Chapter XIII

The Role of National Culture on E-Recruitment in India and Mexico

Pramila Rao
Marymount University, USA

ABSTRACT

This chapter will address the role of national culture on e-recruitment practices in India and Mexico. The GLOBE (Global Leadership and Organizational Behavior Effectiveness) cultural study on 61 countries will be used to discuss the role of cultural dimensions on e-recruitment practices in these two countries. The chapter will also discuss the beginnings of e-recruitment trends in India and Mexico, challenges of e-recruitment for United States multinationals, national culture profile, and implications for multinational managers. This conceptual chapter will provide hypotheses for the cultural dimensions discussed. Specifically, this study will address the role of power-distance, in-group collectivism, gender egalitarianism and uncertainty-avoidance on e-recruitment practices.

INTRODUCTION

E-HRM (electronic human resource management) is the process of using online technology for human resource management activities, such as recruitment, training, performance appraisal and benefits. E-recruitment is maintaining the entire recruitment process online-right from placing the job advertisements to receiving the resumes and communicating back to potential applicants (Othman & Musa, 2007; Rudich, 2000).

E-recruitment can either be in the form of corporate or third-party recruiters. Corporate recruiters allow potential job applicants to post their resumes directly on their job sites without using any other intermediaries. Statistics reveal that 80% of the world’s US 500 companies use corporate websites for recruiting (Epstein & Singh, 2003). Third-party recruiters, such as Monster.com, are synonymous to job advertisement pages of the newspapers identifying thousands of employ-
ment vacancies (Epstein & Singh, 2003). They usually charge employers a cost for posting their advertisements for certain duration of time (Tong & Sivanand, 2005). Usually third party recruiters and corporate recruiters collaborate together to provide best recruitment and career solutions to potential applicants (Pollit, 2005; Mollsion, 2001). The goal of this paper is to discuss the role of national culture on e-recruitment practices in emerging economies like India and Mexico as multinationals seek to establish a strong presence in these countries (Friedman, 2005).

Multinationals are proactively seeking the best talent worldwide. The method of online recruiting allows organizations to transcend geographical boundaries from Monterrey to Mumbai seeking the best in human capital (Birchfield, 2002). E-recruitment has several other advantages; such as its low cost (Rudich, 2000; Galanaki, 2002), quick response time (Hays, 1999), broad range of applicants (Sessa and Taylor, 2000), more educated applicants (Othman & Musa, 2007), and of course worldwide accessibility (Galanaki, 2002; Vinutha 2005). Specifically, it has demonstrated a shorter recruitment cycle and lower cost-per-hire (Sridhar, 2005; Jasrotia, 200; Pollitt, 2005). For instance, Nike has demonstrated with the use of e-recruitment the average time to fill job positions reduced from 62 to 42 days and the recruitment costs reduced by 54% (Pollitt, 2005). From the employees’ perspective, it has made the recruitment process a very proactive one – now passive applicants post their resumes online in anticipation of an interview (Mollison, 2001).

Further, online recruitment allows applicants the luxury of accessing jobs online at their own convenience 24 hours 7 days a week. It provides the comfort of scrutinizing jobs without physically going through the stress of an interview. Finally, it allows applicants to get a thorough understanding of the organization and its culture before joining the organization (Vinutha, 2005).

On the other side, the disadvantages of e-recruitment are that it could create disparate impact as economically disadvantaged groups might not have access to online facilities. This becomes even more distinct in emerging economies where there is a stark difference between the rich and the poor due to social and economic classes, creating what scholars have termed a “digital-divide” (Olivas-Lujan, Ramirez & Zapatu-Cantu, 2007; Curry and Kenney, 2006; Lancaster, 2003).

Further, employees from the older age groups might perceive themselves to be less tech-savvy than the current “digital-generation” of employees, and therefore feel a sense of alienation (Othman & Musa, 2007). Also, several cultures, such as India and Mexico, do not like to use e-recruitment for upper-level executives who have to lead, direct, and manage organizations. These cultures feel that they have to trust and know such cadre of executives before recruiting them (Chokkar, 2007; Davila & Elvira, 2005). Finally, e-recruitment is known for its deluge of unqualified applicants (Othman & Musa, 2007).

The primary objective of this chapter is to provide readers an overview on e-recruitment challenges in two emerging economies, India and Mexico. Both these countries are increasing their trade relations with other countries in the world and aggressively promoting foreign investment (Friedman, 2006). Therefore as multinationals scramble to these nations to establish their foothold, it is important to understand cultural impediments on staffing practices, such as e-recruitment, in these two growing economies.

The next section discusses perspectives and problems of e-recruitment in these economies (India and Mexico) and is organized as follows 1) beginnings of e-recruitment 2) challenges of e-recruitment 3) national culture, with specific reference to power-distance, in-group collectivism, gender egalitarianism and uncertainty-avoidance and their impact on e-recruitment practices.