

Timm Süß

# Why HR should care about Social Media

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Social Media are tools allowing people to share, collaborate and publish content on the internet. Over the last couple of years, the availability of such tools has grown strongly and led to a cultural shift, connecting people who hadn't been connected before, and allowing them to collaborate in ways that were not possible otherwise.

Prominent examples of social media are:

- the collaboratively written encyclopedia [Wikipedia](#), the largest and most popular general reference work on the internet, featuring over 10 million articles
- the online auction service [eBay](#), where more than 150 million people sell and bid for goods
- the social network [Facebook](#), allowing 120 million friends to stay in contact and update them on their activities
- the microblogging service [Twitter](#), where users can update others with short messages, and which played a crucial role emergency news reporting situations such as the recent Mumbai bombings

While social media are enabled by online tools, the culture shift triggered by them is *not* about technology: It is about the sudden ability of people to connect to each other, exchange information, and to create value together, mostly without monetary incentives. The value generated by these communities is higher than the sum of their members' efforts.

This shift, which is changing the way people act, interact, and see the world, will have an impact on the workplace. For this reason, the human resources function needs to take it seriously.

## Types of Social Media

There are many different uses for and types of social media. The most common types are:

- **Social Networks** connect people to stay in contact with each other, often centered around the interests of their users (business networks, friends networks, taste in music, etc). Examples: [Facebook](#), [LinkedIn](#), [last.fm](#)
- **Blogs** are (mostly individual) web sites with regular entries of commentary or description of events, which can be commented by readers. Many blogs have become a respected news sources in the fields of politics, science, technology, and entertainment. Examples: [The Huffington Post](#), [Gizmodo](#), [LifeHacker](#)
- **Wikis** are collection of web pages designed to allow anyone who accesses them to add or modify their content. They are typically used to store the collective knowledge of communities. Examples: [Wikipedia](#), [Wikitravel](#)
- **Evaluation communities** provide collective evaluations (e.g. ratings) and comments on already existing web content or real-life products. Examples: [Amazon customer reviews](#), [digg.com](#)
- **Tagging communities** add categorizing keywords ("tags") to existing online content, making it easier for other people to find and digest it. Examples: [del.icio.us](#)
- **Microblogs** are a cross between blogs and instant messaging. Users can post short messages about updates, contribute to ongoing conversations, or share links to blogs, articles, or pictures. Example: [Twitter](#)

- **Social Media Aggregators** are tools to display content from various sources - traditional news sources and news from the tools described above. This eliminates the need to visit many different websites to stay up-to-date. Examples: [Google Reader](#), [Friendfeed](#)

## What Social Media means for Human Resources

The cultural shift caused by the ubiquity of social media won't stay in front of company gates, for several reasons:

- Customers and consumers are already making use of these new community tools. This will influence business models and consequently the required employee skill sets to act in these markets
- Employees – especially, but not exclusively, those of younger generations – are using community tools in their leisure time and will expect the similar tools for their work
- IT departments will introduce community features with new software versions, whether they intend it or not

Therefore, the question is not *if* social media will influence companies internally, but *how*. This impacts almost every aspect of the human resource function.

### Staffing

Social media change the game for both job hunters and companies. For companies, it becomes very difficult to control their employer value proposition (EVP) by increasing the level of transparency: Online services such as [Glassdoor.com](#) let employees post opinions about their own companies. [Wikipedia](#) – often the first source for researchers – lets anyone edit descriptions of a company. It is almost impossible to counteract this new transparency through legal or traditional PR measures without damaging the company's reputation.

Through social networks like [LinkedIn](#), candidates can position themselves on the market and approach company representatives directly without having to go through staffing functions (or search agencies); vice versa, staffing representatives can pre-screen candidates' CVs and build relationships with prospective candidates – even build external talent pipelines for future hirings.

Furthermore, there is a growing expectancy of candidates that they will be able to use social media at work – both for work as well as for semi-private purposes. While the lack of social media tools won't be a reason for not joining a company, it still represents an aspect of a company's culture; and for members of the "Generation Y" (born after 1977) who have begun to enter the talent market, strong social media tools might even constitute a strong plus for a company's EVP. Generation Y is known as a population of "digital natives". These graduates will have grown up in a world where it's possible for them to have taken social media interaction, through blogs, podcasts, instant messaging, or their cell phones, for granted.

Finally, there is growing consent that "virtual worlds" – simulated online environments for collaborative games and social interaction – are a fertile breeding ground for junior leadership talent. Harvard Business Review states that virtual gaming worlds such as *Eve Online* or *World of Warcraft* "in many ways resemble the coming environment, where a lot of work will be done by global teams – partly composed of people from outside the institution, over whom a leader has no formal authority – and thus open a window onto the future of real-world leadership".

### Talent Management

On the company-internal talent market, there is potential to leverage the same mechanisms to find the right candidates as externally by introducing internal social networking applications. These tools help employees to not only set up their internal talent profiles, but also to network within the company. Barriers for online interaction are lower than those for traditional networking – especially for international interactions – which is beneficial to increase the diversity of the internal talent pool.

The work published by employees in wikis and blogs (along with their readership statistics) publically show the value an employee is creating for a company, opening new career tracks for them. For example, a Finance employee might publish highly valued Marketing insights on a blog, which could lead to him being considered for a Marketing position. Social networks in this context can be used to "validate" employees internal reputations - for example by writing recommendations on a person's profile. This leads to a new way of internal referrals.

Social media furthermore allow and encourage self-organizing ad hoc project teams, for example to improve a cross-functional process or to implement a new new service. Similar effects – fueled by non-monetary rewards (increased exposure, improved reputation) - can be seen on the internet in the context of open source programming projects, which create freely available software applications for everyone to use (example: [Sourceforge.net](http://Sourceforge.net))

Finally, the same argument regarding the recruitment of "digital natives" is applicable for their retention: Employees might leave a company because their work environment's does not provide the same quality of social media as the non-work related internet does.

### **Compensation & Benefits**

Increased transparency about companies' compensation packages – fueled by anonymous reviews and shared salary data on services such as [Glassdoor.com](http://Glassdoor.com) or [SalaryScout](http://SalaryScout) – will lead to a more fluid compensation market. Companies will have to expect and negotiate with candidates better informed about those markets, both internally and externally.

### **Organizational Development and Culture**

Social media have the potential to tackle traditional challenges of associated with corporate culture. Taking the Great Place to Work Institute's [model of employee engagement](#), social media can increase engagement in the areas of credibility, respect, pride and camaraderie:

- **Credibility:** Social media can increase open and accessible leadership communications. Leadership blogs – which have to be written by the leaders themselves, not ghost writers – show leaders from a personal, authentic side. This increases their credibility. Social networking applications allow for informal connections between leaders and employees, making leaders more approachable to employees.
- **Respect:** The use of comments in leadership blogs (a common feature) increases the possibilities for dialogue between leaders and employees, showing them a willingness to collaborate with employees in relevant decisions.
- **Pride:** Social media gives employees simple, low-threshold channels to express their pride for their own, their team's, and their company's work. On the internet's social media, many employees are already acting as informal ambassadors for their company's brand.
- **Camaraderie:** The informality and authenticity of social media helps employees to be themselves, to create a friendly and welcoming atmosphere, and creates a sense of family or team

In the area of change management, the new communication channels provided by social media can help to keep organizations up to date about (or even better: to involve them in) organizational change situations.

### **Employee Performance**

Social media allow employees and teams to be more productive in a variety of ways:

The use of social media in general moves its users away from the often lamented "push"-based e-mail communication ("I think you might want to know this") to "pull"-based communication ("you can look it up if you need it"). For example, a department blog could be used to post announcements and meeting updates instead of sending out memos. This helps employees to channel and filter their communications more effectively, reducing e-mail overload.

Blogs can also be used as exchange forums for locally separated teams, where members update each other by posting status updates, questions, and opinions, while others can comment on them.

Wikis allow the collaborative creation of documents (project plans, policies, marketing material) without the need for incessant review cycles via attachments. They can also be used as shared “knowledge repositories” for a department, which help to limit the brain-drain effects of turnover.

Social networks allow employees to keep their colleagues’ and acquaintances’ contact details close at hand, allowing to get in touch with another quicker. They furthermore raise awareness about the current status and activities of one’s network (simple example: a person in a social network might update her status as “away for lunch”, showing her network that they can’t contact her at the moment). As a network grows, productivity effects will grow as well.

From a broader organizational viewpoint, so-called “crowdsourcing” (the distribution of work onto loosely organized, non-hierarchical networks) will help solve big and small problems: Consider an internal expert network similar to the external service [Ask Metafilter](#), where employees can ask questions about any topic they like, and “the crowd” will answer them. Similarly, internal evaluation and tagging communities would be able to structure the intranet from the bottom up and help to better and quicker find useful information on the intranet.

And, while it may sound like science fiction, some companies are also experiment with virtual worlds (see above) to host trainings, meetings, and conferences, thus saving resources spent on travel, while overcoming social barriers posed by telephone and video conferences.

### **An Example of Social Media at Work: Pfizer**

Pfizer’s social media landscape includes a number of independent but connected tools for employees to use in their workplace:

- A wiki called *Pfizerpedia* allows employees to create knowledge articles about any subject they deem useful, making it a company-internal Wikipedia. Pfizerpedia contains articles on products and projects, team-related documentations, and trainings – all written by employees.
- The same wiki is used for social networking: Every employee has his or her own *Pfizerpedia Profile* page with a picture and description of one’s own skills and specialities.
- Pfizer provides the possibility to create *internal blogs* for employees and teams, which can update themselves and comment on each other’s articles
- For private collaborations, teams can also use *eNoteBooks* and *Microsoft Sharepoint* to track project progress and save relevant information for teams which only they have access to.
- Pfizer employees can store their favorite links on an online application called “tags”, making it easy for them to manage and find them. All those links are accessible and searchable to other Pfizer colleagues.
- Information updates from all mentioned applications above can be read on a Pfizer-internal *feed reader*, giving employees the freedom to *pull* the information they want instead of receiving e-mail alerts they might not need.
- Most of these tools are lightweight, quick, and easy to learn without special training.

### **What can HR Professionals do?**

If you are an HR Professional and are wondering what you can do to better navigate the a world changed by social media, here are a few ideas:

#### **Try social media out**

- Sign up for a profile on a social network such as [Facebook](#), [LinkedIn](#), or [XING](#), and find out who of your friends and colleagues are already using it.
- Go to [Wikipedia](#), search for a topic you a lot know about, and edit the text to improve it.
- The next time you come across a blog article you like (or dislike), post a comment. You might get into an interesting conversation.
- Go to a tagging community like [del.icio.us](#) and search other people's links for a topic you are interested in. You will be surprised how much more useful the search results will be than your typical Google search.

### **Ask your children**

Social media are used by members of all generations, but more proficiently by younger people. Ask your own or your friends' children (teenagers and above) how they are using the internet to stay in touch with their friends.

### **Get in touch with strategic partners**

Ask your colleagues from communications and IT what the current status on social media in the company is. Be aware that they could have different opinions on the topic.

### **Don't trust promises of enterprise-wide standard solutions**

Any company will face the temptation to buy an off-the-shelf solution to fulfill all of their social media needs. The problem is: Such an approach represents the opposite of the social media revolution on the internet, where the landscape consists of a multitude of small, fast tools that talk to other small, fast tools. The only standardization in this landscape is the way the tools talk to each other. Many of those tools have been built by user communities to fulfill a specific user need, are offered for free - even for company-internal use. Enterprise-wide, monolithic, one-in-all solutions on the other hand are slower to react to user needs, are expensive to buy and maintain, and create lock-in situations with vendors. To allow for the bottom-up, user-driven effects seen on the internet to emerge in a company, the internal community should be allowed to use and build the tools they need.

### **Be open**

Social media are here to stay, and they are changing our world. Some of the changes they introduce are unintuitive and may sound "dangerous". Keep in mind that, while there is risk in any new way of doing things, there are also opportunity costs of not taking those new ways. And for ignoring social media, the opportunity costs can be very, very high. For this reason, keep an open mind, beware of knee-jerk reactions.

### **Further Reading**

- Grae Yohe: "The Web 2.0 Wave". Human Resource Executive Online, <http://cli.gs/11mrpg>
- D. Tapscott & A.D. Williams: "Wikinomics - How Mass Collaboration Changes Everything"