SOCIAL MEDIA IN THE WORKPLACE:
ISSUES AND STRATEGIC QUESTIONS

By Robert E. Ployhart, Ph.D.

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Social media is revolutionizing the way people connect and share information. LinkedIn, Facebook, YouTube, Twitter and other social media are changing the way we interact, and many organizations are struggling to respond. Even companies attempting to avoid social media altogether must recognize that many of their employees and customers are using it, which can directly affect the organization.

Used correctly, social media can benefit an organization. However, if not managed effectively, it can create many legal, financial and personnel risks. Given the potential risks and benefits of social media in the workplace, it is critical for managers to develop policies and procedures governing its appropriate use.

To date, no standard guidelines have been developed to assist business leaders in managing social media. New technologies emerge quickly, and there is little legal precedent or research to steer appropriate action. This executive briefing will identify key issues and pose strategic questions to help guide managers in making more informed decisions when navigating social media issues in their organizations.

Social Media Affects the Entire Organization

Social media is a global phenomenon that continues to grow. Managers must recognize that social media touches all parts of their organization. For example, the website Glassdoor.com, an employee feedback and job seeker forum site, allows members to provide "inside" information on company cultures, employees and salaries. Members rate their own organizations on various characteristics, and these data are then searchable by other users on the site. Information posted can be seen by other employees, customers or competitors. The lesson? Even if an organization has no official social media presence, its employees may be creating one.

Customers and clients also help shape a company's brand and image via social media. Customers frequently go online to rate products and services. Positive word of mouth, a vital means of growing customers and profits, becomes infinitely more powerful in the digital world. Examples range from product reviews on retail websites such as Amazon, to postings on consumer websites such as Angie's List, to blogs, tweets and Facebook posts.

Organizations themselves often leverage social media to help in recruiting, advertising and branding. These efforts can influence customers and potential job applicants, and can also affect the organization's brand and reputation. Many organizations use Facebook to notify "friends" of discounts or special promotions. No other advertising platform can reach such a massive audience at little or no direct cost. Building such social media

> **Social Media: Web-based tools and technologies used to share information and turn communication into interactive dialogues with internal or external audiences.**
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> Source: *SHRM Research Spotlight: Social Media in the Workplace* (November 2011 www.shrm.org/Research)
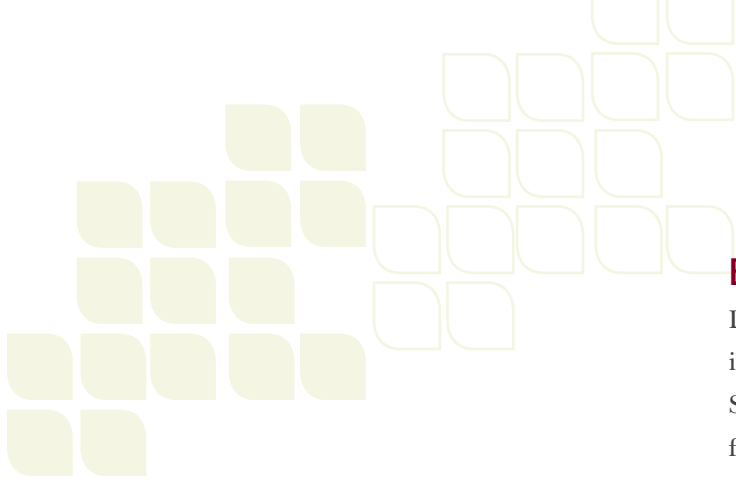
- Branding and marketing.
- Creativity and problem solving.
- Influencing organizational culture.

Benefits and Risks of Social Media

Despite the potential risks and benefits of social media in the workplace, a recent study conducted by the Society for Human Resource Management (SHRM) found that 72 percent of organizations do not have a clear strategy or goals for their social media activities. Social media continues to evolve rapidly. This makes it difficult to produce rigorous academic studies evaluating its effectiveness for organizational use. The table below outlines several potential benefits and risks based on expert opinion and prevailing practice.

According to a recent *Emerging Workforce Study* by Spherion, companies in 2012 are nearly twice as likely to have a social networking strategy in place as they were in 2009. However, less than half (just 45 percent) of today's organizations actually have a formal social media policy for social and digital media initiatives.

Despite a greater adoption of social/digital networking initiatives and strategy, the relative success of such programs was only slightly improved in 2012. Approximately one-quarter of companies in 2009 rated their efforts at achieving social networking/media goals as "successful" or "very successful." Three years later, that number increased only slightly to 30 percent of companies, indicating that organizations are still struggling to move from simply utilizing these strategies to actually reaping the benefits of social media.

Strategic Questions

Choices about how to engage or respond to social media must first be addressed from a strategic perspective. When considering strategic issues, it is helpful to create a cross-functional task force represented by key stakeholders. These stakeholders may include leaders from relevant areas such as finance, human resources, legal, IT, marketing, accounting and operations. Because social media has the potential to affect all parts of the organization, it is also important to get feedback from a diverse cross-section of the employee population and perhaps even customers and shareholders or investors as well.

relationships can enhance customer loyalty and brand identification and may even be used as a source of passive job candidates.

In addition, social media is being used inside organizations. Social media use may be formal, following specific policies and procedures, or informal, such as employees sharing personal news of a marriage or new baby.

Formal applications of social media can include the following:

- Recruitment and selection.
- Socialization and onboarding.
- Training and development.
- Knowledge sharing and transfer.

Failing to recognize the power and influence of social media can lead to trouble. One CEO of a global technology firm learned it the hard way. He was speaking at a university and was asked his opinion on the practice of Internet service providers basing prices on the content accessed by their customers. The CEO indicated he was in favor of this pricing strategy, and an engaging exchange ensued. Because he was not active on social media, the CEO was unaware that the exchange was being 'broadcast' across the Internet by students attending the talk and posting comments. The posts generated a lot of controversy; however, the CEO did not react to the social media discussions, leaving customers and stakeholders with very negative impressions of the organization.

Formal Applications of Social Media

Organizational Use	Potential Benefits	Potential Risks
Recruitment and selection	■ Improved sourcing of high-quality candidates ■ Enhanced candidate quality ■ Increased time and cost efficiency	■ Employment discrimination (e.g., obtaining personal information that is not job-related from sites such as Facebook and using it in hiring decisions) ■ Variability in applicant use of social media disadvantages those who do not use it (some age groups or racial/ethnic groups may be underrepresented on social media sites)
Socialization and onboarding	■ Greater organizational identification and commitment ■ Reduced turnover ■ Improved employment compatibility and job satisfaction	■ Spread of inappropriate or damaging information (e.g., negative information posted by disgruntled employees could discourage new hires) ■ Creation of division rather than inclusion (e.g., establishment of "cliques" or subcultures)
Training and development	■ Reduced training costs ■ Greater training effectiveness ■ Continuous skill enhancement and self-directed learning	■ No positive effect on learning or development (e.g., skills to be learned are not transferred to the job) ■ Unequal access or usage (e.g., those who do not use social media have fewer opportunities for training or development)
Knowledge sharing	■ Fast and inexpensive dissemination of information ■ Easy sharing of knowledge from few to many	■ Unequal access or usage (e.g., those who do not use social media have less opportunity to share) ■ Too much information (e.g., work time consumed with reading social network posts) ■ Quick spread of negative or private information (e.g., co-workers learn of an employee's serious medical condition)
Branding and marketing	■ Ability to reach new customers ■ Customer loyalty enhancement ■ Increased time savings and cost efficiency	■ No relevant effect on customer metrics (e.g., investment in social media does not generate sales or customer growth) ■ Hidden costs with maintenance of media (e.g., staff time to monitor social network sites and constantly provide fresh content)
Creativity and problem solving	■ Increased problem solving accuracy and speed ■ Innovation spread throughout organization with minimal effort	■ Consensus process slows decision-making (e.g., the higher number of people involved in decision-making increases time needed to resolve an issue) ■ Consensus leads to pursuit of poor choices; lack of critical thinking (e.g., groupthink or an influential employee generating support for a bad idea)
Influencing organizational culture/change	■ Reinforcement of organizational culture ■ Culture change through communication	■ Broad resistance to organizational change (e.g., employees bond together to resist change) ■ Facilitation of undesirable company culture (e.g., employees use social media to form coalitions counter to the organization's culture)
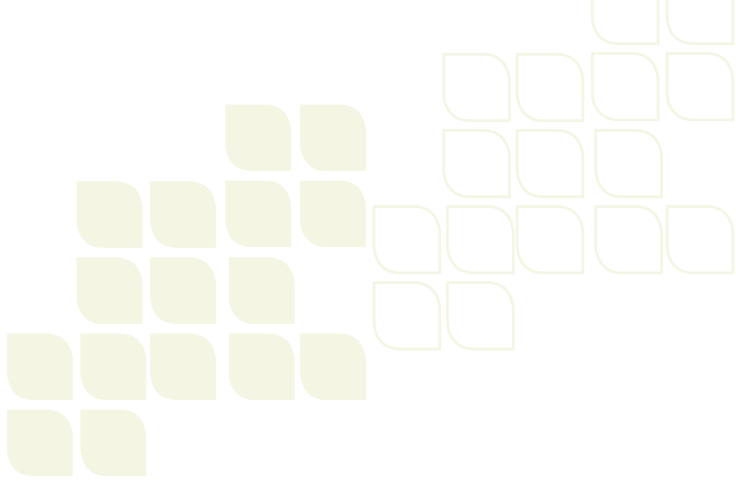
Key questions to ask in strategic planning include the following:

1. **Should the organization use social media? Consider questions such as:**

   - What are the organizational benefits and risks of using or not using social media?

   - For what strategic goals or purposes could social media be used?

   - In what ways could social media help support or implement the organization's business strategy?

   - Who are the relevant stakeholders affected by social media?

   - Who is ultimately responsible and accountable for the social media strategy?

   - Are there sufficient resources to appropriately implement and maintain social media?

   - What mechanisms are in place to respond to potential risks, should they occur?

   - Ultimately, how will the organization as a whole and employees as individuals engage in social media?

2. **How should the organization implement social media?** For organizations planning to use social media for human resource, marketing or other purposes, the process must begin with defining goals and identifying metrics.

   - Define the goals and scope of engagement with social media. Clearly define what the organization is trying to achieve. What are the metrics for success? For example, despite all the talk about the benefits of social media for recruiting, there is actually little hard evidence to suggest that it results in better quality hires or is faster or less expensive than conventional recruiting methods.

   - Which type(s) of social media should be used? Given the defined goals and scope, determine which types of social media best support the goals. For example, professional networking sites (e.g., LinkedIn) might be more useful for sourcing candidates than social networking sites (e.g., Facebook).

   - Align the new social media policy with any existing corporate privacy policies.

   - Set timelines and deliverables. Estimate the amount of time needed to implement the plan and identify specific deliverables expected.

   - Determine ownership. Who is responsible for ensuring the success of the social media program? Who has budget responsibility? Who is responsible for posting information? If the program is monitored, who has responsibility for reviewing the content? Who has final authority or responsibility for making changes to the content?

   - Monitor progress. Evaluate the effectiveness of social media activities on an ongoing basis and regularly measure progress against the metrics defined. Make course corrections as needed.

3. **How can the organization increase the odds of success and minimize the risks of social media?**

   - Develop a formal social media policy. Organizations should create at least a basic formal policy or set of guidelines, even if social media is not yet being used in any formal way. This policy should be carefully vetted with relevant stakeholders, including legal and human resources. It will likely be necessary to implement an organizationwide policy and then be more specific with functional policies (e.g., human resources, marketing). The organization's position on privacy issues must also be addressed in the policy.

   - Develop a process for policy monitoring. Who is the entity or person responsible for ensuring compliance with the social media policy? Is "whistle-blowing" addressed?

   - Develop directives for policy violations. Identify

consequences for policy violations using a tiered action system (e.g., start with verbal warnings, followed by specific disciplinary actions).

- Get senior management buy-in. Ensure senior management enforces the policies and supports them consistently.

4. **How can the organization maximize the value of specific social media applications such as recruitment and selection?**

- Be sure equivalent alternatives exist for those who do not have social media access. For example, do not limit recruitment activities exclusively to social media sites.

- Use social media for:

  - Targeted recruiting, and sourcing passive and active applicants, when consistent with the organization's brand and strategy.

  - Knowledge sharing, and training and development when the medium is consistent with the types of information to be shared or learned.

  - Reinforcing identification with the organization and promoting the brand.

- Avoid using social media for making human resource decisions such as:

  - Candidate selection, promotion, disciplinary or termination decisions.

- If social media is used in these decisions, then:

  - Ensure the system is based on a job analysis.

  - Structure the process (e.g., develop "scorecards") for managers who review candidates' social media websites.

  - Train managers on the company's social media policy.

  - Document all policies, procedures and practices.

Conclusion

Social media offers many potential benefits—but none are guaranteed. Thoughtful managers should carefully consider the benefits and risks of social media, just as they do when developing other new policies or evaluating a new vendor. Currently, no definitive standard of best practices exists. To minimize risk, leaders must remember that the same compliance, legal and ethical principles that apply to other employment practices also apply to social media. The challenge is that social media is far-reaching, relatively new and constantly evolving. Given this, the best way forward is to go back to basics. Build the business case for social media. If it is sufficiently compelling, develop your strategy and implement it. Then regularly monitor its effectiveness against specific goals and metrics. Used effectively, social media promises the opportunity to communicate with and engage an organization's employees and customers in exciting new ways.

About the Author

Robert E. Ployhart is the Bank of America Professor of Business Administration and a Moore Research Fellow in the Management Department of the Darla Moore School of Business at the University of South Carolina. He received his Ph.D. from Michigan State University, and his research focuses on human capital, staffing, personnel selection, recruitment, staffing-related legal issues and applied statistical models. Dr. Ployhart has published numerous articles in top journals and has coauthored two books. He currently serves as associate editor for the *Journal of Applied Psychology*. Dr. Ployhart has received a number of awards, including the American Psychological Association Distinguished Scientific Award for Early Career Contribution to Applied Psychology, the Best Paper Award in 2006 from the *Journal of Management*, and the Alfred G. Smith, Jr., Excellence in Teaching Award. He is a Fellow of the Society for Industrial and Organizational Psychology and was named a "Rising Star" by the University of South Carolina.

SHRM Foundation
Shaping the future of HR

1800 Duke Street
Alexandria, Virginia, 22314-3499 USA

Phone: (703) 535-6020
Fax: (703) 535-6368
TDD: (703) 548-6999

www.shrmfoundation.org

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