

The Importance of Networking in Recruitment and Job Hunting

By Ajit Nair, Kenexa

There are generally three types of people looking for jobs—new graduates beginning their careers, individuals who have lost their jobs, and jobholders who are looking for new postings. The days when a job meant a lifetime commitment are long gone, and nowadays, people are not just changing jobs, they are also switching professions. Whatever the reason, anyone interested in finding a job has essentially three avenues available:

1. Scanning the newspapers for job advertisements
2. Registering on a job board and applying against the job ads
3. Networking with hiring managers/employees of possible employers

The first option is commonly used as a backup method because ads for jobs that suit a person's skills and requirements can be few and far between. Trying to find jobs using strictly newspapers or job advertisements is likely to take a long time, if they result in anything at all.

Let us consider the second option, job boards. In spite of the huge increase in Internet and Internet-based job portals, and the growing number of people subscribing to job portals, many recruiters may have the erroneous impression that the majority of applicants using this method are undesirable, un-promotable and unemployed candidates, or chronic job-hoppers. This makes personal networking and word of mouth the preferred hiring method for organizations, especially when it comes to hiring C-level executives.

However, the third option, personal networking, ensures a very transparent method of recruiting that suits both parties. Yet successful networking requires good networking skills.

During the course of this article, we will examine the advantage of networking over applying through web portals, with specific reference to the current scenario in India. For the purpose of this

discussion, we will use the term personal contact as something that is a result of networking.

What are good networking skills? Networking skills are the art of connecting, socializing or interacting with your immediate peers, colleagues, fellow industry professionals and the like. Social networking has created new ways to communicate and share information. Networking can also entail finding investors, getting new sales leads, learning something new about the business from a third party, conducting business roundtable groups with industry associations, talking to competitors and suppliers, and even going beyond the industry to talk with thought leaders in other areas. However, good networking involves more than just connecting—like any relationship, it requires continuous nurturing and regular contact.

Social networking has become a highly popular worldwide phenomenon with some big brands like MySpace, Facebook and LinkedIn boasting millions of dedicated users. When it comes to hiring, however, personal contacts still tend to deliver more motivated applicants who are more likely to complete the application process. Despite the fact that social networking is so huge, there is a singular lack of awareness about how to network in a suitable manner with respect to one's profession/business. This comes from the obvious dangers of networking with unfamiliar people and hence, people apply a cautionary stance. But networking online, if not done properly and with caution, will often lead you to the wrong end results. Hence, it is very important to join the right kind of networking groups or websites.

The job growth rate and available talent pool in India are among the highest in the world, but comparatively, networking is in its infancy in India. Some estimates suggest that India churns out approximately 3.5 million graduates every year, a majority of them

below the age of 30. Of the country's 400 million workforce, only 19 million are in the organized sector, and an estimated 145 million are in the youth labor force. In the next four years, 25 percent of the world's workers will be Indian, and 300 million youth are predicted to enter the labor force by 2025.

Because social networking is a largely youth-related phenomenon, especially in India, it is a widely leveraged tool for youth entering the job market. However, according to a recent study, one of the major drawbacks facing the use of personal networking in India is the lack of basic communication skills. India's education system promotes a general emphasis on discipline/classroom environment and rote learning instead of debate, dialogue and analysis. This leads to a lack of the necessary soft skills and prevents the very constructive mechanism of two-way communication that is crucial in networking. However, at the end of the day, it is the job seeker who must realize that in today's competitive environment, merely graduating from college does not ensure being offered a job. Graduates must actively seek means of developing skills, networking and being visible within a community of influence.

More than 30 percent of the employees being hired in private organizations come through employee referrals—the highest from any one particular source. Other things being equal, employers prefer referrals to other means of hiring because it gives them the opportunity to invest in, and benefit from, their employee's personal relationships. Information that is unstructured, sensitive and difficult to broadcast, which both the employers and the job seekers usually seek, is best exchanged through personal networks. Studies have shown that the positive effects of employee referrals on hiring chances have enhanced the role of networking in the hiring process. In the last decade, popular Internet networking sites have poured into the recruitment space. These niche networking websites help companies leverage the networks of their employees; they also help companies unearth passive candidates. The networking sites are a good medium to find contacts from your current and prior employers, clients, vendors and schools.

There are various types of networking groups for jobs in India, such as LinkedIn, the alumni associations of the NIT/IIT/IIM institutions and other alumni associations of graduate finishing schools, and associations like Nasscom/NIPM/NHRD/TiE. Popular Internet networking groups include sites like Facebook, MySpace and Yahoo!.

Hiring generally starts with an employer reaching out to potential employees. Personal networking plays a key role in attracting people who otherwise would not have applied. The tendency of personal contacts to attract qualified candidates is contingent on a reputation factor. When a referrer is known by the employer, the candidate is usually a good match, as the referrer is putting his/her own reputation at risk to recommend the candidate.

One of the major mistakes committed when networking is not acting on the network. The network is always live and better if most of its participants contribute regularly. The very essence or success of a social networking initiative lies in its members' networking ability, which leads to newer/better initiatives and thought processes.

While it is easy to get, and objectively verify, low bandwidth information such as education, credentials and salaries using job portals and other process-oriented methods, high bandwidth information, which includes personal traits and motivation, are difficult to objectively verify. Personal networking brings an employer closer to this high bandwidth information.

Although hiring through personal networks has some shortcomings, one of them being the ability of the hiring decision-makers to be influenced by the candidate, self-empowerment and improved social cohesion within a firm are two of the top reasons managers prefer referred candidates.

Companies are constantly battling in the war for talent and looking at employable skills. In the absence of a process and system where it is easy to broadcast information that is unstructured and sensitive, where it is difficult to objectively validate high bandwidth information regarding an applicant, networking will continue to play an important role, both for job seekers and employers. Like the old saying, better the devil you know than the devil you don't. ■

References

Teamlease Services, India Labour Report 2007, The Youth Unemployability Crisis.

Teamlease annual employment survey 2007; www.teamlease.com/tl_reports.htm.

The National Association of Software and Services Companies (NASSCOM); www.nascom.in.

About the Author

Ajit Nair

Ajit Purushothaman Nair is responsible for all back-end sales support/market research activities for Kenexa's Global Recruitment Process Outsourcing practice. Mr. Nair specializes in helping the RPO sales team with critical information regarding potential and existing clients. He has prior experience in academic research and holds a Master's degree in business administration and marketing at the ICFAI University, Hyderabad, India.

www.kenexa.com
866.391.9557