Testimony of Patrick Manzo, Executive Vice President, Monster Worldwide, Inc.
and
Mark Conway, Chief Information Officer, Monster Worldwide, Inc.

Before the United States House of Representatives
Committee on Oversight and Government Reform
Subcommittee on Federal Workforce, U.S. Postal Service, and Labor Policy

Hearing on "Back to the Basics: Is OPM Meeting its Mission?"

Tuesday, November 15th, 2011, 9:30 a.m.

2154 Rayburn House Office Building, Washington, DC 20515

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I.   Introduction

Our national unemployment rate currently stands at nine percent, on average; in certain regions, it is significantly higher. Putting unemployed and underemployed Americans back to work is our number one national priority.

To meet the challenge of putting America back to work, we must address two key elements. First, we must create jobs. There are many tasks here: removing regulatory barriers, reforming tax policy, ensuring the free flow of capital, and instilling confidence in the public - consumers, as well as the small and large businesses that create jobs in our economy. Second, we must fill these jobs - by identifying the right people, with the right skills, in the right locations. Even today, with unemployment as high as it is, many critical positions in both the public and private sectors go unfilled, month after month.

As this hearing is specifically concerned with the federal government's online hiring system, USAJOBS, we will specifically comment on federal hiring challenges. We are qualified to do so because, as you know, from 2003 through October 7 of this year, Monster Worldwide, Inc. (Monster) managed USAJOBS for the Office of Personnel Management (OPM).

By virtue of that experience, we know that federal agencies are facing a number of challenges in human capital management. The current recession has obscured the fact that there is an emerging shortage of talent in the United States. Declining birth rates have resulted in a drop-off in incremental additions to the workforce.

That, combined with the continuing retirement of baby boomers has created the perfect storm, referenced in some cases as the "war for talent."

In addition, the federal hiring process is cumbersome and the time to fill mission critical positions is significantly higher than in the private sector. As the Administration noted when embarking on federal hiring reform in May 2010, the complexity of today's federal hiring process deters many highly qualified individuals from seeking and obtaining jobs in the federal government.

As the "best and brightest" are widely dispersed, recruitment must include a broad range of techniques to reach these populations. In order to succeed in meeting its mission to serve the American public, the federal hiring apparatus must use innovative tools and technologies to hire tomorrow's federal workforce. As Congress evaluates the ability of the federal government's hiring system to meet the challenge, we would urge it do so by comparison with what is available in the intensely competitive marketplace. The American public trusts the government to deliver quality services, and they also trust it to use the best available resources. The federal government does many things well but in many cases, best of breed services are in the private sector, where competitive pressures stimulate innovation and the cost of developing new technologies is spread over a broad customer base. This is certainly the case with our company - over the last several years, we have invested hundreds of millions of dollars to bring significant new technology to the marketplace in order to streamline the hiring process - and help employers and job seekers make the best matches in the least amount of time.

Accordingly, recruiting, the process by which employers fill open positions, and job search, the method whereby job seekers identify new employment opportunities, are critical. In today's recruiting landscape, most employers - from large companies to small and medium businesses to the public sector - conduct the bulk of their job advertising and recruiting activity online, leveraging the reach, tools and efficiency that the internet and modern online tools have to offer.

At base, the process is relatively simple. It has two sides. On the demand side, employers use online job boards and tools to post open positions. Job seekers can then apply to these open positions, often submitting a resume or its digital equivalent. On the supply side, job seekers can also advertise their skills and availability - by posting an online resume or profile. There are many ways to advertise, to search, and to match - but this is the core of the process, and it is similar for both private and public sector hiring.

Despite the simplicity of the process, sophisticated tools are required to succeed in the modern economy. Online recruiting occupies a space at the convergence of social and technological change. It is changing rapidly under the influence of new technologies - mobile and social among them.

Nevertheless, it can still be evaluated on a few simple parameters. Those parameters are reach, search and match, and quality of site infrastructure. Reach is the ability to address and engage the right audience, anywhere on the internet, at the right time. Search and match - the most important of the three - is the ability to find the right job or job candidate - the needle - in a massive haystack of job postings and seekers. Site infrastructure should be evaluated in terms of stability, scalability, security, and interoperability with other human resources technology in use by employers, such as applicant tracking systems. We will discuss each in more detail.

II.   About Monster

Monster is the world leader in connecting people to job opportunities. We pioneered the business of digital recruiting in 1994, and today we are the only online recruitment provider able to service customers on a truly global basis. Monster has an international reach with a presence in approximately 55 countries around the world.

Monster is listed on the New York Stock Exchange and employs over two thousand people in the United States, principally located in Maynard, MA; Cambridge, MA; Florence, SC; McLean, VA; New York, NY; San Francisco, CA; Mountain View, CA; Chicago, IL; and Milwaukee, WI.

Monster's flagship site, Monster.com, serves millions of job seekers and tens of thousands of employers with the most advanced set of tools in the industry. Every month, on average, job seekers conduct more than 100 million job searches, view more than 70 million jobs, and add hundreds of thousands of new resumes to our U.S. database.

Our Monster Government Solutions ("MGS") division provides the federal government with tools and resources to succeed in building and growing a highly talented workforce to compete in today's competitive marketplace. MGS also works with state and local governments to create innovative, customized solutions that help put Americans back to work. A key example is OhioMeansJobs, created in cooperation with the state of Ohio, which offers a comprehensive set of recruitment

tools to employers and job seekers in Ohio. On the state and local level, MGS is applying next-generation technology to help get Americans back to work through talent attraction, online career communities and real-time labor intelligence so governments know where to put their worker retraining dollars.

On November 8, 2011, the Veterans Administration launched their new program, VA for Vets, for which Monster and its Military.com division is a proud subcontractor. Veterans face two barriers to finding careers in the federal government: first, translating and marketing the skills and experience gained during military service into language that civilian employers can understand; and second, navigating the federal hiring process. From military skills translation and professional development to career counseling and dynamic job searches, VA for Vets offers a high tech/high touch solution tailored to the career needs of each veteran. VA for Vets skills translator, resume builder and job search capabilities are powered by Monster technology.

III.   Critical Attributes of an Online Recruitment Solution

There are many available solutions to today's recruiting challenges. Each of them, however, must address several core competencies. An enterprise-class online recruiting solution must have broad reach, precisely and quickly search massive volumes of information in order to identify relevant job seekers and job opportunities, and have a robust, scalable, secure, and interoperable site infrastructure. We will address each of these in the context of some of the products and services in which Monster has invested hundreds of millions of dollars over the past several years to bring to market and to compete in a crowded and fast-moving marketplace.

a. Reach

Reach is the ability to address and engage the right audience, anywhere on the internet, at the right time. Monster.com reaches more than 14 million unique visitors each month in the United States[1]. Every month, the Monster brand reaches a significant portion of the U.S. internet population and is shown billions of times across Monster and our partner networks.

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[1] Based on October, 2011 comScore report.

We continually optimize our site to ensure the job seeker experience is a positive and engaging experience that attracts job seekers and provides the tools and resources to find their next job or career step. Job seekers are our greatest asset - we wish to attract, engage, retain and give them reason to return to our site for all of their career needs.

Our presence, however, goes beyond Monster.com. Monster has implemented and continually evolves multiple approaches to reaching users across the web to engage and identify the right talent wherever they are. Monster has invested in search engine optimization and search engine marketing to extend our reach to key search engines, a primary starting point for many job seekers. For the growing audience using smartphones or tablet computers, Monster has developed Apple iOS and Google Android mobile applications to extend the core site functionality to this fast-growing engagement channel. We have extended our reach with presence and integration to social networking platforms where online users spend a significant amount of time. Monster has also developed broad distribution and targeting tools - chief among them Monster's Career Ad Network - to reach and engage the "passive" job seeker wherever they spend their time online (blogging, shopping, viewing sports/news, social networking, etc.).

i. Search Engine Optimization and Search Engine Marketing

Many job seekers begin their job search on a search engine such as Google, Yahoo! or Bing. Search engine optimization, or SEO, is a process by which Monster designs its web pages to improve frequency and placement in search results on various search engines. Monster enhances its SEO strategy using dynamic landing pages that contain targeted content. Monster also invests in search engine marketing, or SEM, which ensures optimal placement of paid online ads with search engines targeting specific groups of seekers.

ii. Mobile Applications

We live in a mobile society and there are fundamentally different ways that people seek information. Monster is staying ahead of this movement with mobile apps on Apple iPhone, iPad and Google Android devices. This is an area of substantial growth. Globally, Monster received more than 19 million job views from 4.3 million visits via mobile devices during the first half of 2011. Seekers spend an average of seven minutes on Monster via those portable devices. Mobile

distribution allows Monster customers to have their job vacancies available in every mobile consumer's pocket.

iii. Social Networking

Social media and social networks are important aspects to achieving recruiting success. In response to customer demand to extend reach to job seekers, Monster has created comprehensive social recruiting solutions, consisting of bundled products that provide a strong presence on leading social media sites. By building a presence on these sites, employers can further extend their recruitment reach to millions of job seekers.

Just 3 months ago, Monster announced Beknown, its professional networking app for Facebook. BeKnown allows users to seamlessly identify and connect with friends and professional contacts from multiple sources, grow their professional network, enhance their online professional identity and discover enriching career opportunities.

iv. Career Ad Network

Finding the right talent requires moving beyond the active job seeker population. Large segments of today's job seeker population may not frequent job boards or classified ads in newspapers. However they are likely internet users who use search engines, entertainment and sports sites, news sites, and social networks, to name a few.

Monster's Career Ad Network syndicates relevant job postings to passive job seekers on the web. In essence, Monster can take a job posting, which was once limited to a job board, and show it all over the web - concentrating in places where our technology tells us that viable candidates are likely to see those job openings.

This is not a "broadcast technology", in that Career Ad Network targets users, not sites. It can reach key candidates among the huge, diverse and multi-generational population of web users that may not be actively looking for a change but might consider a new challenge if it was presented to them in the right context, with the right messaging. The Monster Career Ad Network reaches on average more than 70 million monthly unique visitors in the United States.

b. Search

We have previously discussed the importance of reach. Reach is about achieving depth and breadth; volume and diversity. From the employer perspective, reach is important as it deepens and broadens the talent pool. From the seeker perspective, a greater volume and diversity of job postings provides an improved chance of finding that next great opportunity.

Searching - and matching - complements reach and is about sorting through a deep and broad set of information to find the right candidate, or the right job opportunity. Search is the paramount virtue of any online job resource.

Most job search engines take a traditional approach: searching based on keywords, combined with a set of filters - date, location and industry, for example - to further narrow results. This approach is imprecise, however, because for any given search, thousands of job postings will include the same keywords. Further, keyword searches rely on the skill of the job seeker in identifying the keywords that the employer placed in the job advertisement. If they do not match, the posting will not be returned in the search results.

From the recruiter perspective searching a database of resumes, important information such as years of experience or elapsed time cannot be measured with traditional search. Because of these limitations, recruiters may spend hours searching databases to create a short list of candidates.

To address these issues, Monster has invested over $100 million to bring a semantic search engine - that we call 6Sense - to the market. This technology - able to search both job postings and resume databases - represents an entirely new approach to the problem of searching large data sets. In essence, Monster has taught our search engine how to understand the content and context of search queries - what they mean. This allows the search results to better match the intent of the search. Rather than searching for keywords, semantic search understands the meaning or concepts behind words, the relationship between concepts, and the context in which they appear.

6Sense technology delivers very specific benefits to job seekers, particularly in the highly competitive labor market. Using 6Sense job search, job postings are easier to find. Seekers using 6Sense job search generally view and apply to more jobs per visit than those using Monster's "Classic" keyword-based search. 6Sense eliminates the frustration and clutter that is prevalent in keyword-based job search

and allows seekers to focus on positions that are most relevant to their skills and experience. 6Sense removes constraints imposed by unfamiliarity with an industry or job-specific phrases and keywords.

6Sense technology's precision search displays relevant job postings at the top of the list of job search results even if the posting is several days old. With keyword-based search technology, newer jobs that simply have a keyword match push up to the top, crowding out listings that are more relevant. This means employers miss the opportunity to have their job displayed to the right candidate after just a few days, and the candidate misses ever seeing the job opportunity.

c. Site Infrastructure

i. Stability and Scalability

A highly resilient and fault tolerant application architecture is critical to a successful online recruiting resource. Today's job seekers expect availability 24 hours a day, seven days a week, and 365 days a year. If it is not up, it cannot be used to post, search or find jobs or candidates. An enterprise class online recruiting solution must be able to handle peaks of activity, and have adequate resilience to handle hardware failures without impact to performance or availability.

To provide this capability, Monster has three redundant data centers with backup power generation and multiple ISP connections. Each data center employs load-balanced clusters of web, application, and database servers to provide redundancy and scalability. Individual machines can be added or removed as demand increases or to diagnose issues. Web and application servers in each data center are active and communicate with database servers in the active data center. The active database servers use SAN replication to move data to their passive counterparts in their failover data center.

Monster's architecture is designed to perform instant failover. Monster's load balanced cluster design ensures that the failure of any single web server does not require failover. If a server becomes unavailable, the load balancer instantly responds and stops directing traffic to it. The load from the disabled server is spread across the other servers that run throughout the other data centers. Database servers are also clustered so if one fails, the remaining local cluster members will take over. In the event a database cluster fails, warm secondary assets are activated in the appropriate failover data center. If the entire primary data center were to

fail, the mirror site, with its hot web servers and warm database servers, can quickly be reconfigured and allow the Web site to continue normal operation.

Monster's primary data center is in Bedford, MA and the others are located in Maynard, MA and South Boston, MA.

The clustered, load balanced approach allows for the addition of new servers without interrupting service. This allows the system to handle an increased load. For burst traffic requirements, the system is configured to support at least twice the average measured demand. This architecture, coupled with our local and geographic redundancy allows Monster to operate at 99.999% or "five nines" availability (excluding scheduled maintenance). From a seeker or employer perspective, this means that Monster sites and services will be available, on demand, whenever our customers choose to visit us.

ii. Security

Proper security practices are an essential component in managing public Web sites. This is an area of particular concern for Monster as a key element of the trust we seek to earn from our job seekers and employer customers, and an area where we have made significant investments. The security of any data system is a function of the tools and processes in place to protect that data from unauthorized access. No security solution is foolproof, but we believe that our system of layered defenses provides industry-leading security.

Our solution combines technical tools and human intelligence. Risk-based software continually monitors site traffic and usage and automatically reacts to unusual activity. Blocks, either permanent or temporary, are imposed on an IP address, or user account, based on the specific monitor and threshold that has been reached. Monster's global fraud team - which operates around the clock and conducts investigations in 14 different languages - is alerted by the monitoring software in order to quickly investigate and address the root cause.

iii. Interoperability

Any successful online tool must integrate seamlessly with the back-end technologies used by many employers to manage their human resource activity. Monster has a tremendously powerful and robust set of tools for data integration and use of Monster services, including job postings, search, and applicant integration. Tens of thousands of customers actively use these tools to conduct

millions of transactions with Monster on a monthly basis. Monster provides capabilities for customers to integrate their ATS systems into Monster's sites and tools to allow employers to use their internal tools but still leverage Monster to advertise postings and search/manage seeker resumes.

Monster publishes the specification for system interaction and data sharing requirements publicly at http://schemas.monster.com. The requirements include XML schemas, XML examples, documentation, sample code, release notes, calendar, and other resources to integrate successfully with Monster. Requirements are extended and communicated to all integrated partners as new features are added to Monster.

IV.   Closing

This is rightfully a topic that is important to our government, our economy and the American public. In order to meet the challenges facing our country in the years ahead, the federal government must have the tools at its disposal to identify and hire citizens with the right skills and experience for government service. Fortunately, there is an extremely competitive marketplace for those tools, and there is significant innovation underway in the market. In reviewing and evaluating its online recruiting solutions the federal government needs to ensure that those solutions are providing the reach, the search and match capability, and the infrastructure to attract and hire the best talent.

The Office of Personnel Management would do well to leverage those best of breed tools available in the private sector to meet its mission of hiring the best possible federal workforce in an efficient and cost effective manner.