



## 2001 Employer Survey Papers

### Topic 4: Internet Recruitment and JobSearch



#### INTRODUCTION

The use of the Internet and electronic business to business transactions in Australia has increased in recent years. This includes an increase in the number of Internet based recruitment companies and employment related web sites together with an increase in Internet advertising of job vacancies on a company's own web site. This impacts on the recruitment industry and how those in employment services choose to deliver services and to compete in the market for employer business.

As part of government delivery of online services, Internet based employment services have also been established by the Department of Employment and Workplace Relations through JobSearch. JobSearch is a job matching service for both job seekers and employers. Job seekers can lodge their resumes using Resume Builder or search for job vacancies listed on the site. Employers can browse resumes or lodge a job vacancy to be displayed on the web site. The site is also extensively used by Job Network members who lodge vacancies on the site.

For some employers, the Internet provides a fast and cheap alternative to other forms of recruitment. It is available 24 hours a day and can provide an almost immediate result. The Internet is also useful for employers wanting to source applicants from a broad geographical area, nationally or even internationally.

This paper examines the use of the Internet as a recruitment method. Discussion draws on the results from the Department's employer survey as well as other available data on Internet use.

In particular, the paper reports on the use of JobSearch, exploring the profile of JobSearch customers and how this compares with other recruitment methods, including Job Network. The paper concludes with a discussion of employer attitudes to Internet recruitment and ratings of JobSearch services relative to Job Network agency performance.

#### ABOUT THE EMPLOYER SURVEY TOPIC PAPER SERIES

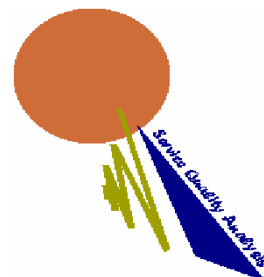
The Employer Survey Topic Paper Series is a collection of research reports on issues of interest arising from the *2001 Survey of Employer Use and Perceptions of Job Network* conducted by NFO Donovan Research on behalf of the Department of Employment and Workplace Relations (DEWR).

#### NOTES ON THE 2001 EMPLOYER SURVEY:

- The survey was preceded by a series of focus groups with employers to highlight relevant issues.
- The survey consisted of 7089 telephone interviews with the most senior person in charge of recruitment in workplaces across Australia.
- The sample was drawn from commercial business lists together with lists provided by the Department.
- The survey responses were weighted using ABS business register data to ensure the survey was representative of all businesses.
- More detail on survey methodology is available from the Service Quality Analysis Section, DEWR.

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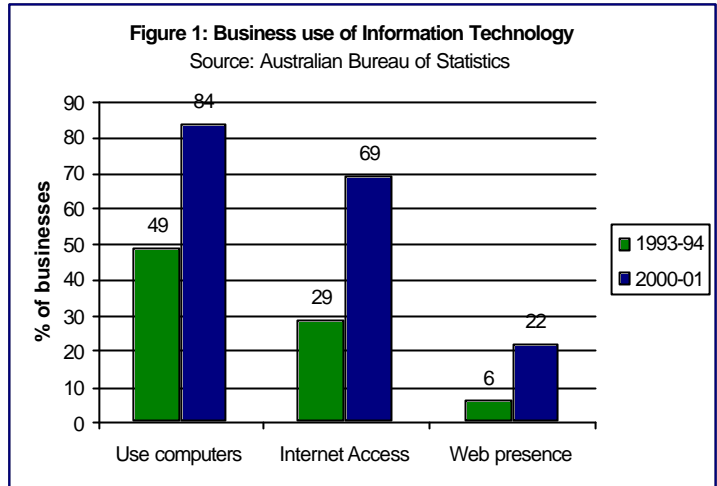


## INTERNET RECRUITMENT

The use of the Internet in Australia has increased markedly in recent years. According to Australian Bureau of Statistics surveys, computer and Internet use in the home and in businesses has grown steadily since the early 90's. In November 2000, one in three households had Internet access. While data are not yet available for 2001, the ABS expects that access will have grown to every second household by the end of 2001.

The ABS also reports that in 2001, 69% of businesses had Internet access and 22% had a web presence. This is even higher for large businesses (those employing 100 or more persons) 99% of which had Internet access while 81% had a web presence.

Despite the increase in Internet use, recruitment via the Internet is still in its early stages - it is not (yet) a major recruitment method used by Australian employers. In 2001 around 17% of employers used the Internet to source job applicants either through advertising job vacancies or by using an online recruitment company. Whilst this is a small proportion relative to users of other recruitment methods, this reflects more than a five fold increase since 1999.



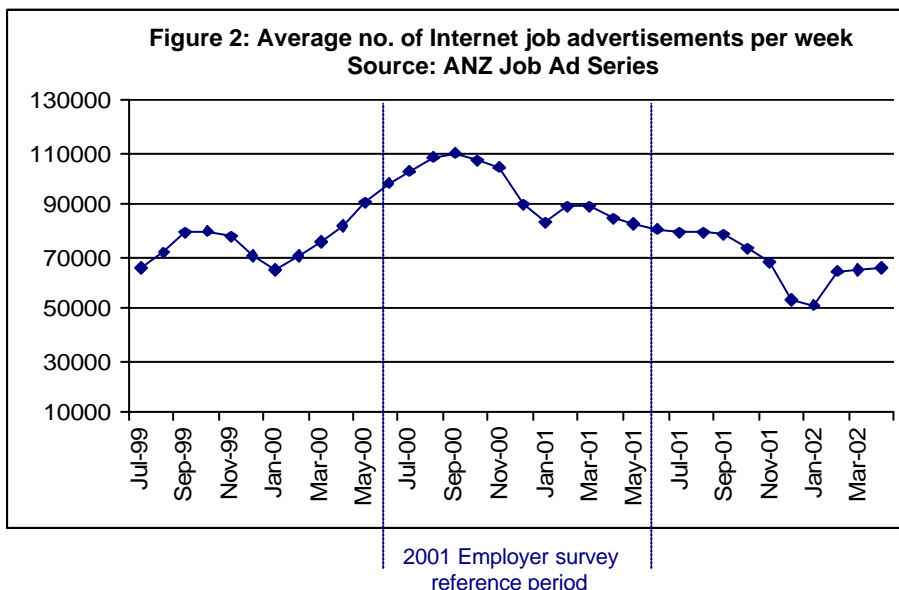
**Table 1: Methods of recruitment used**

Method of recruitment used <sup>1</sup>	1997	1999	2001
Word of mouth/recommendations from personal contacts	25	50	69
Resumes or CVs sent in/ cold callers	16	32	63
Advertising (newspaper, radio, TV)	28	52	54
An employment agency <sup>2</sup>	41	48	53
Internal recruitment	8	19	26
A labour hire company	NA	6	20
Directly from schools/ colleges/ TAFE	NA	NA	19
On-line recruitment Website/ Other advertising on Internet	*	3	17

1. Categories are not mutually exclusive.

2. Includes CES users in 1997 and Job Network users in 1999 & 2001

NA = Not Asked

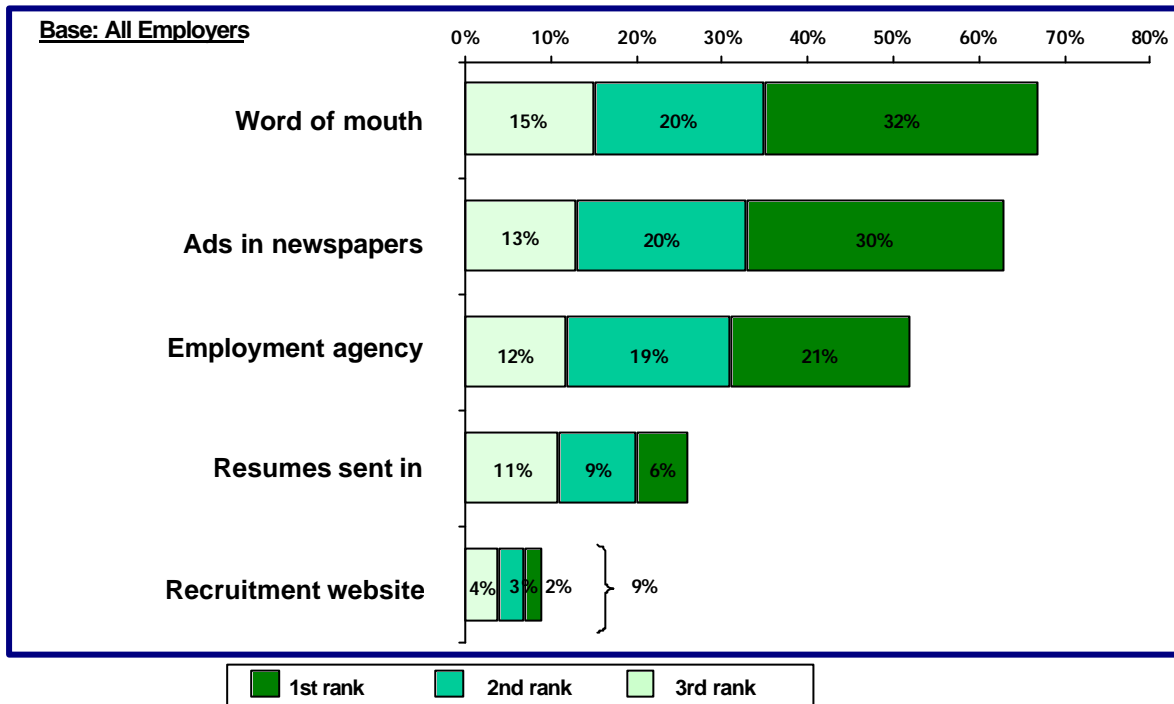


The ANZ produces data on the number of job advertisements placed on the Internet. Figure 2 shows the volume of job advertisements on the Internet, on average, every week. At the time of the Department's employer survey, 2000 to 2001, Internet advertising was at a relatively high level but has declined somewhat.

*Note: Data from the ANZ series are not seasonally adjusted.*

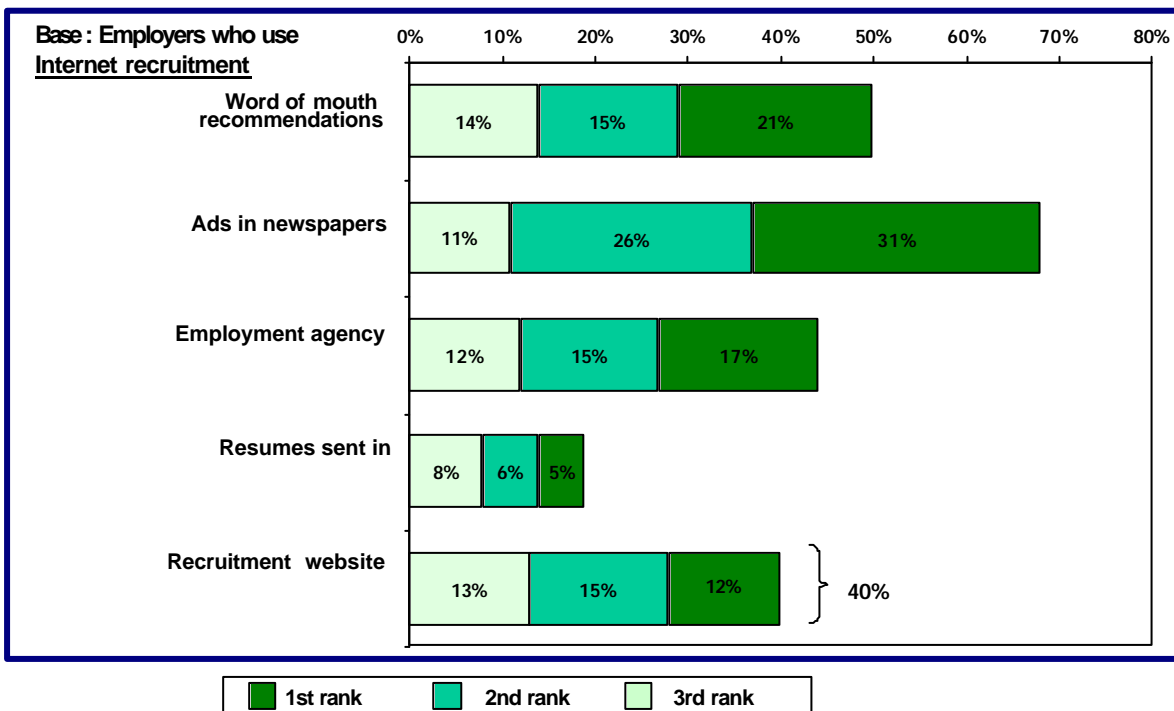
Some employers already view the Internet as an effective method of recruiting with around 10% of employers ranking the Internet in their top 3 most effective methods of recruitment.

**Figure 3: Three Most Effective Recruitment Methods**



Amongst employers who have used recruitment web sites to find employees, the ranking is much higher with 40% placing this method in their top 3 most effective. For Internet users, advertising in newspapers was still viewed as the most effective method overall.

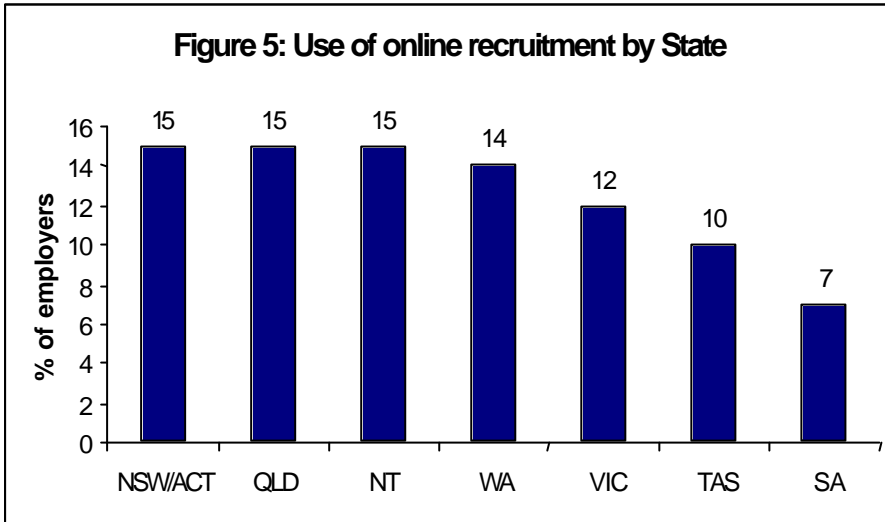
**Figure 4: Most effective recruitment methods (Recruitment website users only)**



Use of online recruitment methods appear to be more prevalent amongst large businesses and by employers in the metropolitan areas. Employers in particular industry groups were also more likely to use the online recruitment web sites to fill vacancies. Not surprisingly, the Communication industry had the largest proportion of employers using this recruitment method.

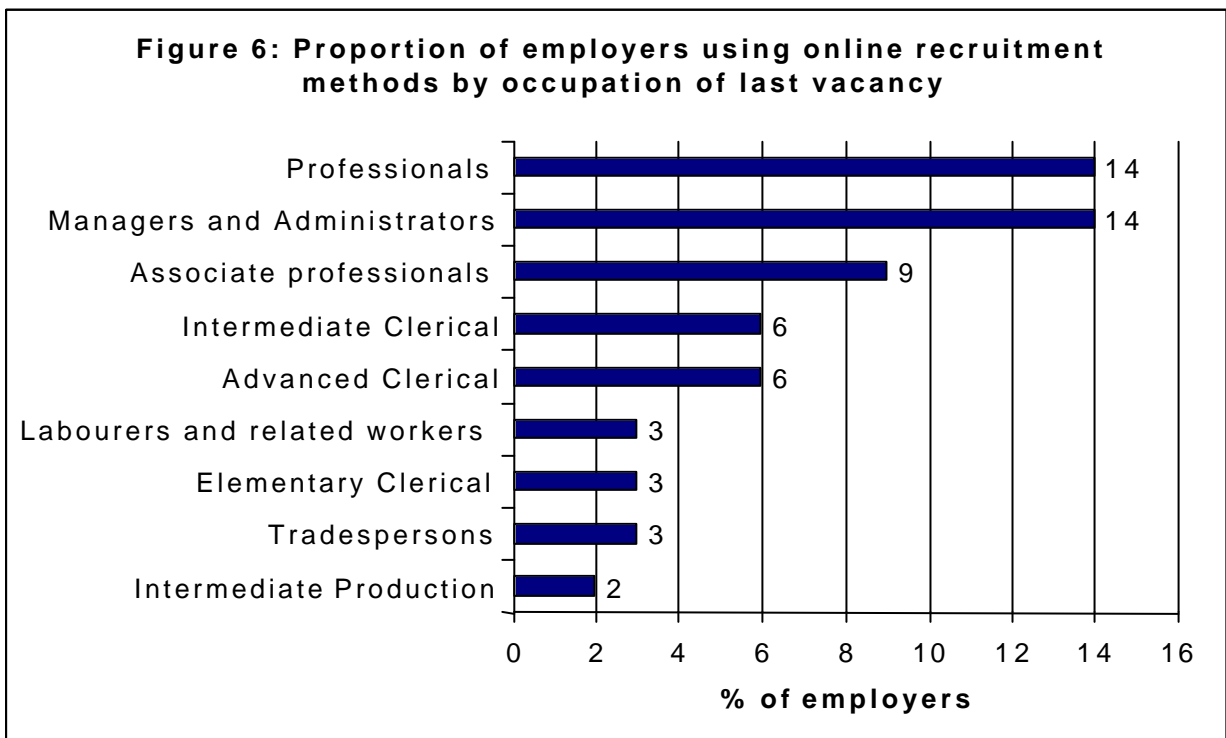
Use also varied slightly across states with South Australian employers the least likely to use online recruitment web sites.

<b>USERS OF ONLINE RECRUITMENT WEB SITES</b>	
<u>BUSINESS SIZE</u>	
Small	12%
Medium	21%
Large	43%
<u>LOCATION</u>	
Metro	16%
Non Metro	10%
<u>INDUSTRY USAGE</u>	
Communication	34%
Government Admin	28%
Education	26%
Finance & insurance	22%
Property & business services	20%



Business size		
Small business	Medium business	Large business
employs between 1 to 19 people	employs between 20 and 99 people	employs 100 or more people

Most employers used online methods to fill vacancies in the higher skilled occupation groups. Employers filling vacancies for managers, professionals and associate professionals were three to four times more likely to use online methods than those filling lower skilled positions such as labourers and clerical staff.



## WHERE DOES JOBSEARCH FIT IN?

### What is JobSearch?

[www.jobsearch.gov.au](http://www.jobsearch.gov.au)

**Employer Hotline: 13 17 15**

JobSearch is an Internet based employment service provided by the Commonwealth government. The free service is provided to both employers and job seekers to help match jobs and resumes to fill vacancies faster. The site has undergone extensive improvements since its inception reflecting improvements in technology and refining the services as a result of customer edback.

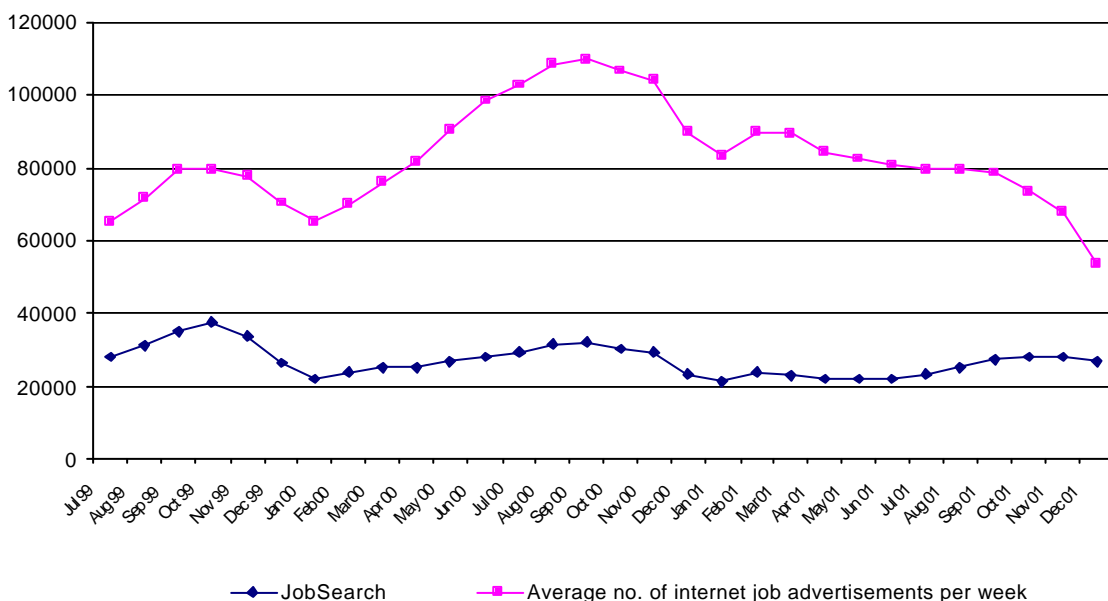
- ◆ For **employers**, the service has two interfaces - the Internet and a telephone service. Employers register with the service for free and can log on to the web site at any time to search resumes or to lodge a job vacancy. Alternatively, employers can call the telephone service to lodge a vacancy which will be placed on the Internet on their behalf. Employers will receive an e-mail notification of resumes matching the requirements of their vacancy or can ask that job seekers contact them directly.
- ◆ **Job seekers** can develop and lodge a resume using Resume Builder at no charge and vacancies which match their resume details ('job matches') are e-mailed to them. Job seekers can also search the available jobs on the vacancy data base.
- ◆ JobSearch is also used extensively by **Job Network members** who register their job vacancies on the database for job seekers to access. Jobs held on the vacancy data base are displayed on Touchscreens in Centrelink offices around Australia as well as being available on the web site.

According to Hitwise Australia, the JobSearch Internet site rates highly against all sites visited nationally and during 1999 and 2000 was rated as the leading government and employment site. JobSearch consistently makes up a significant proportion (on average around a third) of all Internet advertisements, see Figure 7. Whilst the ANZ series has seen large movements over time, the JobSearch figures have remained at reasonably stable levels.

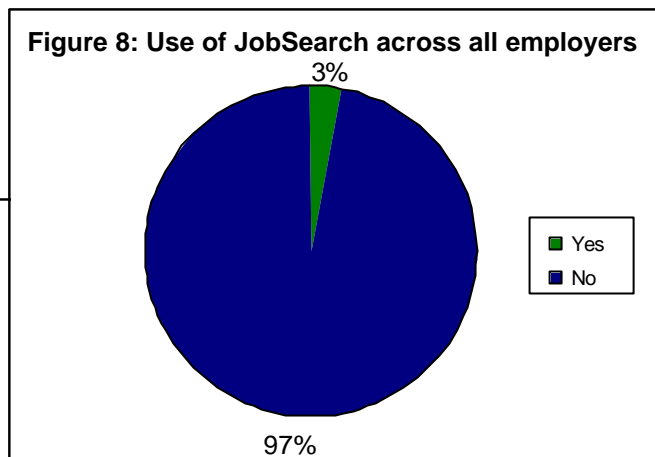
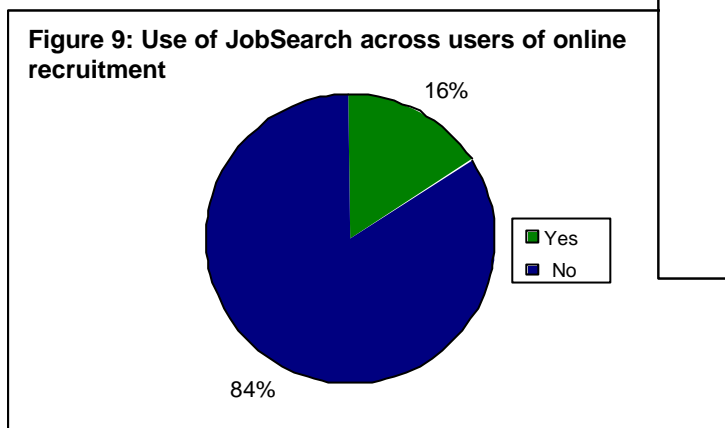
**Figure 7: All Internet job vacancies, and JobSearch vacancies, July 1999 to December 2001**

Source: JobSearch and ANZ Internet Series

Note: data is not seasonally adjusted.



Use of JobSearch reported in the 2001 employer survey was small relative to other recruitment methods with only 3% of employers reporting having used it in the previous 12 months (Figure 8). Amongst employers who used online recruitment web sites, the take up rate was much higher with 16% of these employers having tried JobSearch (Figure 9).



Only 17% of employers used any kind of online recruitment web sites or advertising and around a quarter (23%) of employers were aware of the government web site JobSearch. Within the group of employers who are already using online web sites, awareness of JobSearch was higher at 37%. Employers who used Job Network agencies were slightly more likely to be aware of JobSearch (29%) than non Job Network users (22%).

Whilst the majority of users of JobSearch were aware that the jobs they lodged on JobSearch were displayed on touchscreens at Centrelink for unemployed people to access, 16% were unaware of this. Some employers in focus groups were not fully aware that it was a government site even though they had used it before.

#### WHO IS MOST AWARE?

- **Large businesses** had high levels of awareness of JobSearch (32%).
- Employers in the **Government administration & defence** sector (34%) as well as those in **Health & community services** (25%), **Communication** (25%) and **Retail trade** (25%) were more aware of JobSearch.
- The smaller states of the **Northern Territory and Tasmania** showed higher levels of awareness (33%, and 28% respectively).

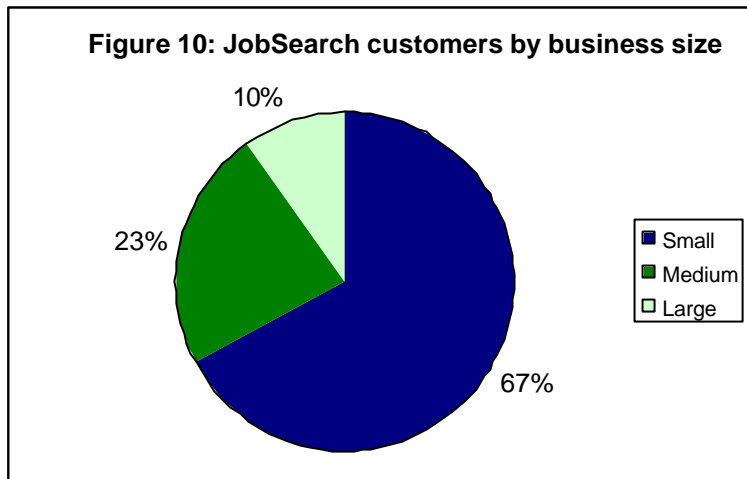
#### WHO IS LEAST AWARE?

- **Small business** had around ten percentage points lower levels of awareness than large business with 23% aware of JobSearch.
- Employers in **Accommodation, cafes & restaurants, Wholesale trade, and Finance & insurance** had slightly lower awareness of JobSearch (19%, 19% and 20% respectively).
- Employers in **South Australia**, who were less likely to use Internet recruitment in general, were also the least aware of JobSearch (19%).

## A PROFILE OF JOBSEARCH CUSTOMERS

Only 3% of all employers (i.e 16% of on-line users) had used JobSearch to either search resumes or lodge a job vacancy in the previous 12 month period. Use was highest amongst large businesses and employers in Government administration & defence sector. Use was lower in the Communication sector given that these employers are the biggest users of Internet recruitment in general. The nature of occupations in this sector however, may not be those typically placed through government employment services such as higher skilled vacancies in information technology.

Large businesses comprised 10% of all JobSearch clients (Figure 10). This was a high proportion given that only 2% of employers recruiting in 2001 were large businesses. Job Network also attracted a greater proportion of large businesses (4% of clients), but not in the same proportion as JobSearch (see Table 2). It is likely that large businesses see greater benefits in online requirement methods and are generally more aware of these types of services given their greater use of professional human resource staff. They may also be more likely to have ready access to computing and Internet facilities than smaller businesses.

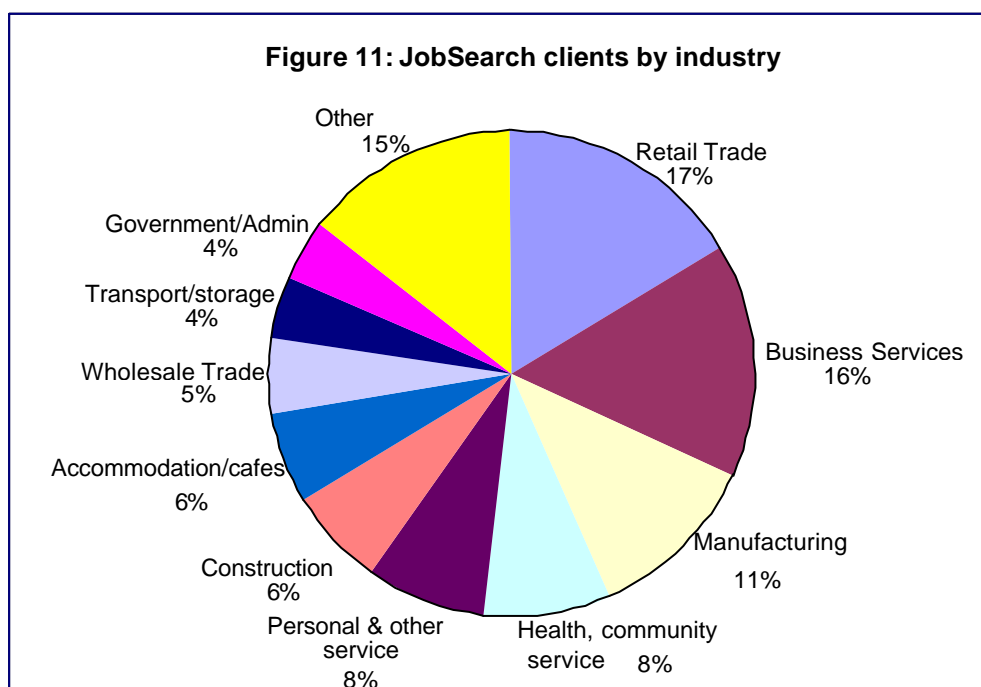


**Table 2: Employers recruiting in 2001**

	JobSearch clients	Job Network clients	All Employers
Small	67	83	87
Medium	23	13	11
Large	10	4	2

Despite Internet access perhaps being less readily available in regional areas, use across metropolitan and non-metropolitan areas appeared to be similar. Metropolitan areas comprised 58% of JobSearch clients and 42% were non metropolitan businesses.

Clients were spread across a range of industry groups (see Figure 11) with the greatest proportion coming from Retail trade (17%), Property & business services (16%) and Manufacturing (11%).



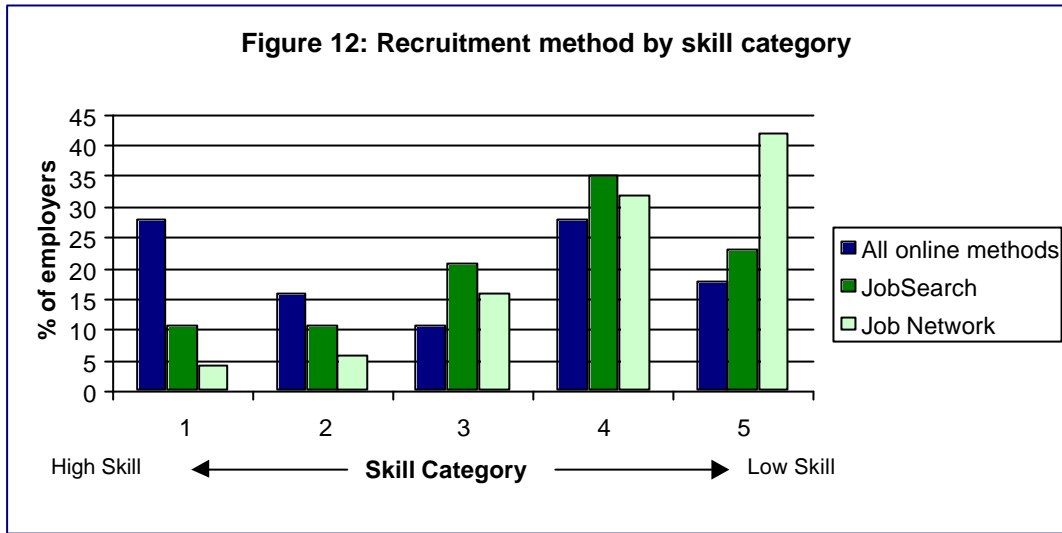
In general, online recruitment methods are used for higher skilled vacancies than both JobSearch and Job Network. That is, they are more likely to be used to fill managers and professional positions than JobSearch or Job Network.

JobSearch appears to attract employers filling a broader range of occupation skill levels than Job Network whilst still being more heavily focussed on lower skilled vacancies than higher skilled (Figure 12).

**Occupation Classification Skill category**

Managers & administrators	1
Professionals	1
Associate professionals	2
Tradespersons & related workers	3
Advanced clerical and service	3
Intermediate clerical and service	4
Intermediate production & transport	4
Elementary clerical, sales & service	5
Labourers & related workers	5

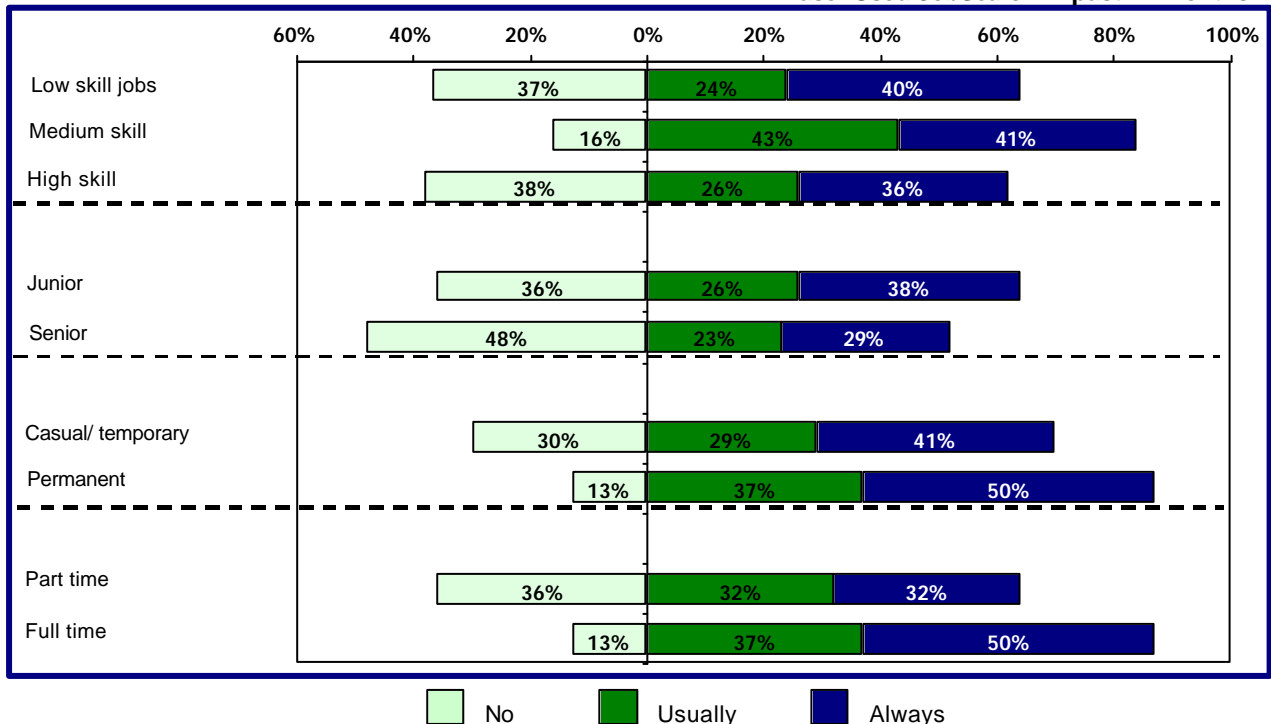
*Australian Standard Classification of Occupations, Australian Bureau of Statistics, 1997*



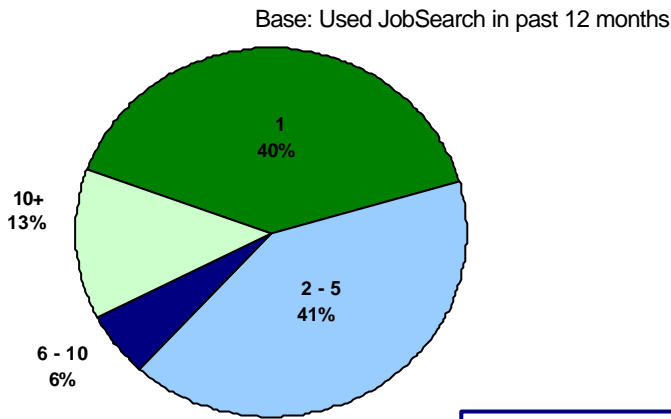
Employers in the survey reported that they used JobSearch mostly to fill full-time, permanent and medium skill positions. JobSearch was less likely to be used for senior positions. The full range of job types are shown in Figure 13 below.

**Figure 13: Types of Vacancies JobSearch is used for**

Base: Used JobSearch in past 12 months



**Figure 14: How many vacancies employer used JobSearch for**



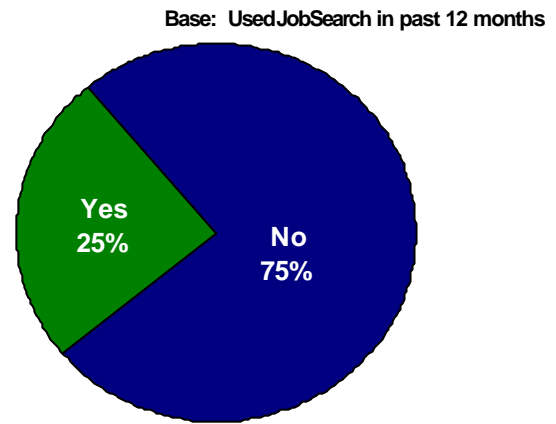
As shown in Figure 14, the majority (60%) of employers who had used JobSearch in the past year had used it to fill 2 or more vacancies. A significant proportion (over 1 in 10) used it to fill more than 10 vacancies. The majority of JobSearch customers were not users of other recruitment sites.

One in four employers used other web sites such as Seek, My Career, Job Net, Monster, Hot Jobs as well

as JobSearch, as shown in Figure 15.

Just as users of Job Network were more aware of JobSearch than non-users, use of Job Network was also associated with greater use of JobSearch. Over half (61%) of the employers using JobSearch also used Job Network agencies. The take up rate of JobSearch amongst Job Network users was 9% compared to just 2% for non Job Network users.

**Figure 15: Employer uses other recruitment websites**



**TABLE 3  
USERS OF ONLINE  
RECRUITMENT  
WEBSITES**  
(% of all employers)

BUSINESS SIZE

Small	12%
Medium	21%
Large	43%

LOCATION

Metro	16%
Non Metro	10%

INDUSTRY USAGE

Communication	34%
Government admin	28%
Education	26%
Finance & insurance	22%
Prop. & business services	20%

**USERS OF JOBSEARCH**  
(% of employers aware of  
JobSearch)

BUSINESS SIZE

Small	10%
Medium	23%
Large	39%

LOCATION

Metro	12%
Non Metro	12%

INDUSTRY USAGE

Communication	16%
Government admin	25%
Education	19%
Finance & insurance	13%
Prop. & business services	13%

Table 2 shows that for business size, the profile of JobSearch clients reflects similar characteristics to the profile of users of all online methods with use increasing with the size of the business.

Use of JobSearch was evenly spread across metro and non-metro areas, whereas online methods in general were more likely to be used in metropolitan centres.

Although the same main industry groups had greatest take up of both online methods in general and JobSearch in particular, there were some differences in take up across industries. Take up of JobSearch was at lower levels, particularly for the Communications industry relative to online methods in general.

## EMPLOYER ATTITUDES

In some focus groups with employers there was very little familiarity with the Internet as a staff recruitment medium. Employers had different views on Internet recruitment, providing both positive and negative comments:

The main **perceived advantages** of Internet recruitment mentioned in the groups were:

- Cost ("far cheaper than a newspaper ad");
- Quick;
- Simple – easy to use; and
- Synergy with young applicants ("they're all very computer literate and that's what they're playing with").

The **perceived disadvantages** were:

- Too easy to just click and apply ("it doesn't show any effort... it's just too easy to go 'click, click' on the computer");
- Coverage of advertisement too dispersed – response not 'local' enough;
- Not relevant for some industry sectors (eg "plumbers are not looking for a job on the Internet"); and
- Significant sections of the community don't (yet) have access to the web.

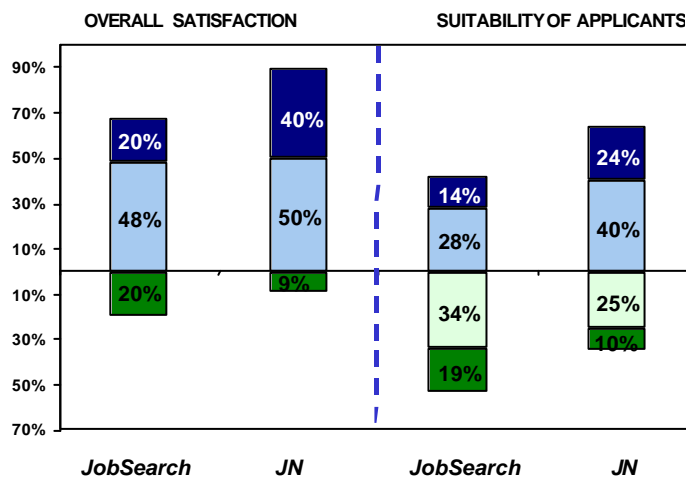
## Performance measures: employer ratings

- ◆ Employers in the survey generally perceived JobSearch positively with 68% rating JobSearch overall as *Good* or *Very Good*.
- ◆ Satisfaction with the service was also at moderately high levels at 68% (Figure 16).
- ◆ The main criticism of JobSearch appears to be the matching of job applicants to job requirements. Only 42% of employers reported that job applicants referred by JobSearch met their requirements *Well* or *Very Well*. The main reason for employers rating the job matches as *Poor* or *Very poor* was that applicants lacked sufficient skills or the appropriate skills for their job vacancy.
- ◆ Despite lower ratings of job applicant suitability, employers felt positive about using JobSearch again. The large majority of employers said they were likely to use JobSearch in the future (43% very likely and 32% quite likely to use JobSearch again), which is quite a high level of customer loyalty, indicating confidence in JobSearch.

### JOBSEARCH AND JOB NETWORK COMPARED

On average, employers rate Job Network more favourably than JobSearch. Employers are more satisfied with the services overall and also rate the suitability of applicants higher for Job Network. JobSearch will always be limited by the information entered by both the employers and the job seekers in being able to make a match, Job Network agencies can work with both parties to get more relevant information to be able to make a better match.

Figure 16: Satisfaction with JobSearch and Job Network



One of the key advantages of Internet based recruitment methods is the ability to access information when it is convenient to the employer and the timeliness of responses. JobSearch matches jobs and resumes on a daily basis. If job seekers search the database regularly they can respond to an employers advertisements immediately.

The survey measured the time taken to fill the most recent vacancy placed on JobSearch. Those who received job matches from JobSearch received suitable applicants quickly. Around 30% of employers got a suitable applicant within 3 days, one in ten got suitable responses in less than 1 day.

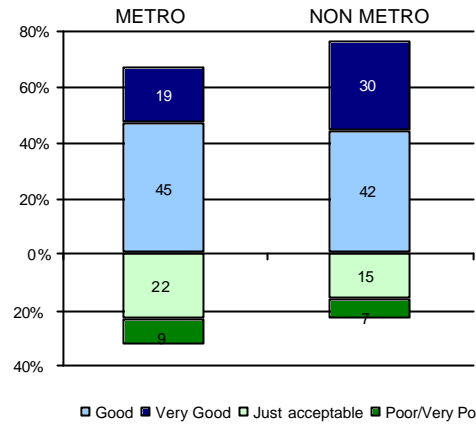
Overall 78% of employers with suitable matches were satisfied with the time taken.

**SUMMARY OF FINDINGS:**

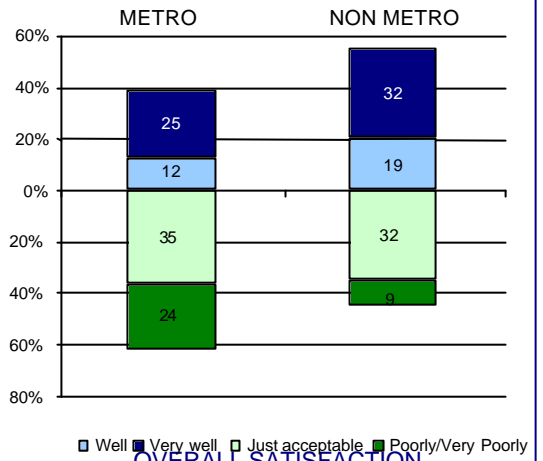
- ◆ Recruitment via the Internet is in its early stages, 17% used online methods over previous 12 months
- ◆ 9% rank online recruitment in their top 3 most effective recruitment methods
- ◆ Around 1 in 4 employers are aware of JobSearch
  - awareness is highest in the Northern Territory, Tasmania and the Government administration & defence sector.
- ◆ JobSearch was used by 3% of all employers, 12% of employers who had heard of JobSearch;
  - highest use of JobSearch was in the Government administration & defence sector
- ◆ JobSearch is most often used for permanent, full time staff for medium skilled positions
- ◆ 1 in 4 JobSearch users also use other recruitment web sites
- ◆ 60% of JobSearch users also use Job Network agencies
- ◆ There is general employer support for JobSearch (68% Satisfied or Very satisfied)
  - views more favourable in country than city locations
- ◆ Scope to improve job matching (only 42% rate applicants as suiting requirements Well or Very well)
- ◆ JobSearch offers a fast service (78% satisfied with time taken to get applicants).
- ◆ Majority of clients (75%) intend to use JobSearch again for future vacancies.

**METROPOLITAN AND NON METROPOLITAN EMPLOYERS: DIFFERENT EXPECTATIONS**

OVERALL RATING



SUITABILITY OF APPLICANTS



OVERALL SATISFACTION

