% of the large-scale enterprises questioned rate them as useful for staff recruitment. In total 91.7% believe to increase their efficiency in the candidate attraction process. Nearly nine out of ten survey participants see online job ads as a facilitation of recruitment. Finally more than three quarters could accelerate their recruiting process by using job ads in online-channels. These advantages provide a basis to save time and money during the recruiting process.

[FIGURE 13]: Aspects of online job ads⁷



⁶ Frequent or very frequent use

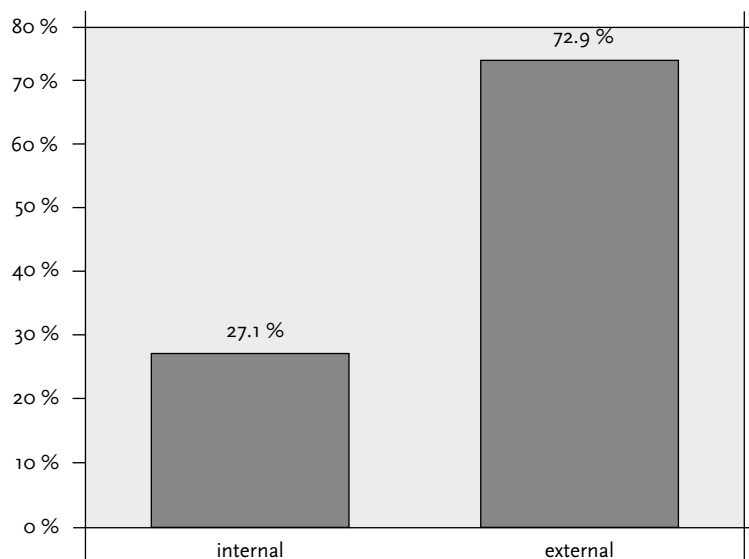
⁷ The values specified in this figure show these statements companies respondent rather, regular or fully agree.

2.4.3 INTERNAL STAFF RECRUITMENT

Internal staff recruitment offers the enterprises both the chance to save costs for the external search for staff as well as the possibility to advance the available employee's potential. For example a change of departments raises the wealth of experience and know-how of all involved employees inside the firm. Furthermore the enterprises can thereby offer their employees new perspectives and promote their individual career planning.

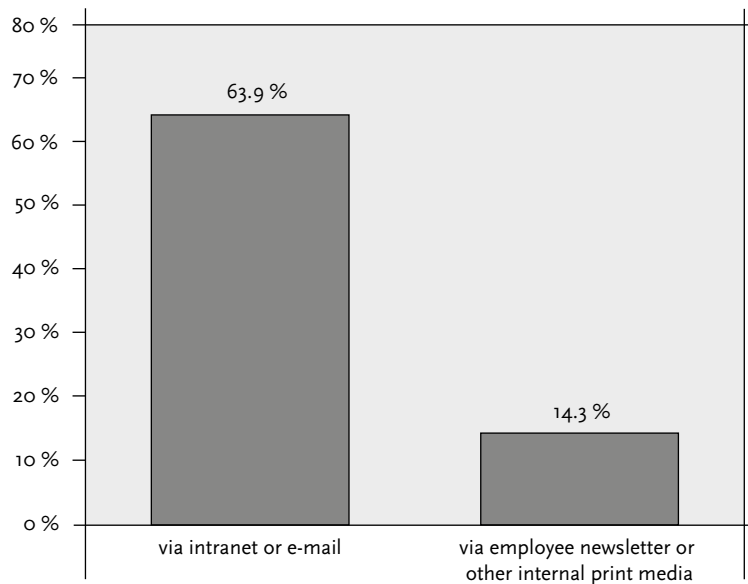
With regard to the portion of internal recruitment in the overall recruitment just 27.1% of all hires result from internal staffing. This portion is 9.1% points lower compared to the internal recruitment rate in Germany with 36.2%. A possible explanation of the low portion of internal recruitment in the overall recruitment could be the economic pick-up in the European Union over the last months.

[FIGURE 14]: Internal and external recruitment pro rata of the overall recruitment



Beside the announcement via billboard or the publication in employee newsletters, electronic channels are gaining importance in internal staff recruitment. Figure 15 compares both channels and illustrates the number of vacancies which are published via intranet or e-mail and employee newsletter or other internal print media. From an overall view it is obvious that the publishing of job ads in internal print media with 14.3% is not very relevant for the internal recruitment processes. In comparison to that nearly two-thirds of all vacancies are posted in electronic channels like the intranet or e-mail. The decrease in the internal employment rate concerning overall employment leads to a reduced number of posted job ads in internal recruiting channels. But as long as the labor market is threatened by a lack of availability for specific target groups and a new “War for Talent”, the internal recruitment will remain an important factor in corporate recruitment.

[FIGURE 15]: Fraction of all open positions posted in different internal channels



2.5 THE INCOMING APPLICATIONS

In times of frequent internet usage the electronic application has established itself over the past few years on both sides of the recruitment process, job seeker and company, as the preferred sort of application method. The classical paper-based application is being more and more substituted by e-mail or the e-application form of the corporate websites and internet job portals. This increased offer of applications causes a problem for the companies as to which and how many application methods they should accept and which not. For this reason acceptance is an important fact because the incoming applications represent the gateway between applicants and the internal corporate processes. If the companies do not accept all application methods, they are threatened by a candidate jump off and a decreasing total number of applications. But even if the companies do accept all application methods, they are threatened by an application overflow and the problem of format discontinuity.

The following subchapter tries to answer the question as to which and how many application methods the large-scale enterprises questioned prefer now and will prefer in the forthcoming years.

2.5.1 PREFERRED APPLICATION METHODS

Because of the various advantages and risks discussed above, the preferences of the companies questioned for number and sort of application are quite heterogeneous. Figure 16 illustrates the preferences for the sort of application from the companies' point of view. The majority of the enterprises questioned name the e-application form of the internet job portals and the corporate websites as the preferred kind of incoming application. More than every second survey participant prefers this form due to the possibility to process the applications in a highly structured way and without format discontinuity. Nearly a quarter of all large-scale

enterprises questioned would like to have their incoming applications as e-mails. Only a little more than every tenth survey participant still prefers the classical paper-based application by mail. 8.4% do not have a clear preference for one of the given methods.

[FIGURE 16]: Preferred kind of incoming application

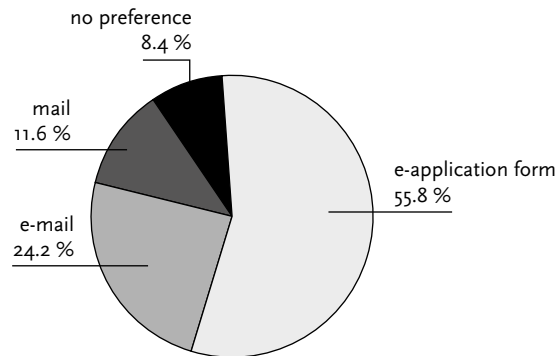
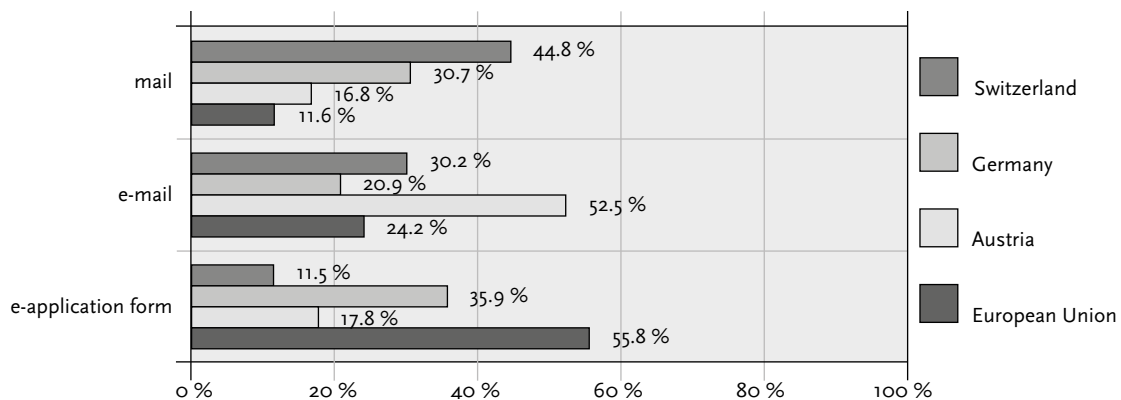


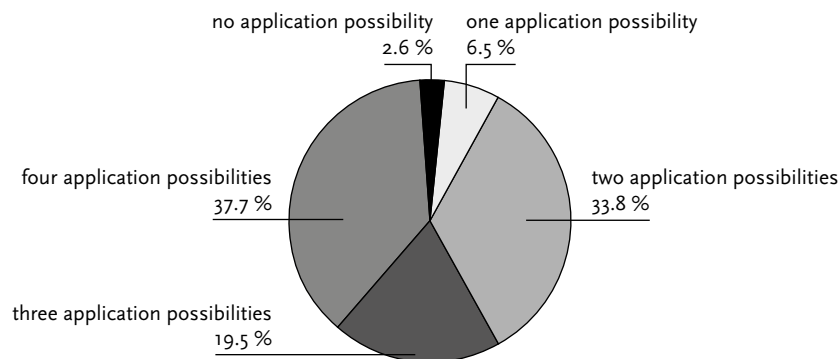
Figure 17 now shows a comparison of the preferred kind of incoming application in the European Union and single countries within Europe. The paper-based application per mail is still the most important form in the economy of Switzerland. 44.8% of the respondent companies in Switzerland preferred this. In the large neighboring country of Germany a mail application is still desirable for 30.7%. The situation in the third country observed is much different because only 16.8 of all survey participants in Austria favor this kind of application. The lowest preference applies to the whole of the European Union, where a paper-based application is only favored by a little more than every tenth participant. Among the electronic applications the e-mail is preferred to a similar extent between 20.9% and 30.2%, in Switzerland, Germany and the whole of the European Union. Surprisingly in Austria more than half of all respondent large-scale enterprises favor the e-mail as the sort of incoming application. That is a remarkable rate seen against a background of problems such as application processing with format discontinuity. Only one out of ten survey participants in Switzerland would like to receive e-application forms in the recruiting process. 17.8% of the participating Austrian enterprises prefer e-application forms to a similar degree. The present situation in Germany and the EU is a little different. As Figure 17 shows the e-application form is favored by more than every second enterprise in the EU and more than every third in Germany.

[FIGURE 17]: Comparison of preferred kind of incoming application



The job seekers in the European Union have four major alternatives to write an application: the paper-based application per mail, the e-mail as well as the e-application form of corporate websites and internet job portals. The following Figure 18 visualizes the number of accepted application methods per company. With 37.7% most of the survey participants allow all of the mentioned application methods. Nearly two out of ten large-scale enterprises questioned accept three of them. Every third company just tolerates two different sorts of applications. Finally only one application possibility is admitted by 6.5%. Finally another 2.6% does not accept any of the four alternatives mentioned above. This could mean that these companies currently do not employ any workers from external labor markets.

[FIGURE 18]: Number of application possibilities



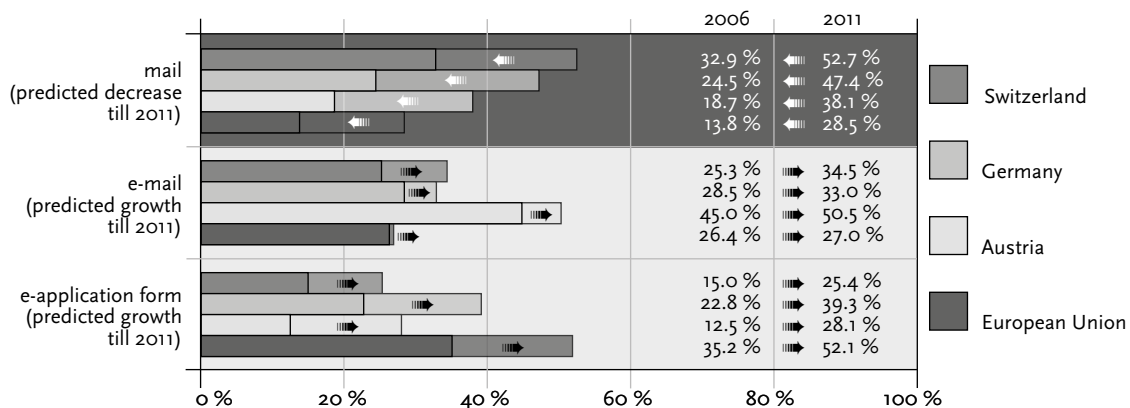
Among other things the strong preference for electronic applications within the larger countries in the European Union is a result of the corporate communication in staff recruitment. For example 72.9% clearly refer in their job ads to the existing possibilities to apply online. Six out of ten survey participants even ask their candidates to apply online. Every fourth large-scale enterprise questioned sends back paper applications with the request for e-application forms at least for some target groups. Actually 28.1% of all respondent enterprises accept only electronic applications at least for selected target groups, with the e-mail being the second most common application in the inbox.

2.5.2 THE RELEVANCE OF APPLICATION METHODS OVER TIME

The intensified use of the internet in staff recruitment will obviously change the sort of incoming application in the next five years. Figure 19 illustrates the predicted changes for incoming applications in the form of decrease or growth till the year 2011. The respondent enterprises of the 1,000 biggest in the European Union receive 28.5% mail applications. With 27.0% the e-mail is only the third most common kind of application in the companies' inboxes. Even 35.2% of all incoming applications are e-application forms of the corporate website or internet job portals. The situation in the other countries observed differs a lot. In Switzerland every second application is still a paper-based letter. E-application forms are of little relevance with just 15.0% in the companies' inboxes. The current allocation of applications in Germany is also still dominated by the classical mail with 47.4%. Both sorts of electronic application each make up a quarter of all incoming applications. Surprisingly the situation in Austria is influenced by a high number of incoming e-mails. 45.0% of all applications come in by e-mail. The classical mail is just in second place with 38.1%.

With regard to the development till 2011 the situation overall in the European Union will change massively. The development is going more and more in the direction of electronic applications especially the e-application forms. In all observed countries as well as the whole of the European Union the number of incoming mail applications will dramatically decrease over the next five years. Only 13.8% of all incoming applications in the European Union will be normal letters. The prognosticated growth for e-mail applications is not that massive in the single countries. The respondent companies of the top 1,000 in the EU even expect a small decrease in e-mails in the inbox. The biggest growth is expected for the e-application forms. The minimum growth is a ten percent-point plus in Switzerland. The enterprises in Germany estimate a rate of 39.3% for e-application forms. Finally, in the biggest companies in the EU e-application forms will probably make up half of all incoming applications. The e-application form is the only kind of application which provides a highly structured processing without format discontinuities.

[FIGURE 19]: Expected changes in use of applications till 2011



2.6 THE ADOPTION OF APPLICANT-MANAGEMENT SYSTEMS IN STAFF RECRUITMENT

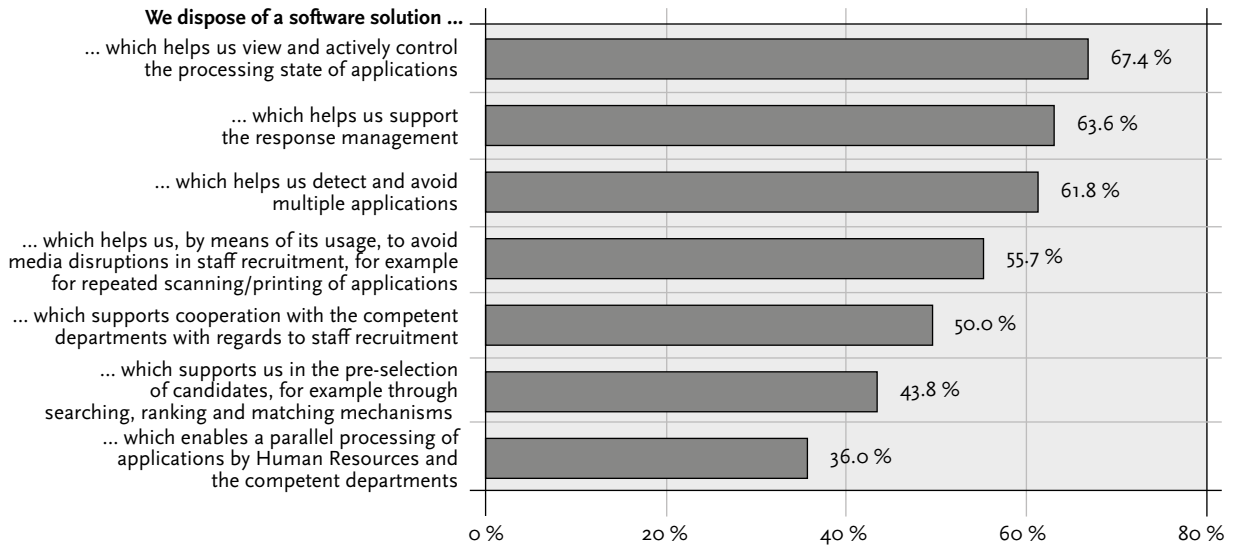
Alongside online recruiting channels and electronic applications, applicant-management systems have established themselves as another form of IT-support in staff recruitment over the past few years. Our current survey shows that seven out of ten survey participants use applicant-management systems for application processing. These systems support the internal workflow of application processing and offer the chance to compare single applicants more easily and more precisely. In addition several facilities are provided by these systems such as the part automation of response management processes.

2.6.1 THE USAGE OF APPLICANT-MANAGEMENT SYSTEMS

The implemented software tools differ in the form of their functionalities. Figure 20 now shows different functionalities of such applicant-management systems. Two-thirds of all large-scale enterprises dispose of a software solution which helps to view and actively control the processing status of applications. 63.6% could support their response management with the help of their systems. Six out of ten respondent large-scale enterprises could detect and avoid multiple applications. More than every second survey participant disposes of an applicant-management system which helps to avoid format discontinuity in staff recruitment

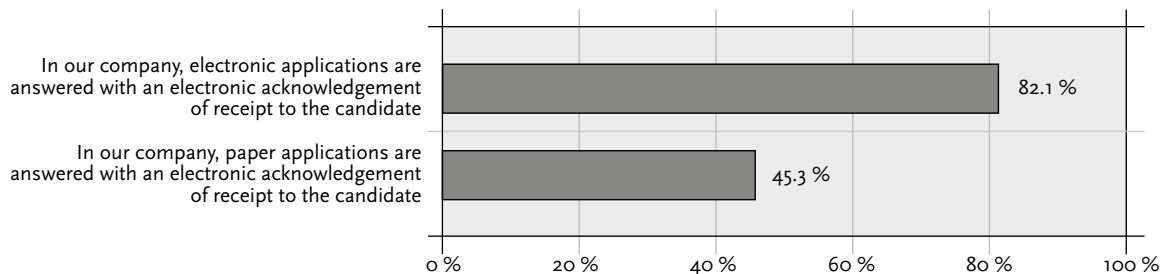
for example for repeated scanning and printing of applications. Exactly half of all respondent companies of the top 1,000 in the EU could support cooperation with the operating department by using an integrated applicant-management system. A software tool which supports the pre-selection of candidates through search, ranking and matching mechanisms exists in 43.8% of all the large-scale companies which participated. Only a little more than every third company questioned disposes of a software solution for a parallel processing of applications by the recruiting department and another operating department.

[FIGURE 20]: Functionalities of the applicant-management systems used ⁸



The advantage of partly automated response management is to get in touch with the respective candidates faster than other rivals. This furthers the building of trust between the applicants and the company. So it is important how the companies react to incoming applications. Figure 21 illustrates two alternatives for response management with the help of an applicant-management system. 82.1% of the respondent large-scale enterprises answer electronic applications with an electronic acknowledgment of receipt to the applicant. Even paper applications get answered by an electronic acknowledgment of receipt in 45.3% of the companies questioned.

[FIGURE 21]: Response management to incoming applications ⁹



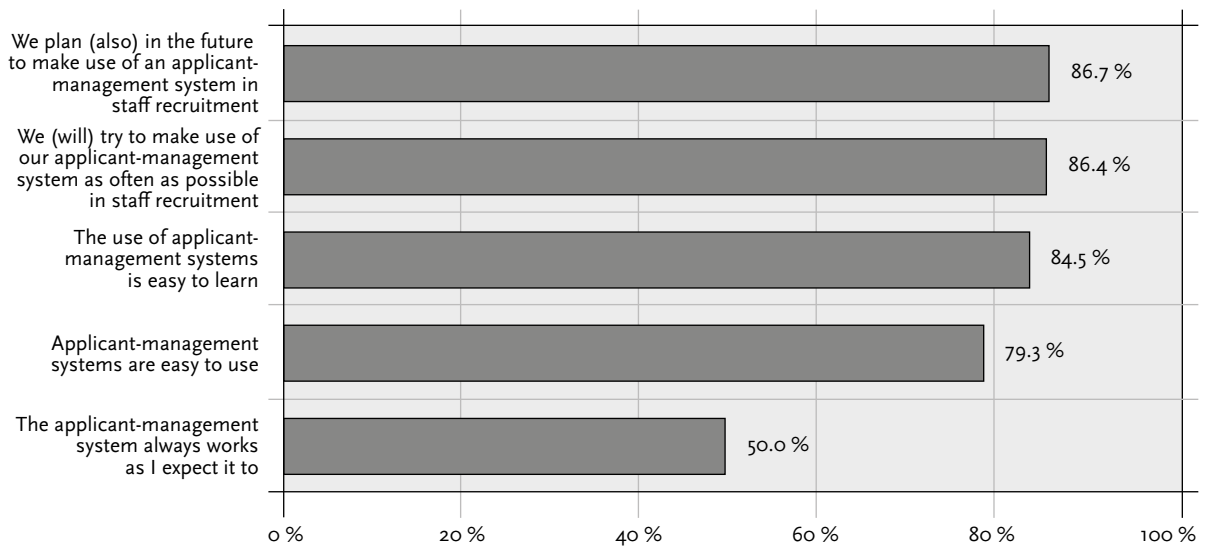
⁸ The values specified in this figure show these statements companies respondent rather, regular or fully agree.

⁹ The values specified in this figure show these statements companies respondent rather, regular or fully agree.

2.6.2 THE USAGE OF APPLICANT-MANAGEMENT SYSTEMS IN THE CORPORATE CONTEXT

The assessments on the use of applicant-management systems show that 86.7% of all survey participants plan to use applicant-management systems in future as well. 86.4% of the companies questioned try to use these systems as often as possible in corporate staff recruitment. More than eight out of ten respondent large-scale enterprises think that the use of applicant-management systems is easy to learn. 79.3% agree with the statement that applicant-management systems are easy to use. Finally in half of all participating companies of the top 1,000 in the EU no unexpected problems occur in the use of these systems.

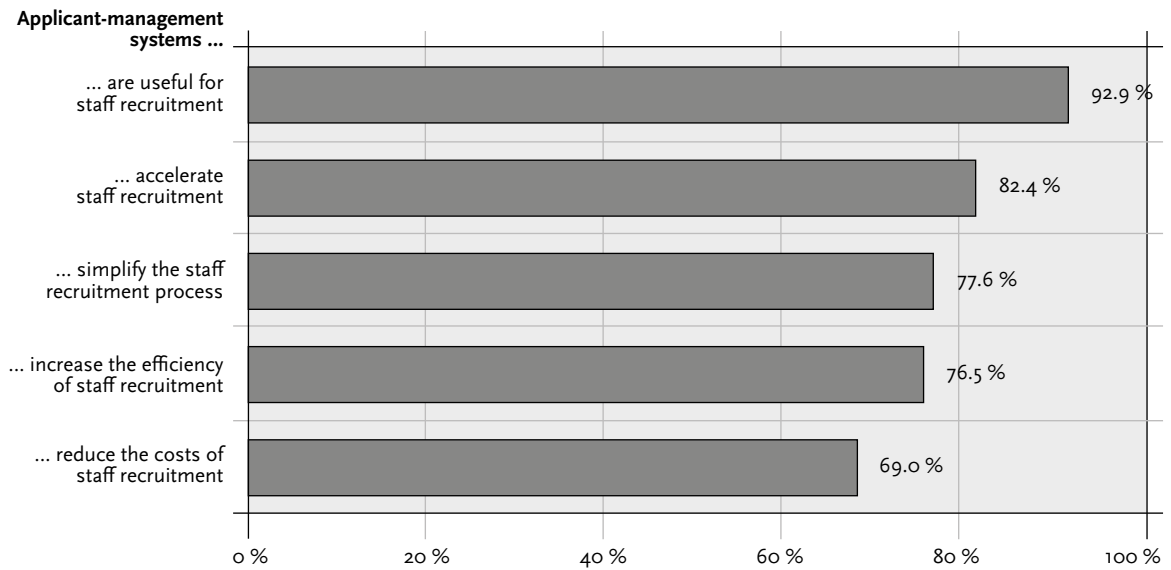
[FIGURE 22]: Assessments on the use of applicant-management systems¹⁰



In this context Figure 23 now visualizes aspects of potential advantages resulting from the use of applicant-management systems in staff recruitment. 92.9% consider them useful for the whole staff recruitment process. Eight out of ten see an acceleration of their recruitment practice through the use of applicant-management systems. Another positive effect mentioned by 77.6% is a simplification of all recruiting processes. Also more than three quarters of all respondent large-scale companies see an increasing efficiency in their staff recruitment. Lastly, nearly seven out of ten survey participants have reduced their costs in staff recruitment through the use of applicant-management systems.

¹⁰ The values specified in this figure show these statements companies respondent rather, regular or fully agree.

[FIGURE 23]: Aspects of the advantages of applicant-management systems ¹¹



2.6.3 THE USAGE OF INTERNAL TALENT DATABASES

One incentive for an increasing portion of e-application forms lies in the attempt to save all incoming applications in only one database and connect all groups involved in the recruiting process with exactly this database. In this respect the e-application forms are very important because they are the only form which can be saved in a highly structured manner in a database without format discontinuity. Unlike them, paper-based applications and e-mails have to be put in a database in a manual way in order to be processed afterwards. Indeed these intermediate process parts could be handled by internal specialized HR services or shared service centers or be outsourced to external personal consultants or service providers, but usually this process takes a lot of time and money and is often faulty.

Figure 24 illustrates the usage of internal talent databases in the respondent companies of the top 1,000 in the EU. According to this figure, 62.2% of all survey participants save incoming applications beyond the recruitment process. These companies save a portion of 70.7% of all applications in their internal database. At the moment, these top 1,000 companies which use internal databases have saved on average 81,305 applications in their internal databases.

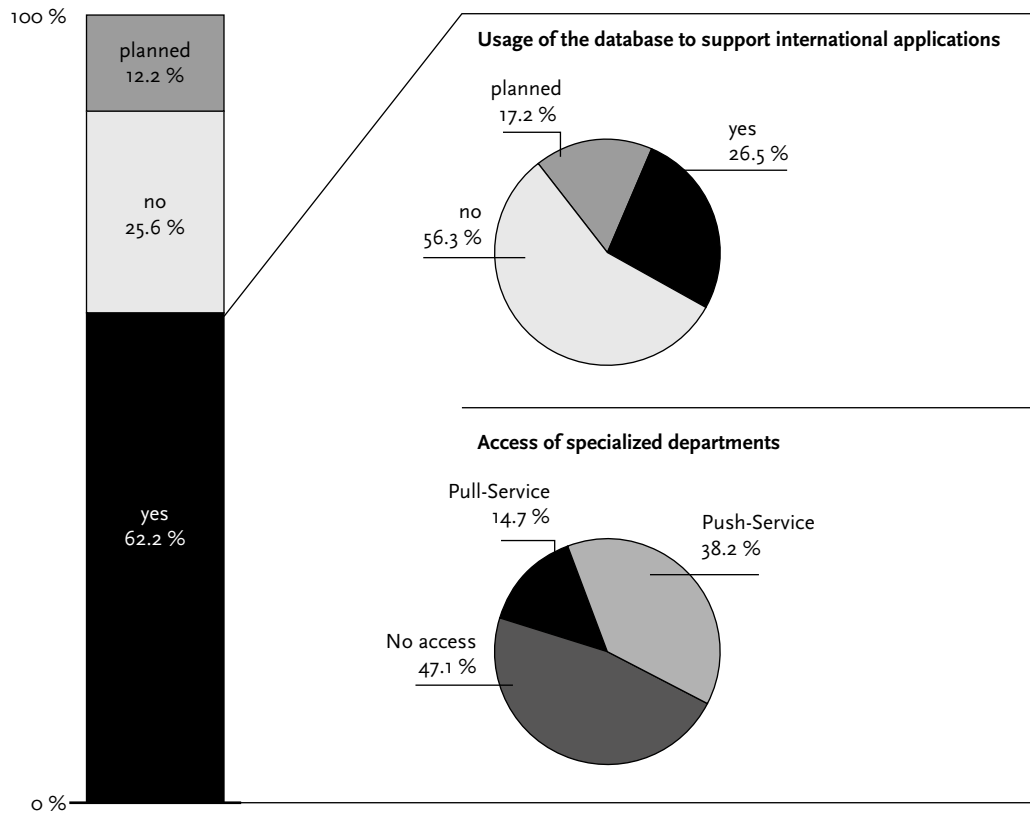
But nearly half of these enterprises do not give access to the specialized departments. A reason for this could be the fact that not all applications are saved in this database. And therefore no overall view of incoming applications is possible here. 38.2% of the enterprises questioned inform their specialized departments about relevant incoming applications and give them the opportunity to process them. Just 14.7% of all enterprises let their specialized departments search in the database in case of actual need.

The chance to use this database to support internal applications is only taken by 26.6% of the companies. More than every second of the companies who use internal databases do not use them to save CVs and applications of internal job seekers. But this could change in the forthcoming years given that the internal employment markets will be highly relevant for 74.4% of the companies questioned in the year 2011.

¹¹ The values specified in this figure show these statements companies respondent rather, regular or fully agree.

[FIGURE 24]: Application-storage beyond the recruiting process

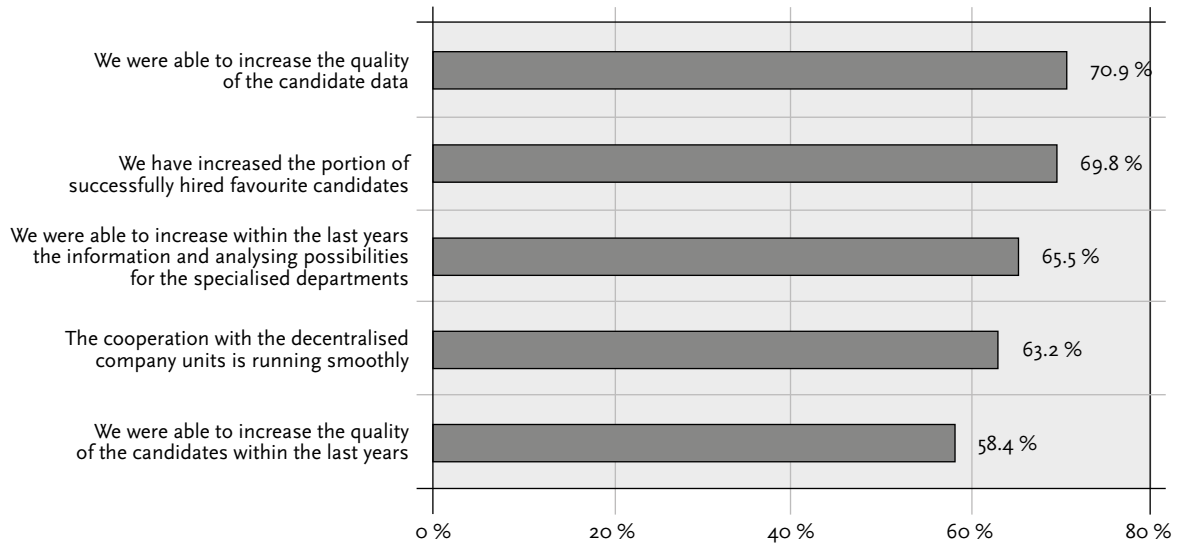
**Storage of incoming applications
beyond the recruitment process**



2.7 THE USE OF INTERNAL CANDIDATE DATABASES

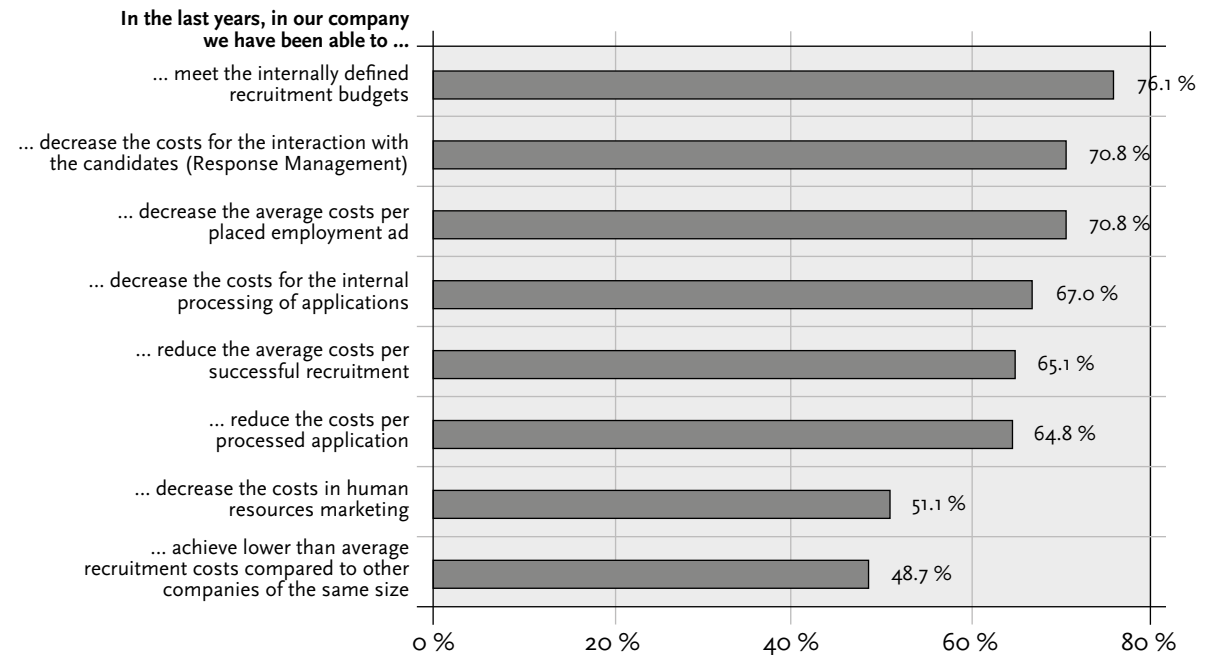
Finally, after observing of the large-scale enterprises in the EU, a positive view emerges for the aspects of time and costs in the staff recruitment process. The intensified use of online-channels in the candidate attraction process as well as an increasing amount of electronic applications leads to significant cost and time savings in the large-scale enterprises questioned. Also the increased process quality shows that the intensified use of applicant-management systems in staff recruitment is more and more of value. Seven out of ten survey participants were able to increase the quality of the candidate data. 69.8% increased the portion of successfully hired candidates. Two-thirds of the respondent enterprises in the European Union were able to increase the information and analyzing possibilities for the specialized departments within the last years. Another 63.2% agree with the statement that the cooperation with the decentralized units within the company runs smoothly. More than every second company questioned was able to increase the quality of candidates over the last few years.

[FIGURE 25]: Last year's results in staff recruitment¹²



Lastly, with regard to the costs of recruiting it is obvious that three quarters of all survey participants met their internally defined recruitment budgets. Seven out of ten companies questioned reduced the costs of response management and to the same extent the average costs per placed job ad. Two-thirds could decrease their charges for internal application processing. Even 65.1% reduced their expenses per successful recruitment. Finally, nearly half of all the participating enterprises of the top 1,000 in the European Union achieved lower than average recruitment costs compared to other companies of the same size.

[FIGURE 26]: A cost factor in staff recruitment¹³



^{12/13} The values specified in this figure show these statements companies respondent rather, regular or fully agree.

3 CASE STUDY BERTELSMANN AG - SUCCESSFUL eRECRUITING ON AN INTERNATIONAL LEVEL

Short company presentation

The corporate group Bertelsmann produces media, provides services around media, distributes and markets media worldwide. In its industrial sector the Bertelsmann AG is one of the biggest media groups worldwide. Its activities are structured in six branches of business. These are TV and radio, book-publishing, magazines and newspapers, music labels and publishers, print and media services as well as media distribution through book and music clubs. In each of these fields most famous and leading brands rank among those of the corporate group. For example the RTL Group, the No. 1 European broadcaster belongs to the Bertelsmann AG as well as Random House, the world's largest book-publishing group and Gruner + Jahr, Europe's biggest magazine publisher. Under the umbrella of BMG are BMG Music Publishing and Sony BMG Music Entertainment, a group of music labels with a long tradition and a high diversity of music styles. Furthermore Arvato as a provider of media and communication services and Direct Group, a global market leader in media distribution through clubs and on the internet, represent other important divisions of the company.

The 170 years of company tradition is characterized by a corporate culture of "Entrepreneur within the Enterprise". The employees are given maximum freedom in order to produce the best media products worldwide. As the media group with the strongest international direction the Bertelsmann AG has a quite decentralized structure in the form of profit centers. This reckons for the organization of recruitment as well. The decentralized units are responsible for personnel planning and personnel controlling as well as the choice of instruments in the process of candidate attraction. The central management development is additionally focused on strategic questions of HR, the providing of the technical infrastructure and the organization of group-wide recruiting events. In 2006 more than 97,000 employees in 60 countries worldwide generated a total revenue of 19.3 billion euros.

Short summary of former case studies with Bertelsmann

The company from Guetersloh in Northwest Germany is one of the pioneers in eRecruiting in the German economy. Already since 1996 Bertelsmann has been using the internet and its application-instruments for their recruiting. In the year 2001 the "BeCruiter", an in-house designed software, was put into operation. The "BeCruiter" could map the career section of the corporate website and the internal application processing. After the implementation first success came in early stages. Already in the year 2002 60% of all applications came in online. This high percentage of digital applications led to a decrease in the time-to-hire from 67 to just 20 days. In addition to that, the number of processed applications rose by 65%. In the following years the company started to redesign the career section and made its own e-application forms more flexible in order to improve the services for its candidates. These renovations and the frequent use of internet job portals resulted in an increase of electronic applications up to 80% of all incoming applications.

Current approaches in international recruiting

Bertelsmann is a worldwide operating company and represented in 60 countries. The corporate strategy plans an even stronger worldwide corporate presence in order to penetrate the international markets successfully. This also includes an intensified focus on international recruiting. Due to its decentralized corporate structure the activities in this field are planned by HR Services, a shared service unit, in the corporate headquarters in Germany. HR Services act as kind of a service provider for all decentralized recruiting departments spread worldwide. The fields of activity of this shared service unit range from the development of individual concepts for single country recruiting departments to the organization and maintenance of the worldwide corporate career section. "We could just offer our services but the decentralized departments do not have to use them. Of course, we try to convince them to work together with us in order to improve their individual performance", explains Gero Hesse, Vice President of Human Resources Services at Bertelsmann. An example of these offers is to design the website of foreign corporate units adjusted to their country's specificities.

"BeCruiter" as a worldwide operating recruiting system links the single recruiting units

The corporate "BeCruiter" system is accessible for all recruiting departments worldwide. So every recruiter could write his job ad in his respective language and with the specific context. It also provides the possibility to applicants with international mobility to apply directly in foreign corporate branches and not first via the recruiting department in their respective country. In order to bring the applicants in foreign countries to their career section and the posted job ads, Bertelsmann frequently cooperates with internet job portals in the respective countries. But also for vacancies in its German headquarters it uses these recruiting channels in order to find specific job descriptions which do not occur on the German labor market anymore.

International cooperation with internet job portals offers new chances in staff recruitment

The linking between the corporate recruiting system and these internet job portals is handled by HR Services. In these internet job portals abroad the passive search for new employees via posted job ads is used as well as the active search in the pool of résumés. The search in the pool of résumés is mostly used as add-on but this depends on the target group and the respective country. "We offer the decentralized departments the possibility to practice the use of these databases in order to build up know-how and adapt this know-how to their individual recruiting processes." Manuela Ebbes-Barr, Senior Manager of Bertelsmann Recruiting Services, describes the role of HR Services thus. The candidate quality in these databases depends strongly on the different cultural mentality of the job seekers worldwide.

Different local situations on the internet job portal market have to be considered

However, not only does candidate behavior differ in the single countries, also the individual situation in the internet job portal business differs greatly from country to country. For example in the UK it is important to combine this sort of recruiting with job postings in the federal employment agencies. These employment agencies are of much greater importance in the UK than in other European countries like Germany or France. In France you have the special characteristic that it is only allowed to post job ads in internet job portals in French and otherwise no other language. A particular case is the situation on the internet job portal market

in Spain. Only one big provider with his own rules acts as a kind of monopolist on this market. “In this internet job portal we are not allowed to link the career section of our corporate website with the posted job ads, as we handle it everywhere else in the world.”, remarks Manuela Ebbes-Barr about the situation in Spain. If a company decides to cooperate with an international job portal, the biggest providers in Germany offer two different models. For example the online job portal Monster is currently represented in 38 countries worldwide. So a global operating company can fall back on Monster in every important place for the world economy. Another model is offered by the online job portal Stepstone which does not appear under this brand in foreign countries but cooperates in many countries with the respective market leader. The globally acting customer is allowed to use all participating companies in this international job portal network. Bertelsmann tried both alternatives and was quite satisfied with each one. If a company does not want to buy the whole package with worldwide access, they also get the possibility to buy the access for single countries. In that case the pricing in the single markets varies a lot. “I could just recommend to every recruiter to study the prices of internet job portals in single countries quite carefully because especially between Western and Eastern Europe the prices differ a lot”, is the advice given by Gero Hesse to companies which plan to use international job portals in their recruiting process.

Current innovations for international recruiting in the corporate group

In the year 2002 Bertelsmann started to extend its focus from candidate attraction and application processing at the beginning of the recruiting process to the contract conclusion in the last stage, especially the period when the company had already offered a contract to a candidate and was waiting for his/her positive or negative answer. The first idea was to save printing costs for the financial report and miscellaneous brochures which are given to the candidate during this period and afterwards. So Bertelsmann started to develop an IT-tool in order to provide the candidate with the information he/she would need if he/she decided to join the company.

Successful implementation of “Electronic Offer Packages” at Random House

One part of the corporate group, Random House, the world-largest book publishing group started to use a kind of this IT-tool called “Electronic Offer Package” in their recruiting process in the USA. The goals of the implementation were to increase the positive employer image of Random House on the one hand and to improve the early integration of new employees into the company. A positive employer image could help to convince the candidate to join the company and to avoid stranded investments in the recruiting process.

The process is structured as follows: When the company offers a contract to one of its candidates, it also gives a login for the electronic offer package. When the candidate logs in the first time, he/she is personally welcomed by the company. Contents of this tool are information about various topics regarding the job itself, the company, the new place of residence, etc. The candidate also gets the chance to get in touch with his/her new colleagues by means of a couple of different communication methods. The employees could present themselves in short video clips and introduce the potential colleagues to their future departments. Manuela Ebbes-Barr describes the intention behind this functionality in the following way: “With these interactive video clips we try to integrate the candidate in his/her future department before he/she even starts working.”

High quality service in order to convince the candidates to join the company

If the candidate would like the answers to specific questions he/she did not ask during the job interviews such as retirement provision or holiday entitlement before starting work, he/she will find a contact person here. Random House makes a point of offering high quality service to impress and convince its candidates. The high quality service also contains further special information about the new place of residence. The tool is connected to the websites of the city itself, nightlife and restaurant guides. Thus the candidate is able to get important information about the city's infrastructure (e.g. schools, kindergartens, nurseries) or hotspots at night. "We know that some of our company locations are not so popular at first glance but we try to show their individual character at a second glance via our IT-tool", Gero Hesse explained one of the targeted impacts. In-house consultants offer the chance to discuss such themes as work-life-balance and the five-year-plan with the candidates at Random House. Finally the candidate could already fill in forms concerning his/her contract, social insurance and general terms and conditions in order to save this time later on and help the HR-department to create personnel files without format discontinuity.

Conclusion and future perspectives

Since 2001 the corporate group Bertelsmann has continuously broken new ground by adopting IT innovations in their staff recruitment. With its decentralized corporate structure Bertelsmann has had to implement individual solutions for each respective foreign recruiting department which are invented and supported by the central shared service unit HR Services. One important solution is the worldwide accessibility of their recruiting-system "BeCruiter" which provides the recruiters with the possibility to post job ads in various languages in every country worldwide where Bertelsmann is present. Another important point is the international involvement of international job portals. Besides the unfamiliar pricing in foreign countries and some cultural issues international cooperation with internet job portals like Monster proves to be an effective and successful instrument for addressing candidates.

Another successful approach in international recruiting within the Bertelsmann group concerns the development and implementation of the "Electronic Offer Package" for the corporate branch Random House. This IT-tool helps the world's largest book-publishing group not only to reduce costs efficiently but also to build up a positive employer image from the candidates' point of view. An evaluation showed that the new employees felt directly like "part of the family" after using the "Electronic Offer Package" because of the personalized welcoming and the comprehensive mass of information. In times of an intensifying international "War for Talent" and the growing importance to manage cost-effectively this is an important factor for success.

4 CONCLUSION

This survey with the top 1,000 companies in the European Union (EU) underlines the importance of information technology in recruitment. The participating companies recognize the huge potential for cost savings, for broadening their reach towards talent and for raising the overall quality of their applicants and HR processes that is associated with a proper use of IT and electronic channels. These opportunities must be used, especially considering the increasing competition for scarce talent nationally and internationally. A high level of demand for professionals, young professionals and mid-level managers is expected for the years ahead, and the results cast some doubt if there is sufficient supply. Thus, taking advantage of the Internet and possibilities offered by systems like candidate databases with benefits from international recruiting over improved internal processes and reduced time to hire to better attracting and selecting the right candidates can help establish a competitive advantage in the increasingly severe battle for brainpower.

For candidate attraction, job postings in online-channels regularly reach higher numbers of potential applicants than traditional media. Other surveys show that Internet job portals are the most frequently used information channel by job seekers and those interested in developing their career (Eckhardt et al. 2007). The low costs of online attraction compared to print media together with the broad reach have already resulted in more than one out of two hires out of electronic channels.

Another option for confronting the “War for Talent” consists in also recruiting internationally, i.e. in neighboring countries, for the home market. This alternative has already become important for nearly every second survey participant. When looking at the prospects over the five-year time frame, recruitment of employees from abroad is growing even more in importance. International collaboration among job boards and international acting job boards offer the possibility of reaching people at home and abroad simultaneously.

The channel most favored by companies for receiving applications is the e-application form. This is consistent with incoming applications for the previous year, as in the EU the largest proportion of applications were received via the e-application forms of the corporate websites and the internet job portals. For 2011, a dramatic increase in applications received via the e-application form is expected. These application forms offer the companies in particular the possibility to collect few but important data quickly and in structured form and save them in a database. Such a database provides the basis for developing an internal talent pool, which in turn offers the possibility of a closer tie with candidates in the area of relationship management. This large reserve is currently being used on mid-level by the companies in the EU. Two-thirds of the respondent companies in this study save applications in a database beyond the application process. The possibility of integrating individual departments in whose areas the vacancy actually occurs is recognized by more than a third of all participating companies. But this and the opportunity of bringing together external and internal candidates into one common database represent still unused potential for the companies in the EU that could be exploited in the next few years.

Fully- or partially-automated processes via applicant-tracking systems and the targeted use of databases, therefore, not only offer the possibility of cost savings already recognized by companies and higher matching quality, but also of identifying, reaching and finally hiring suitable candidates in the market more quickly than competitors at a time of scarcity of employee supply.

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Additional copies of this survey can be obtained for a fee.
You can also request copies of the following surveys:

Eckhardt, Andreas; König, Wolfgang; Weitzel, Tim; von Westarp, Falk
“Recruiting Trends 2007 – Eine empirische Untersuchung mit den Top-1.000-Unternehmen in Deutschland sowie mit Unternehmen aus dem Mittelstand und ausgesuchten Branchen”
Frankfurt am Main, January 2007

Eckhardt, Andreas; König, Wolfgang; Weitzel, Tim; von Westarp, Falk
“Recruiting Trends 2007 – An empirical study of the top 1,000 companies in Switzerland”
Frankfurt am Main, March 2007 (edited in in english, french and german)

Eckhardt, Andreas; König, Wolfgang; Weitzel, Tim; von Westarp, Falk
“Recruiting Trends 2007 – Eine empirische Untersuchung mit den Top-1.000-Unternehmen in Österreich”
Frankfurt am Main, March 2007

Eckhardt, Andreas; König, Wolfgang; Keim, Tobias; Weitzel, Tim;
Villa, Davide; von Westarp, Falk
“Bewerbungspraxis 2007 – Eine empirische Untersuchung mit über 11.000 Stellensuchenden im Internet”
Frankfurt am Main, October 2006

Keim, Tobias; König, Wolfgang; Weitzel, Tim; von Westarp, Falk
“Recruiting Trends 2006 – Eine empirische Untersuchung der Top-1.000-Unternehmen in Deutschland und von 1.000 Unternehmen aus dem Mittelstand”
Frankfurt am Main, January 2006

Keim, Tobias; König, Wolfgang; Weitzel, Tim; Fritsch, Kerstin;
von Westarp, Falk
“Bewerbungspraxis 2006 – Eine empirische Untersuchung mit über 10.000 Stellensuchenden im Internet”
Frankfurt am Main, October 2005

Keim, Tobias; König, Wolfgang; Weitzel, Tim; Wendt, Oliver;
von Westarp, Falk
“Recruiting Trends 2005 – Eine empirische Untersuchung der Top-1.000-Unternehmen in Deutschland und von 1.000 Unternehmen aus dem Mittelstand”
Frankfurt am Main, January 2005

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