

Impact of Social Media on HR Functions : A Review

* *Tejbir Kaur*

** *Sayeeduz Zafar*

Abstract

Gone are the days when individual meetings were conducted for policy sharing and when HR people used to travel from one location to another, announcing new practices, promotions, and separations, but with the emergence of social media, a single tweet/Facebook update or a post on the Internet-based organization management system serves as a public notice for any type of organizational change, throwing a wrinkle in the corporate communication process. This article tries to explore the impact of social media on various HR functions like talent management, recruitment and selection, performance management, employer branding, and discusses various risks associated with it. This article might be useful for all concerned corporate leaders and managers who want to optimally utilize social media as a tool to implement policies and practices in their organizations.

JEL Classification: J24, M12, M15, M50

Keywords: social media, talent management, employer branding, recruitment, selection

Paper Submission Date : September 29, 2013 ; Paper sent back for Revision : December 16, 2013 ; Paper Acceptance Date : January 20, 2014

The phenomenal impact of social media on the ways of doing business has motivated various researchers in the field of management to explore its impact on various functional areas of management. Thus, in this research paper, we will try to explore the impact of social media on various HR functions like talent management, recruitment and selection, performance management, employer branding, and will discuss the various risks associated with it.

According to Miller-Merrell (n.d.), social media is the biggest shift in thinking and communication since the Industrial Revolution. She comments that social media is bigger than the fax machine, 1,000 times over. Every company and brand can engage their customers, and friends can connect with friends online. Nowadays, social media is a place where everyone and anyone can have a voice and participate in the conversation happening online and in real time. Miller-Merrell wrote on her smart recruiter's blog that social media has changed HR in 3 fundamental areas: The first and foremost area to be discussed is employee 'communication'. Before social media, employers communicated to their employees using in person meetings, emails, memos, and interoffice mail. Changes in policy or corporate restructures were communicated in the same way. So, employers must now communicate changes to their organization by making the assumption that by telling one, you are telling all. The second major area is 'employee voice'. Earlier, companies could rely on break room suggestion boxes, employee hotlines, and closed room meetings as a way for employees to raise and express concerns, but social media, blogs, and online platforms have provided a forum for employees to share their experiences and suggestions, either good or bad. Thirdly, the last major area on which social media has impacted HR is 'employer image and talent acquisition'. In the past, employers communicated their job openings using one-way conversation tools like the newspaper advertisements, job boards, or recruitment agencies, but now, social media blogs have taken its place.

According to Sharma (2012), social media has not only shown emergence in developed nations and has touched not only the large organizations, but also has impacted the small and medium-scale organizations in developing nations like India.

* *Assistant Professor*, School of Commerce & Management, Sri Guru Granth Sahib World University, Fatehgarh Sahib - 140 406, Punjab. E-mail : tejbirsaini@yahoo.co.in

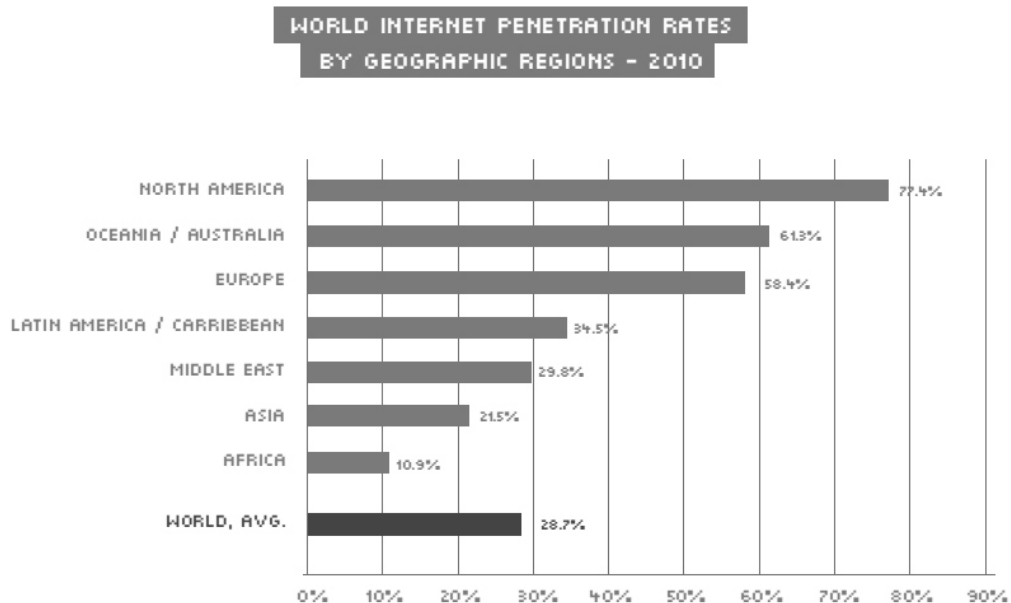
** *Professor & Chairman – HRM*, Dar-Al Uloom University, Ministry of Higher Education, Riyadh 133314 - 7222, KSA.
E-mail : sayeedz@yahoo.com

Impact of Social Media on Recruitment and Selection

The growth in the use of social media sites is phenomenal. Companies and recruiters, therefore, need to be where candidates are in order to engage them in the recruitment process. This involves engaging with talent across a wide range of social networking platforms. To do so effectively, they need to work together. Social media can be fast, efficient, and cost effective when used as a recruitment tool. We observed many interesting facts after reviewing the 2011 report of Nigel Wright Recruitment, which are as follows :-

- ➡ 80% of the companies use social media for recruiting and 95% of those companies are using LinkedIn for that purpose.
- ➡ In 2010, 83% of the employers were using or were planning to use social networks for hiring, 46% planned to spend more on social recruiting, and 36% spent less on job boards.
- ➡ 35% of the job seekers in Sweden log onto social networking sites every day. 76% of U.S. companies used LinkedIn's 100 million registered users for recruiting.
- ➡ 84% of the job seekers have a Facebook profile, and 48% of them indulged in at least one job-hunting activity on Facebook in the past year.
- ➡ 61% of millennials do not go to the traditional company support groups first; they prefer to turn to the Web and other external resources.
- ➡ Corporate e-mails are growing by 20-25% per year, with data storage costs soaring.
- ➡ 41% of 2011 university graduates used social media in their job search.
- ➡ 40% of the companies admit to having no training or governance of social media.

Figure 1. World Internet Penetration Rates by Geographic Regions 2010



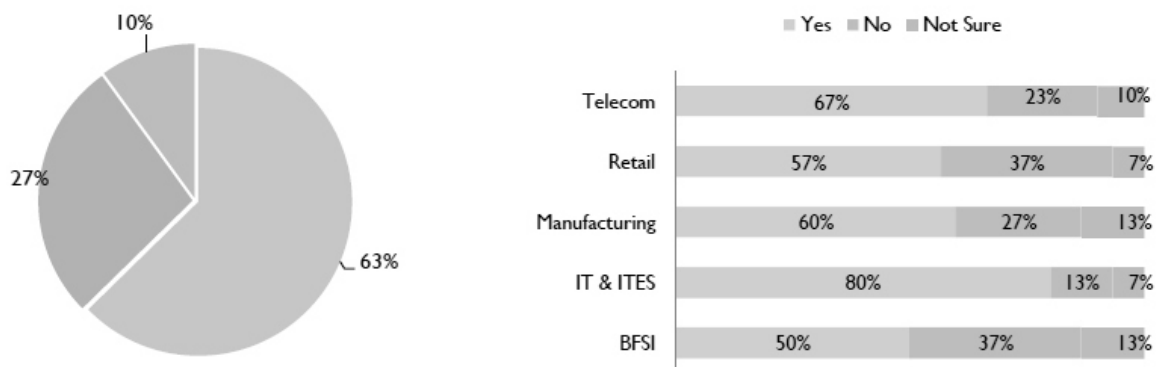
Source: Reprinted from Nigel Wright Recruitment (2011). The impact of social media on recruitment (p.6).
Retrieved from <http://www.nigelwright.com/Assets/Documents/TheImpactofSocialMediaonRecruitment.pdf>

The Figure 1 depicts how recruiters pay companies like Jobvite to mine social networks to gather data on potential candidates across multiple social media platforms. Some other companies like Select Minds, Refario, and Appirio use traditional recruitment techniques - referral hiring. Automated referral systems can be generated through social

Figure 2. Use of Social Media by Organizations and Industries

Use of Social Media by Organizations

Of the 150 respondents, 63 percent agreed that social media was used in business processes in their industry. This concurrence of a rather large proportion of the respondents, establishes the use of social media in organizations. However, a little less than a third of the respondents disputed this idea. The use of social media was then analyzed across the five industry verticals to see if this varied by industry and how. 80 percent of respondents from IT/ITES, and around two-thirds from Telecom— both hi-tech industries, agreed that social media was used in their processes. Strangely, 37 percent of respondents from BFSI and Retail— both industries where personnel interact a lot with end-customers and one would assume a natural setting for the use of social media, believed that social media is not widely used in their industry.



Source: Reprinted from A. Pareek, P.R. Jindal, S. Nair, & S.K. Muthyala (2012). Social media: Impact and relevance in managing human resources in India. Social Media and Human Resources: Report By HR consulting arm of Wipro Limited (pp.1-40). Retrieved from http://www.wipro.com/Documents/Social_Media_Report_Feb_2012.pdf

media. The report also provides an example about electronics retailer 'Best Buy's' recent recruitment campaign to find an online marketing expert. In that campaign, online channels were used and one of the job pre-requisites was that the marketing expert must have at least 250 followers on Twitter.

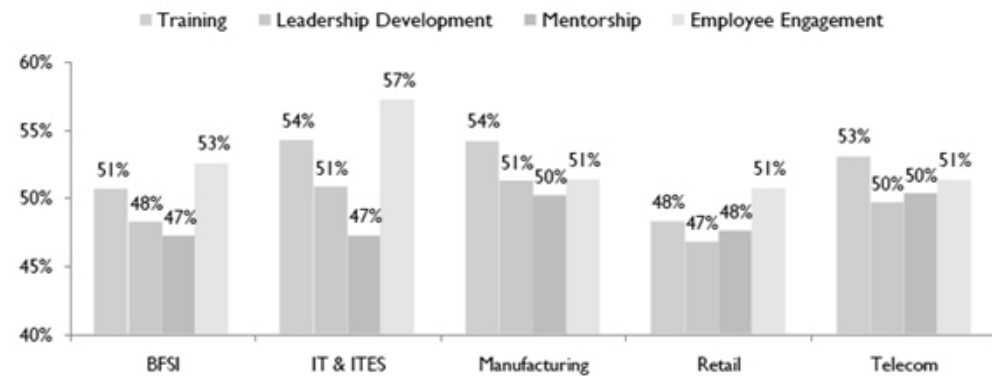
Abel (2011), in her master's thesis on the topic "Role of Social Networking Sites in Recruitment," found interesting facts through her study. The study was conducted on 200 German recruiters to find out to what extent Web 2.0 plays a role in their recruitment. The findings revealed that 37% of the respondents assumed that social networking sites are important for the human resource management of a company, and 85% give importance to social networking sites for the future. Also, as per the Figure 2, we can say that out of five industries being surveyed, the maximum usage of social media is by the IT/ITES sector for their day to day processes.

Dwyer, Hiltz, and Passerini (2007) in their study on a comparison of Facebook and MySpace examined trust and privacy within social networking sites. The findings of the study revealed that Facebook users have a greater amount of trust and are more willing to share their personal information. Brandtzaeg, Lüders, and Skjetne (2010) in a study on Facebook tried to find out how content sharing and sociability affect privacy experiences and usage behavior (differentiating between younger and older people). They observed differences between the age groups regarding the users' social practices and the ability to control their privacy. Roblyer, McDaniel, Webb, Herman, and Witty (2010) in their study on faculty and students found great difference in their usage of Facebook. Students are more likely than faculty to use Facebook. Sheldon (2008) surveyed students to investigate their motives for using Facebook. She concluded that students who had a problem with face-to-face communication used Facebook in order to feel less lonely and satisfy their need for communication.

Impact on Performance Management and Talent Acquisition

Social media now plays a key role in the evaluation of individuals as social media sites are proliferating and changing

Figure 3. Preference for Using Social Media in Talent Management by the Industry



Source: Reprinted from A. Pareek, P.R. Jindal, S. Nair, & S.K. Muthyala (2012). Social media: Impact and relevance in managing human resources in India. Social Media and Human Resources: Report By HR consulting arm of Wipro Limited (pp.1-40). Retrieved from http://www.wipro.com/Documents/Social_Media_Report_Feb_2012.pdf

rapidly. Hatala (2006) in the article “Social Network Analysis in Human Resource Development : A New Methodology” stated that social network analysis can improve the empirical rigor of HRD theory building in such areas as organizational development, organizational learning, leadership development, organizational change, and training and development, and SNA provide a methodology for examining the structure among actors, groups, organizations, and aides in explaining variations in beliefs, behaviors, and outcomes. Issacson and Peacey (2012) in their report on human resources and social media found that talent acquisition is one of the important areas within many companies to use the social media for. Social media accelerates the entire recruiting process from posting openings to sourcing candidates, reviewing resumes, making an offer, and on boarding. The Figure 3 sheds some light on the preferred areas for managing talent in 5 most prominent industries, that is, BFSI, IT/ITES, manufacturing, retail, and telecom. The core area where social media is used by IT/ITES, BFSI, and the telecom sector is employee engagement and training, whereas for manufacturing and the retail sector, it is leadership development and mentorship.

Once employees are on board, social media can be used to a greater extent for connecting employees to interest groups (e.g. volunteerism, mentoring, and diversity). Furthermore, companies are using technology and social media tools to create directories that are managed and populated by employees with information about themselves and others. Even progressive organizations are using social media for accelerating their annual performance cycle and moving to more real-time feedback and coaching. Social media tools are helping HR departments in making true 360-degree feedback system a reality. Lee (2007), in his research on the topic impact of human resource management information system (HRMIS) on enterprise social capital from the perspective of social network, analyzed the questionnaire research data of 119 human-resource management professionals from 45 companies by using the *t*-test method. The results indicated that those enterprises whose employees have larger capabilities of using information technology and equipments will have a denser social network. Thus, it can be concluded that human resource management information system could lead to increased enterprise social capital.

Sandra (2011) found that German companies perceive use of social networking sites as a benefit for recruitment, because she found a significant relationship between the networking scope of the sites and effective recruitment, in particular, the target group orientation. She also found that if HR departments search for individuals with great language or IT skills, they can search for candidates through social media recruitments and could get the candidates who fit the job exactly. The matching quality is believed to be higher when companies make use of social networking sites for their recruitment. She provided the name of XING in findings and explained that this site offers recruiters the possibility to filter the right target group and establish contact with them. Laumer, Eckhardt, and Weitzel (2010) in their article “Electronic Human Resources Management in an E-Business Environment” narrated that the scope of IT support for these talent management activities goes from attracting to selecting candidates, and from identifying talent over developing employees to retaining them.

Figure 4. Preferences for Using Social Media for Internal Branding by Respondent Types



Source: Reprinted from A. Pareek, P.R. Jindal, S. Nair, & S.K. Muthyala (2012). Social media: Impact and relevance in managing human resources in India. Social Media and Human Resources: Report By HR consulting arm of Wipro Limited (pp.1-40). Retrieved from http://www.wipro.com/Documents/Social_Media_Report_Feb_2012.pdf

Figure 5. Overview of Readiness by Industry, Enterprise Size, and Respondent Type in Using Social Media for Four Core Areas of HR

Process Area	Hiring			Collaboration & Communication		Talent Management		Internal Branding	
Parameters	Usage	Openness	Capability	Openness	Capability	Openness	Capability	Openness	Capability
Overall					Not sure			Not sure	Not sure
Status by Industry									
BFSI	Not sure		Not sure		Not sure			Not sure	Not sure
IT & ITES					Not sure		Not sure		Not sure
Manufacturing					Not sure			Not sure	Not sure
Retail	Not sure		Not sure			~		Not sure	
Telecom								Not sure	
Status by Enterprise Size									
Large					Not sure			Not sure	Not sure
Medium					Not sure			Not sure	Not sure
Small				Not sure	Not sure			Not sure	Not sure
Status by Respondent Type									
Decision Makers					Not sure				Not sure
Influencers	Not sure							Not sure	
Implementers		Not sure		Not sure	Not sure			Not sure	Not sure

Source: Reprinted from A. Pareek, P.R. Jindal, S. Nair, & S.K. Muthyala (2012). Social media: Impact and relevance in managing human resources in India. Social Media and Human Resources: Report By HR consulting arm of Wipro Limited (pp.1-40). Retrieved from http://www.wipro.com/Documents/Social_Media_Report_Feb_2012.pdf

Social Media and Employer Branding

To attract talent, companies are concerned of how the 'employer brand' is perceived online. Nowadays, the job seekers have become really smart and are conscious about making the right moves. As it has become a fashion as well as a preliminary step for job seekers to search the brand image of the employer online, the companies are working hard to highlight their work culture, values, and vision statements. Thus, none other than social networking sites are helping them in this tough job. Companies are uploading corporate videos, and are creating their own blogs on social networking sites. According to Nigel Wright Recruitment report (2011), we can find that companies such as Microsoft and Dominoes have made many PR blunders on social media websites and later struggled to rectify them. For decision makers, nowadays, many forums such as the Social Media Business Council are available where 'best practices' on communicating via social media can be shared. Organizations have started creating their own profile pages on LinkedIn, Facebook, and Twitter. Many recruiters are reaching out to prospective candidates through their own private Facebook and LinkedIn networks. LinkedIn has a function that allows users to 'recommend' the company to their followers. This is of course very similar to Facebook's 'like' button, and it highlights how the social media sites are now beginning to compete for 'employer branding' space.

According to a report published by Wipro Consulting group, as depicted in the Figure 4, it is clear that hiring, internal branding, and collaboration are the most preferred areas using social media. The report also throws light on usage of social media for four core areas of HR in terms of enterprise size and respondent type, which highlights hiring as the number one preference area, whereas collaboration and communication were described as the second most preferred area.

Key Findings

- There is no significant relationship between the popularity of social networking sites and effective recruitment. It can be said that the popularity of the social networking sites is not relevant for recruitment.
- Use of social networking sites may affect the quality of applicants.
- Networking scope of the sites is the strongest predicting factor for effective recruitment and there is a trend towards a positive relationship between networking scope and effective recruitment of both types of websites.
- According to German companies, XING is the most important business-oriented site and has more than 10 million members worldwide. Using XING for recruitment is attractive for German companies, while LinkedIn is not yet very popular in Germany.
- LinkedIn is the world's largest professional network with over 75 million members.
- Social media continues to remain a major tool for organizations to reach their customers and employees, however, marketing and sales lead the way, followed by human resources and corporate social responsibility.
- Majority of the organizations use social media in their human resource practices. However, they also agree that it has not been tapped to its maximum potential. It is used inconsistently, however, organizations are confident that they will be using social media better in the future to be in the race of innovation.
- Leaders of majority of the organizations have shown keen interest in usage of social media in the areas of internal branding, collaboration and communication, and for the hiring process.
- Hiring has been found to be the only area where organizations are ready for social media.
- Data security emerged as the number one impediment to implementing or using social media platforms, closely followed by perceived lack of organizational maturity and surveillance capabilities.
- According to survey conducted by Wipro (see Figure 5), we can conclude that major sectors including IT/ITES, manufacturing and retail have showed openness towards the usage of social media for hiring and collaboration/communication functions.

□

Suggestions

- HR departments must develop a social media policy. This practice will improve employer branding.
- HR managers can create new jobs in the field of content managers whose job description may include creating innovative content in the form of blogs and corporate videos which are to be uploaded on social networking websites.
- The HR department must keep an eye on reputation of the organization which has become a crucial area nowadays with the emergence of social networking websites.
- The HR department must facilitate collaboration, internally as well as externally, by using role based portals, internal blogs, and webcasts which helps in sending and receiving tailored messages in an engaged environment.
- Recruiters can contact candidates and use XING as a talent pool for active recruitment.



Conclusion

After analyzing the facts and surveys done by eminent researchers on the usage of social media in the area of human resource management, it can be concluded that many HR respondents now understand the potential use of social media technologies in the workplace and embrace social media in their personal and professional lives. Hence, these professionals must strive to be leaders in the use of these technologies and help their organizations by helping line employees use these technologies. These HR professionals can facilitate communication within their organizations and with their clients. Also, the HR departments must look for opportunities to add new skills to their talent pool. Whether it is starting with Twitter, launching a blog, or using Facebook for recruiting, organizations may learn all about it in the future course of action and make social media a key to innovation.

From the present study, it could also be ascertained that costs are not affected by the qualities of social networking sites. A possible explanation for this is that many MNCs have only recently started to use social networking and cannot observe the long-term effects. Hence, they cannot focus on cost reduction at this stage. As a consequence, much more research is needed to support the findings and ideas of this study. Moreover, the trends about usage of social networking sites in Indian companies are yet to be discussed due to shortage of research in this regard. This study can be seen as an exploratory study. The results of the study are based on a comprehensive literature survey only, and thus, it is necessary to conduct a longitudinal research in order to see the usage of social networking sites and particularly, the use of social media in HR functions along with its pros and cons.

Managerial Implications

The current study contributes towards presenting an overview to what extent the use of social networking sites leads to various HR functions. According to many research studies and surveys discussed in this article, LinkedIn and Facebook have emerged as the most preferred social networking sites for recruitment in some of the countries at the moment. This finding has also created an opportunity for other social media website companies to find out the reasons of preferences and features offered by these websites, which further creates a motivation for those in the business of social media to increase their market share by improving upon their weaknesses. The current era belongs to innovation and creativity. Thus, new entrepreneurs can make their businesses huge successes through the usage of social media by advertising, recruiting, and even branding, which will save their time and money, and ultimately, shall add towards their economies of scale. The usage of social networking websites in politics cannot be ignored and in this regard, the dramatic successful formation of “AAP” (Aam Aadmi Party) government in Delhi may be considered, whose leader Mr. Arvind Kejriwal took public opinion through social media before forming the government. Another example, that of Mr. Farooq Abdullah, the present CM of Jammu & Kashmir state can be quoted here, who is famous as “Always available CM on Twitter”. The film industry is also influenced by the social media. Whether it is Hollywood or Bollywood, every single actor / director / producer is in the race of being popular through his/ her Facebook page likes, Twitter and Instagram followers, and sensational tweets. Many celebrities have hired PR managers, who on their behalf, post updates and recent pictures about their day to day activities, which has emerged as

a popular strategy for celebrities to stay in the news. Particularly, if one wants to focus on the usage of social media at the organizational level only, then usage can happen at many levels other than the level of recruitment and selection. For example, the first core area is communication, that is, social media can be used for sharing ideas within the HR department and within the company. The second area can be branding, that is, the company can share information with one of the most important stakeholders, that is, the general public. Thirdly, organizations can promote events using social media. That is, the HR departments can showcase company activities to improve their CSR rating. Fourthly, an organization can use social media for conducting background checks, that is, researching about a background of a potential employee as such information is not available in the resume. Other benefits include putting emergency notifications, providing recognition to star employees, wellness initiatives, informal idea generation, conducting informal surveys, and so forth.

Hence, it can be said that social media technologies are pervasive in nature, and will keep on evolving. They provide an enormous amount of information within seconds on which today's multigenerational workforce is totally dependent. By 2014, almost 80% of the workforce will be millennials, with a wide range of skills, expectations, and differing ethics and norms. Their expectations from employers would be varied in nature including flexibility, diversity, mobility, and utmost transparency. This would make the HR department's job more challenging and cumbersome. Hence, innovative policies and practices along with their creative implementation would be required in which social media can act as a boon.

References

- Abel, S. (2011). *The role of social networking sites in recruitment: Results of a quantitative study among German companies* (Master Thesis - business administration, Track: Human resource management). School of Management and Governance, University of Twente, The Netherlands.
- Brandtzaeg, P.B., Lüders, M., Skjetne, J.H. (2010). Too many Facebook “friends”? Content sharing and sociability versus the need for privacy in Social Networking Sites. *International Journal of Human-Computer Interaction*, 26 (11-12), 1006-1030. DOI:10.1080/10447318.2010.516719
- Dwyer, C., Hiltz, S.R., & Passerini, K. (2007). Trust and privacy concern within social networking sites: A Comparison of Facebook and MySpace. *AMCIS 2007 Proceedings*. Paper 339. Retrieved from <http://aisel.aisnet.org/amcis2007/339>
- Hatala, J.P. (2006). Social network analysis in human resource development: A new methodology. *Human Resource Development Review*, 5 (1), 45-71. DOI: 10.1177/1534484305284318
- Issacson, K., & Peacey, S. (2012). Human resources and social media. KPMG Report. Retrieved from <http://www.kpmg.com/BE/en/IssuesAndInsights/ArticlesPublications/Documents/Social%20network.pdf>
- Laumer, S., Eckhardt, A., & Weitzel, T. (2010). Electronic human resources management in an e-business environment. *Journal of Electronic Commerce Research*, 11 (4), 240-250.
- Lee, I. (2007). An architecture for a next-generation holistic e-recruiting system. *Communications of the ACM*, 50 (7), 81-85.
- Miller-Merrell, J. (n.d.). How social media changes HR. Retrieved from <http://www.smartrecruiters.com/blog/how-social-media-changes-hr/>
- Nigel Wright Recruitment (2011). The impact of social media on recruitment. Retrieved from <http://www.nigelwright.com/Assets/Documents/TheImpactofSocialMediaonRecruitment.pdf>
- Pareek, A., Jindal, P.R., Nair, S., & Muthyala, S.K. (2012) Social media: Impact and relevance in managing human resources in India. Social Media and Human Resources: Report By HR consulting arm of Wipro Limited (pp.1-40). Retrieved from http://www.wipro.com/Documents/Social_Media_Report_Feb_2012.pdf

- Roblyer, M.D., McDaniel, M., Webb, M., Herman, J., & Witty, J.V. (2010). Findings on Facebook in higher education: A comparison of faculty and student uses and perceptions of social networking sites. *Internet and Higher Education*, 13 (3), 134-140. <http://dx.doi.org/10.1016/j.iheduc.2010.03.002>
- Sharma, M. (2012). A new marketing paradigm- Social Media or Web 2.0: An empirical analysis to study the awareness, key deliverables, engagement and usage of social media by small and medium enterprises in Delhi. *Indian Journal of Marketing*, 42(7), 54-62.
- Sheldon, P. (2008). The relationship between unwillingness-to-communicate and students' Facebook Use. *Journal of Media Psychology*, 20(2), 67-75.