Digitalized Transformation, Social Networking and its Effect on Talent Acquisition

Seema Wadhawan, Nidhi Gupta

Abstract: Advancement in technology has led to adoption of digitalized platforms for recruitment. Hiring in the current age is candidate driven. Competitive success of organizations has made it imperative for the recruiters to draw right talent. A vital appropriate digitalized professional social networking platform facilitates the recruiters to connect personally and professionally. The study attempts to analyze effectiveness of LinkedIn as a digitalized SNS platform by analyzing information content and website usability. Research was conducted through a structured questionnaire in Delhi, NCR with a sample size of 125 recruiters. Factor analysis was applied to identify varied attributes of the LinkedIn for its adoption by talent acquisition teams. Correlation and Regression enabled to study the influence of information and website quality on Intention to use LinkedIn. Findings of the study showed that perceived usefulness and information relevance influence the intention to use LinkedIn by recruiters the most.

Keywords: Information relevance, LinkedIn, Perceived Usefulness, Recruitment, Social Networking Site and Talent Acquisition, TAM (Technology Acceptance Model)

I. INTRODUCTION

In this growing global economy, to have sustainable development organizations and HR professionals are enforced to digitalize the HR function. Digital Transformation in HR practices, especially talent acquisition has overcome the challenges of attracting, hiring and retaining competent resource (Schlechter et al., 2014). The traditional channels of recruitment are important but not sufficient. Talent seekers are deprived of the semi active or passive job seekers who can be captured through digitalized tools. Recruitment in digital era is candidate driven, so it is all the more important for the organization to adopt new SNS platforms like Facebook, LinkedIn and employee blogs (Nikolaou, 2014). Digitalized HR practices have facilitated organizations to create their employer brand. Social media platform like Facebook, LinkedIn, Glassdoor enable the companies to share business and job information with the public at large, bridging the gap between potential candidate and recruiter. In current digital age, majority of job seekers have social presence. Social Networking websites have the feature of open access, thus recruiters can gain information about the candidate; their knowledge, skills, abilities and personal information which is vital for screening process.

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68% of recruiters in western countries hire potential candidates through social networking sites (Swallov, 2011). LinkedIn is considered as most popular SNS for recruitment (Kluemper, 2013). LinkedIn is a preferred source for job search by job seekers. It enables the job seeker to build their professional network. The information content and system usage facilitates the user to increase its usage (Wadhawan, et.al., 2020). With increased use of social media for business and varied functional domain, present study focuses to determine the factors influence the recruiter's perception to use LinkedIn as SNS in talent acquisition as a preferred channel.

II. LITERATURE STUDY AND HYPOTHESES

In the current age, HRM role is widespread covering not only the operational function but also the strategic function of contributing to business. Thereby, making it imperative for the organizations to recruit most appropriate personnel's, and not just fill the vacant position. Recruitment is not an isolated organizational function. Rather, identifying, attracting and recruiting the right talent is a key success factor of any talent management strategy thus digitalized platform and applicant of SNS is essential (Gallardo-Gallardo and Thunnissen, 2016).

A. Recruitment and E-Recruitment

Recruitment is the process of finding and engaging the people the organization needs (Armstrong, 2009). Over the years the recruitment function of HR has evolved with the development of technology. Adoption of digitalized platform of SNS has been the need of the hour. In India 20th to 21st century led to adoption of internet supported web based sites such as naukri.com, monster.com, jobsahead.com. E-Recruitment is a concept where internet is used as a tool to search the potential job applicant. Marketing discipline contributed for focusing on branding effect on job applicant (Dineen and Noe, 2009) and Information technology contributed by focusing on information system, and acceptance to use the system (Grobler et al., 2014).

Over the decade the company website and job boards became the most dependable sources to increase the applicant pool with the organization. A dramatic change was witnessed in mid 2000 in job hunt activities which were recorded at 46% in 2003 (Singh, 2017). The 2017 CIPD survey of resourcing and talent planning found most effective methods for recruiting was own corporate websites (74%), followed by professional networking sites (60%), commercial job boards (58%) and recruitment consultants (52%). Recruitment majorly depend upon internet as the most vital source for recruiting till 2012.

Employers have adopted Social Networking Website for recruitment and screening purposes; and among these 97% of recruiter uses LinkedIn for hiring needs (Hebberd, 2017).

B. Social Networking in Recruitment

The current digital age of web 2.0 is associated with changes not only in the connectivity of people socially but has digitalized HR practices. Research shows that more than 89% of U.S people have access to internet, In China 71% have internet access, In Mexico 67%, In Kenya 39% and 25 % in India (Pew Research Center, 2018). From more than a decade different types of social networking website emerged and continue to exist such as Facebook, Twitter, Instagram, LinkedIn and many more. Among these websites, LinkedIn is most preferred SNS for recruitment. As per SHRM in western countries nearly 95% of recruiters use LinkedIn as recruiting instrument, 58% uses Facebook, and 42 % uses Twitter. LinkedIn is a social networking website which is most commonly used to build professional networking and relationship (Zide et al., 2014). As among different social networking website LinkedIn is most preferred, this has lead to research question by author. What are different factors which have led to adoption of LinkedIn as a preferred recruitment tool?

C. Information Relevance

LinkedIn as a tool of social recruitment enable the recruiter to search the profile of passive job seeker who are currently employed and not looking for a job change. Thus, LinkedIn permit recruiter to go beyond traditional "spray and pray" approach (Dutta, 2014). LinkedIn is preferred over Facebook since it provides candidate's employment history, education, years of experience, recommendations and endorsements. The relevance of the information provided on candidate work likes a tool for the recruiter to ensure that information content is meeting the need to fill current open position (Grobler et al., 2014). Some recruiters use the profile of individual available as LinkedIn profile wholly as a replacement of resume, other recruiters may use LinkedIn profile resume in addition to traditional recruitment method and not as replacement to make a better recruitment decision. (Zide et al., 2014). Any inappropriate information of the candidate on social networking websites result as a source of negative information, hampering the social identity formation and impression management of the applicant. Thus is it important for the job applicant or information provider to be vigilant of what they are revealing on the SNS.

D. Perceived Information Credibility

Along with LinkedIn, recruiters and HR professionals also depend upon other social networking websites like Facebook to extract additional information and verify the truthfulness of the information. Perception is the view point of individual that is influenced by information selection, organization and interpretation based on the stimuli (Hill and McShane, 2008). Nikam & Dalvi (2020) elludes social media provides fake and undependable information and it important to model which show fake information. They developed and showed system to identify fake information using algorithm, just increasing the credibility of information available on these websites.

Perception of recruiter could vary based on their preferences and reaction when exposed to reality. In relation to this credibility is also a subjective term and its determinants are trustworthiness, likeliness and expertise. The two attributes combine together to form the credibility perception. For a recruiter to select the most appropriate job applicant it is important that they screen all the profile and LinkedIn resume with skepticism, this is primarily due the fact that online professional profile of the job applicant are many times exaggerated. Most top HR professional says LinkedIn should be used as initiating step of recruitment. With the increased dependability of SNS, it is vital to check credibility. The parameter to use wide variety of online information is conformity with accuracy, believability, likeliness and reliability (Li and Suh, 2015). Along with the characteristics of Information, information relevance, credibility are vital factors in the intention to use online recruitment.

E. Technology Acceptance Model

More than 90% of Fortune 500 companies use varied online recruitment (Feldman & Klaas, 2002). Thus it is important to recognize the usage of Information System (IS) and its application in online recruitment. TAM - Technology Acceptance Model is one of the most accepted model of IS developed by Davis in 1986. This model shows interface characteristics of a system affect its usage and acceptance by user. This model applies the concept of Theory of Reasoned Action (TRA, 1980) to show how system usage influences the behavior, attitude, perceived usefulness and Perceived ease of use for online recruitment. Kashi et al., (2013) studied TAM model to apply it in e-recruitment and understand its application is providing benefits to job seeker for job search and building intention to use the website for future.

F. Perceived Ease of Use

Davis (1986) eludes perceived ease of use as the "degree to which the person believes that using a particular system is free from effort". It refers to the amount of effort the individual person applies to gather the required information, resources or activities for which he or she is responsible. Ease also means applicant of less effort. Usability of website refers to factors such as easy to understand the structure, aesthetic appeal, functions, content and interface of website. It may also refer to the easy of navigating the content and how quickly the user can extract the information (Casalo et al., 2008)

G. Perceived Usefulness

Perceived Usefulness as per Davis (1986), refers to the "degree with which particular system would enhance the performance" The information System, website which is considered to be more useful to the individual is believed to have positive and strong use - performance relationship. Adoption of technology for job search is directly dependent upon the perceived useful of e-recruitment website. Since use of these tools increases the information facilitating better choice (Tong, 2008).

III. PURPOSE OF THE STUDY

Research has shown that organizations adopt different recruitment channels to meet their manpower need (Tyagi, 2012). Usage of LinkedIn in recruitment is common.

Adoption of LinkedIn as a preferred recruitment channel yet needs light. The present study focuses to determine the factors which influence the recruiter's perception to use LinkedIn in the recruitment process as one of the preferred source.

Based on literature review the model of research includes Information content and Information System. The study proposes hypotheses for the study as below.
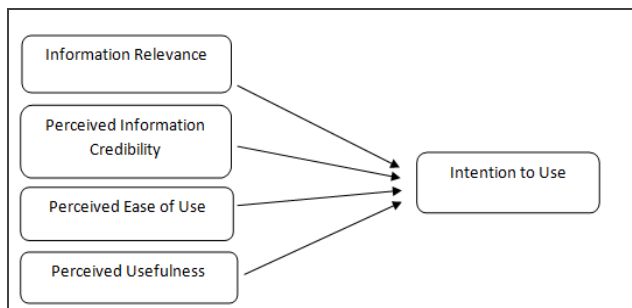

Figure 3.1: Model of LinkedIn Adoption

H_a1: Information Relevance of LinkedIn effects recruiter's Intention to use.

H_a2: Perceived Information Credibility of LinkedIn effects recruiter's Intention to use.

H_a3: Perceived Ease of Use of LinkedIn effects recruiter's Intention to use.

H_a4: Perceived Usefulness of LinkedIn effects recruiter's Intention to use.

IV. RESEARCH METHODS

Variables for the study were selected based on literature review. Considering it an exploratory research was conducted and statistical treatment was carried with the help of a structured questionnaire adapted from (Birgelen, 2008).

A. Objectives of the Study

- ➢ To identify the factors affecting adoption of LinkedIn as a recruitment tool.
- ➢ To analyze the effect of these factors on Intention to use LinkedIn as a recruitment tool.

B. Sampling design, Size and Profile of Respondents

Non Probability purposive sampling of hiring professionals from different sectors like IT, ITES, from Delhi NCR were taken up deliberately as a unit of analysis to have similar attributes. Sample consisted of Company recruiters, external recruiters, placement consultants and HR professionals. Questionnaire was administered to 150 respondents but only 125 responses complete in all respect were taken up for the study.

V. DATA ANALYSIS

A. Demographics Profiles

Table5.1 shows demographic profile, 42% were males and 58% were female respondents. 20% of respondents are in age group of 20- 25, 46 % in 26-30 years and 34% of respondents are in the age group of 31- 35. 22 % of respondents were Placement Consultant, 58% were Company Recruiter and 39 % were Manager Recruitment. The respondents who carry upto 2 years of experience were 36%, 40 % were between 3 – 5 years and 24% were having 6 – 8 years of experience.

Table 5.1: Demographic Profile

Gender	Frequency	Percentage
Male	52	42%
Female	73	58%
	125	
Age	**Frequency**	**Percentage**
20-25	25	20%
26-30	58	46%
31 - 35	42	34%
	125	
Recruiter Profile	**Frequency**	**Percentage**
Placement Consultant	28	22%
Company Recruiter	58	46%
Manager Recruitment	39	31%
	125	
Level of Experience	**Frequency**	**Percentage**
upto 2 years	45	36%
3-5	50	40%
6-8	30	24%
	125	

B. Reliability of Instrument

The questionnaire consisted of 5 constructs used as factors. Each factor consisted of three to four statements. This test is applied when the questionnaire is developed using multiple Likert scale. Table 2 gives the summary of reliability, determined via Cronbach's Alpha coefficient. Reliability of 20 statements was computed via SPSS 20.0.

Table 5.2 Reliability of Model

Constructs	Cronbach Alpha	No. of Items
Information Relevance	0.84	4
Perceived Information Credibility	0.89	3
Perceived Ease of Use	0.83	4
Perceived Usefulness	0.83	5
Intention to Use	0.80	4

C. Sample Adequacy

Exploratory factor analysis produced five factors that responded to the research literature. Sample adequacy was checked using KMO Bartlett's test of adequacy. Table5.3 shows KMO = 0.794 and is significant at 0.00 which is less than $p<0.01$.

Table 5.3: Sample Adequacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.794
Bartlett's Test of Sphericity	Approx. Chi-Square	364.145
	Df	10
	Sig.	.000

D. Factor Loading

Principal Component Analysis with Varimax rotation produced five factors, namely Information Relevance, Perceived Information Credibility, Perceived ease of use, Perceived Usefulness and Intention to Use. These factors accounted for 73.3 percent of cumulative variance. The coefficient of the each factor is shown in table5.4.

Table 5.4: Factor Loading

Item Load					
	Rotated Component Matrix				
	1	**2**	**3**	**4**	**5**
IR 1	.717				
IR 2	.702				
IR 3	.696				
IR 4	.681				
PIC 1		.674			
PIC 2		.649			
PIC 3		.637			
PEU 1			.718		
PEU 2			.487		
PEU 3			.450		
PEU 4			.404		
PUF 1				.784	
PUF 2				.748	
PUF 3				.703	
PUF 4				.676	
PUF 5				.538	
ITU 1					.631
ITU 2					.523
ITU 3					.594
ITU 4					.544

E. Hypothesis Testing - Multiple Regression

To identify the factor that is best predictor of intention to use the SNW (LinkedIn) for talent acquisition multiple regression was computed.

Table 5.5: Regression Statistics & F Significance

Regression Statistics	
Model	1
R	0.856
R Square	.733
Adjusted R Square	.724
Std. Error of the Estimate	1.65227
F	82.208
Sig	0.000
Durbin-Watson	1.970

Table 5.5 showed the model and F statistics. r = 0.856 shows the relationship between all the variables undertaken for the student. r square is 0.733 shows predictor variables (Information Relevance, Perceived Information Credibility, Perceived Ease of Use, Perceived Usefulness) explains 73.3 % variability in intention to use LinkedIn by recruiters. Adjusted r Square reflects the variation is truly caused by the independent variable.

F Test is the null hypothesis that the model explains zero variance in the dependent variable. ANOVA model was significant. F ratio is significant, $[F (4,120) = 82.88; p = 0.000]$ which is <0.05 indicating it is highly significant. The Durbin Watson d = 1.970 which is between the two critical values of 1.5 <d 2.5. There is no linear auto-correlation in our multiple linear regression data.

Table 5.6 shows the coefficient and b value in the multiple regression model equation, all the regression coefficient provide the significant effect on the outcome variable of intention to use.

Table5. 6: Regression Coefficients for Intention to Use

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	SE	B	T	Sig.	Tolerance	VIF
1 (Constant)	1.538	1.029		1.494	.038		
Ease of Use	.088	.087	.070	1.005	.031	.456	2.194
Information Relevance	.288	.088	.187	3.272	.001	.683	1.464
Perceived Information Credibility	.197	.073	.193	2.713	.008	.441	2.267
Perceived Usefulness	.472	.062	.572	7.647	.000	.399	2.508

Y (Intention to Use) = 1.538 + 0.88(Ease of Use) + 0.288 (Information Relevance) + 0.197 (Perceived Information Credibility) + 0.472 (Perceived Usefulness).

The last column of coefficients table shows the collinearity statistics. Tolerance should be (>0.1 VIF < 10) for all variables, it can be seen that VIF for all the variables is in the range and thus we can say that multicollinearity does not exist in this model.

VI. EMPIRICAL FINDINGS AND DISCUSSION

The intention to use LinkedIn by HR recruiters and professionals who are involved in talent acquisition was found to be dependent upon the information content and website usage. Among all the predictor variables the most effective variable was Perceived usefulness (β-.472) followed by Information Relevance (β-.288), Perceived Information Credibility (β-.197) and Ease of Use (β - .088). Study shows the contribution of LinkedIn as a Recruitment and selection tool of job applicant for HR Professionals. Lastly results of the study reflect the vital factors a recruiter would evaluate for adoption of LinkedIn as a recruitment platform.

VII. CONCLUSION

Attributes of LinkedIn which recruiter uses for their hiring decisions were identified. Different recruitment experts were the target group who extensively use LinkedIn for hiring and selection. Results show that intention to use LinkedIn from two broad prospective; information content and website usage of LinkedIn in India with special reference to Delhi NCR were analyzed. Recruiter for information focuses on the profile, recommendations and endorsement of the LinkedIn users before making the hiring decision.

The information obtained from LinkedIn resume of candidate is reliable and valid. Thereby it is important for the hiring team to cross verification via other sources of recruitment.

With respect to website quality TAM (technology acceptance model) applied to the study results showed that Perceived Ease of Use and Perceived Usefulness both were important component in forming behavior of recruiter to use

LinkedIn in their recruitment drive. The recruiter finds LinkedIn easy to use and this niche specialized SNS is able to provide useful information about the candidate both passive and active. Thus, enable them to expand the databank for potential applicant.

The study is in congruence to previous research that LinkedIn is an effective channel of recruitment and more extensively used than any other SNS source like Facebook and Glassdoor (Nikolaou, 2014).

VIII. LIMITATION AND RECOMMENDATIONS

The current study has methodological limitations. First the difference in the perception of different recruiters could be better assessed in terms of analysis of variance. This would enable to explore the comparison of its usage more valid and reliable. Secondly, the current study only considered IT sector, recruiters from different sector working in talent acquisition to be considered for broader scope and coverage. This would facilitate industry wise comparison with respect to effectiveness of LinkedIn. Thirdly other factors of legal and privacy can be added to the current model to provide better insight.

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