



cutting through complexity

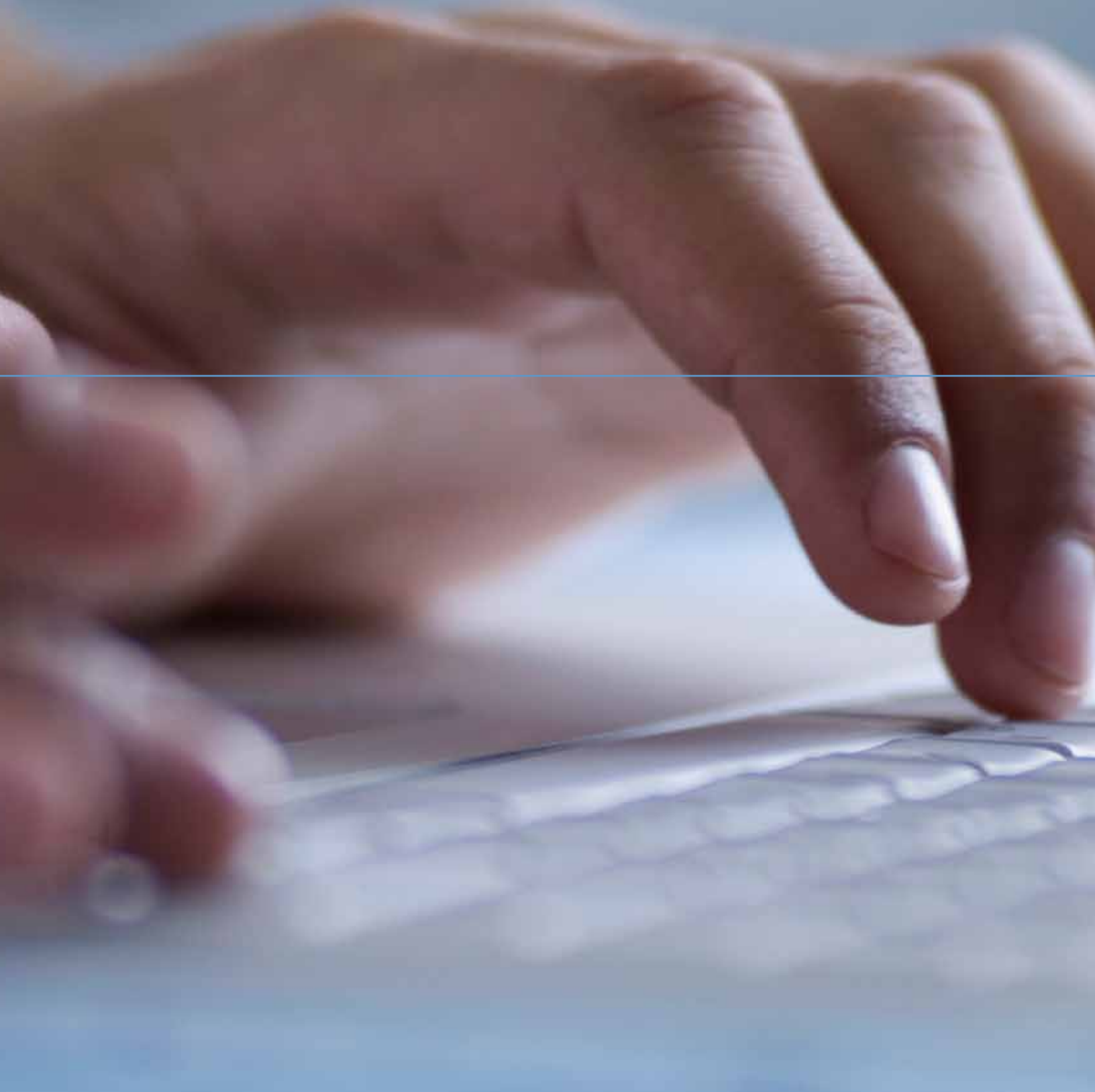
# Human resources and social media

Does social media keep you up at night?  
What you need to know about the  
opportunities and risks for your workforce

[kpmg.com](http://kpmg.com)

by Karen Isaacson and Sarah Peacey





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A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.

Wayne Gretzky

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## Executive summary

Truly world-class leaders empower key employees to become evangelists for the firm on social media platforms, helping customers, building the brand, attracting talent, and giving a personal face to the company. In addition to the external advantages, these key social media leaders become even more engaged and personally bonded to the company, its mission, and goals if done correctly. These employees can come from anywhere in the organization, from interns, to line personnel, to managers, to product leaders, to executives – but it must be done correctly and be given the support and attention necessary to prevent the foray from falling flat.

Social media is well-established as a consumer and brand-oriented set of tools. Increasingly, social media is being offered as an innovative solution for internal effectiveness. When strategy and governance are integrated with social media tools, they can positively impact your organization. An organization that thoughtfully embraces social media can realize opportunities across four areas:

- 1 **Collaboration:** Constant, transparent, and effective collaboration with employees, candidates, customers, and suppliers
- 2 **Talent management:** Top performance delivered through robust and real-time training, development, and support
- 3 **Administration:** Employee-centric Human Resources (HR) operations, regardless of where employees are in the world or organization hierarchy
- 4 **Employee engagement:** Single, unified culture with engaged employees driving business success

80 percent of companies use social media for recruitment... And 95 percent of them use LinkedIn  
*searchenginejournal.com, February 2012*

84 percent of the Fortune Global 100 use at least one social media platform  
*Burson-Marsteller, February 15, 2011*

Virgin Atlantic sacks 13 crew members over Facebook posts  
*The Guardian, November 1, 2008*

IBM has 21 YouTube™ channels, GE 12 and Ford 10; 40 percent of corporate Twitter users engage in customer services  
*Burson-Marsteller, February 15, 2011*

By 2014, 47 percent of the population will be composed of millennials (born after 1980) who were raised playing video games and surfing the Internet to get information  
*U.S. Bureau of Labor Statistics*

United Airlines is replacing the hefty flight manuals and chart books its pilots have long used with 11,000 iPad® devices carrying the same data  
*United Airlines, August 2011*

Senators ask feds to probe requests for Facebook passwords  
*USA Today, March 25, 2012*

Cisco retracts job offer on Twitter  
*The Telegraph, January 21, 2010*

## The real difficulty...lies not in developing new ideas but in escaping from the old ones.

John Maynard Keynes

- 76 percent of U.S. companies used LinkedIn's 100 million registered users for recruiting.
- 84 percent of job seekers have a Facebook profile, and 48 percent of them have done at least one job-hunting activity on Facebook in the past year.
- 61 percent of millennials don't go to the traditional company support groups first; they prefer to turn to the Web and other external resources.
- Corporate e-mail is growing 20-25 percent per year, with data storage costs soaring.
- 41 percent of 2011 university graduates used social media in their job search.
- 40 percent of companies admit to having no training or governance of social media.
- Social networking is still the fastest-growing active social media behavior online, increasing from 36 percent of global Internet users to 59 percent managing their profile on a monthly basis by the end of 2011.
- China is the most socially engaged market in the world, with 84 percent of Internet users contributing at least once a month to either social networking, blogging, video uploading, photo sharing, microblogging, or forums – they are followed by Russia, Brazil, and India.
- 36 percent of social media users post brand-related content.
- 60 percent of employees would like help from employers to share relevant content.

### Are you being asked these questions?

How can I take advantage of LinkedIn and Facebook to expand my candidate pool and connect with active and passive candidates?

How can I use social media tools to get real-time feedback on my employees' performance?

My company's policy is to provide employment verification, but not references, but I see all sorts of LinkedIn endorsements.

My organization is committed to ethical behavior of our employees. What should I do about some of those Facebook vacation photos?

Intellectual property and research breakthroughs are critical to my company's success. Yet I saw prototypes posted for collaboration on Pinterest.

How should I adapt my work-life policies, when employees are connected 24/7?

How can I take advantage of YouTube to train my employees?

One of my employees (at a hotel or an airline) just posted that a famous person boarded the flight. Is that ok?

When I'm considering hiring a candidate, should I search social media for him or her as part of a background check?



# Supercharging talent acquisition and talent management

Talent acquisition is one of the first areas within many companies to embrace the social media opportunity. At its best, this can include accelerating the entire recruiting process from posting openings to sourcing candidates, reviewing résumés, making an offer, and on boarding. Advances in talent acquisition can present a challenge to your company's internal communication and HR practices. Newly hired employees who had a great online experience may be surprised to find that the internal systems and culture are not as advanced or sophisticated ... they may not even have access to those same recruiting sites while at work.

Once employees are on board, social media can be leveraged for connecting employees to interest groups (e.g. volunteerism, mentoring, diversity). More sophisticated companies are using technology and social media tools to create deep expert directories that are populated by employees with information about themselves and others.

Progressive organizations are dispensing with the annual performance cycle and moving to more real-time feedback and coaching. Social media tools make true 360-degree feedback a reality. Imagine the power of gaining immediate insight into your team's performance from their internal and external customers. Social media is making this process a reality.

As your organization looks to retain and increase its talent pool, staying connected with passive job seekers becomes more critical.

Innovative companies are mining connections on key social networking sites, maintaining your organization's reputation online, and watching how their own talent is interacting online. They are also leveraging social media to create talent communities that engage passive candidates and promote their brand.

## Key questions to ask

Are there opportunities for real-time performance feedback?

Are you methodically mining external candidates who are passive?

How do potential candidates learn more about your organization and hiring managers?

Is your company ready? Does your recruiting team have the skills to effectively leverage social media sites for recruiting? Is your internal employee messaging consistent with your external marketing presence on social media sites? Have your recruiting policies and practices been reviewed through a social media "lens"?



# Addressing mobility and collaboration

The combination of new technology and mobile devices with the changing needs of employees presents a significant challenge for organizations. The ability to access information and applications from a laptop, BlackBerry®, Android™-based phone, or iPhone® from around the world has created an expectation of immediacy for today's workforce. Increased availability of "on-demand" tools can be a double-edged sword: the information is easily accessible, but are you prepared to deal with data security and privacy issues if a device is lost?

Many innovative and fast-growing companies place a premium on collaboration. Finding the right expert to repair a piece of equipment, reusing an existing piece of market research, convening a geographically dispersed "team" ... all are faster and less expensive with social media tools. Many advanced companies use internal, secure versions of instant messaging, YouTube, Twitter, and virtual classrooms to collaborate.

As if aligning intricate business strategy to social media objectives, evaluating leadership and employee change readiness, and guiding the entire workforce through a change aren't enough, our multigenerational workforce adds yet another layer of complexity. Four generations make up today's workplace demographics for the first time in recent history and at the extremes, their working styles and understanding of each other are different and incongruent. This is clearly evident in workplace adoption of social media. To effectively create a social media strategy that will be adopted by your employees, you must consider the unique perspectives and needs of your entire workforce.

## Different generations' view of social media

### Generation Y (16-30 years)

- I like to "ping" my social media network or just send a quick text. It's all about efficiency and speed.
- I think Facebook, Twitter, blogs, etc., are great ways to foster collaboration and innovation in my company.
- I don't need to see my peers to build a strong relationship with them.

### Generation X (31-46 years)

- I prefer to do business over e-mail. I find it more effective.
- Face-to-face meetings are needed occasionally but in reality, things can be done via e-mail.
- I don't have a problem adjusting to Facebook and the other social media sites, but I don't have to use it.

### Baby boomers (47-65 years)

- Business is most effectively conducted in face-to-face meetings or at least over the phone.
- Face-to-face interactions build better rapport and stronger relationships.
- I have started experimenting with Facebook and Twitter, but I honestly don't understand what all the hype is about.

### Traditionalists (66-86 years)

- I have only conducted business through face-to-face meetings. That is just how it works best.
- What even is Facebook? I don't see the value of social media as a workplace tool. It lowers productivity.
- Why do I have to share everything I know with the younger workforce? I have worked long and hard to gain the knowledge I have today.

## Key questions to ask

Are your employees skilled in dealing with the abundance of information?

Are your policies up to date related to reimbursement for data plans and devices, and increasingly flexible work schedules?

Is your organization using crowd-sourcing for innovation?

Are project teams using social media for collaboration and communication?

Are your senior leaders accessible and transparent in their communication?

Can employees access the key tools from wherever they are working?

# Leveraging the multigenerational workforce

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While a Generation Y employee may have no issues being asked to suddenly use a certain social media tool, a baby boomer may feel overwhelmed and frustrated by such a request. Traditionalists and baby boomers alike prefer face-to-face meetings or phone calls, while Generation X and Y don't necessarily need, or want, face-to-face encounters and would prefer to pick up the phone to send a text versus make a call. Relationship building for this group often occurs through simply "pinging" their social media networks. Implementation of a policy or procedure centered on social media can prove to be challenging with a diverse workforce. One way to better understand how a social media policy change may affect the broader organization is through assessing how each stakeholder group may be affected by the change. Such analysis helps to identify high-priority impacts and highlights key stakeholder requirements.

Age is often not the basis for the issue; it's more the acceptance, readiness, and adaption to change. In fact, research has shown that the fastest-growing demographic for Facebook and other social media tools is those aged 50 and above. Baby boomers and traditionalists are able to quickly learn and use new devices.

However, introducing a new piece of technology to this population should be different than introducing it to those who have grown up with technology from their early years.

As adoption of social media tools readily grows, for both internal and external communications, it becomes important to clearly define and articulate your social media policy.

While baby boomers and traditionalists may be more resistant to initially using social media and accepting social media policy, Generation X and Y will almost positively grow frustrated if an organization does not use social media or fails to properly manage or recognize its use. Contrary to popular belief, social media has shown to increase productivity and employee engagement if controlled appropriately. It can also foster innovation through collaboration. As a result, more than half of the organizations using social media technology have achieved best-in-class performance.

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**Contrary to popular belief, if controlled appropriately, social media has shown to increase productivity and employee engagement, and foster innovation through collaboration.**

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## **Essential for success: Communication**

To effectively implement and cultivate the appropriate usage of social media in a multigenerational workforce, it is essential for organizations to develop effective communication plans that allow for ongoing dialogue and feedback.

Communication serves as a strategic change lever by facilitating the transition from awareness to the actual ownership and adoption of social media guidelines and integration of social media tools. Effective communication helps put into practice the internal and external guidelines required to govern its use.

A carefully planned communication strategy often starts with a communication assessment, focusing on three components: a communication channel/vehicle analysis, an audience analysis, and a communication culture analysis. In practice, creating such a communication plan may involve analyzing current communications around social media policy and adjusting those based on the new requirements and identified stakeholder groups, while developing an implementation strategy that includes a variety of the preferred communication channels/vehicles.



I am always doing that  
which I cannot do, in order  
that I may learn how to do it.

Pablo Picasso

### Key questions to ask

What type of training do you provide to baby boomers and traditionalists to better use technology?

How does your organization use cross-generational mentoring to “barter” technology tutoring with business experience?

What type of multichannel communication is leveraged to reach different types of employees?

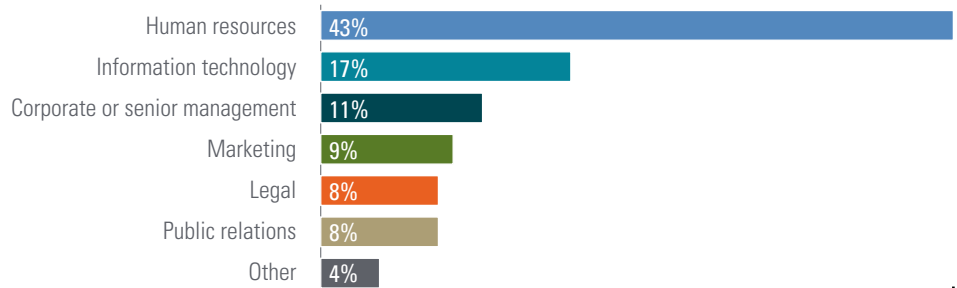
Does your organization provide kiosks and big-screen monitors to broadcast updates for employees without laptops or smart devices?

Is your internal communications and collaboration message and style consistent with your external presence?

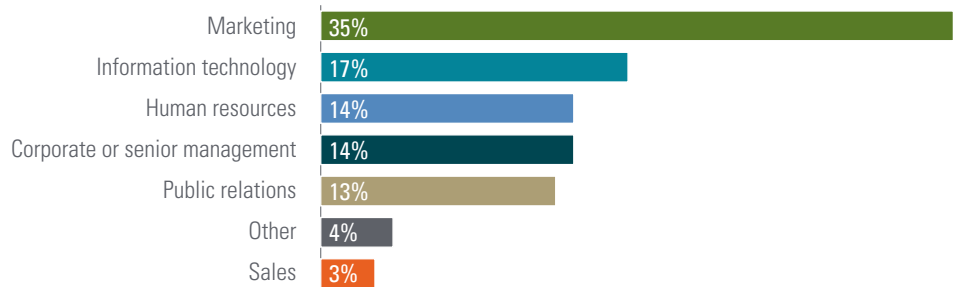
Can employees access the key tools from wherever they are working?

## Creator of policies, not leader of social media

What kind of professionals are primarily responsible for creating your organization’s social media policy?



What kind of professionals are primarily responsible for leading your organization’s social media policy?



Source: SHSM with Society for Human Resources Management, 2012

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The future belongs to  
people who see possibilities  
before they become  
obvious.

Ted Levitt

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## Managing the potential risks associated with social media

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Many companies that use social media struggle to successfully integrate it into their daily business routines. The challenge is frequently found within the creation, execution, and enforcement of social media policies. Many companies do not establish policies to govern social media usage or can find their policy difficult to enforce due to lack of employee engagement and training on the topic.

Given these challenges, it is not surprising that many executives prefer to avoid the topic by saying that they have no need for social media or policies to manage it. However, as companies begin to realize the true value to be gained by social media adoption, consideration of workforce risk is essential for avoidance of loss of employee goodwill, information breaches, and reputational damage.

Many companies' social media policies are negatively oriented ... directing what not to do. Consider the impact to your organization of a positive social media policy with a positive orientation.

KPMG's clients have successfully delivered real value through formally engaging their workforce with enhanced social media policies and engagement models. When these are defined and communicated to employees, a new set of evangelists are created. They can aid the organization in carrying positive messages to the marketplace regarding the quality of their products and services as well as the nature of the workplace itself being a collaborative environment where creativity and expression of new ideas is both welcomed and encouraged.

## Managing the potential risks associated with social media (continued)

### Social media presents the enterprise with two unique sets of risks:

#### Internal

- Employees inadvertently or deliberately leak privileged information that belongs to the organization
- The creation of public, and therefore “discoverable,” public record related to internal employment issues
- Ownership issues regarding public forums/networks where employees might engage with customers to discuss business issues
- Introduction of sensitive personal information into the workplace (politics, religion, sexual orientation, lifestyle issues)

#### External

- The potential for viral growth of negative sentiment either in response to organization communications or simply a market discussion on products or services
- Inappropriate or inaccurate commentary on organization financial performance
- Misrepresentation of organization’s position on public issues
- Damage to company’s reputation or desired brand image
- Data privacy breach related to lost personal identifiable information (PII)

Organizations are progressing to the next level of adoption but are still struggling with the question, “How do we best manage our social media programs?” These same organizations are challenged with fully adopting social media and capitalizing on all of its benefits.

The rapid evolution of social media and diversity of related applications creates a highly challenging legal environment that will need to be continually monitored. Your organization must consider workers’ rights in each unique geography as you customize your social media policies. Your ultimate goal should be to provide guidance that does not contravene legal frameworks.

Our firms’ professionals have found that the leaders who are charged with creating social media policies are often not a typical social media user. Policy-making executives should start with learning more about social media tools and how both the organization and its employees are using them. This knowledge gap can be a considerable challenge to overcome, but in many cases, is addressable through third-party courses or the use of management consulting services.

Once leaders are better informed on the nature of social media utilization in their organization, they can prepare a strategy to leverage social media as a tool that aligns with the overall vision, mission, and strategy of the organization.

Managers responsible for the performance of others should also now consider how tools such as LinkedIn and Facebook are being employed by their employees to build professional networks and how performance in these areas can be quantified and used for performance evaluations.

## The conventional view serves to protect us from the painful job of thinking.

J.K. Galbraith

While social media policy creation has challenges, it is not so different from previous challenges such as the adoption of corporate-wide e-mail in the 1990s. Many organizations already have the framework of a policy that governs communications and this framework can provide an excellent foundation to consider where social media might affect the business. Therefore, a good place to start is to create a governance body of key stakeholders. Stakeholders can be defined as any person/group of individuals, internal or external to the organization who will be impacted by the proposed changes, or who could have an impact on the success of the adoption.

Traditionally, this would include a cross-functional representation of IT, Legal, HR, Compliance, Marketing, and Risk Management that reviews current and planned use of social media against current communications-related policies. It is important to have HR and Legal involved in this discussion to make sure the emerging policies strike an appropriate balance between workplace and personal use while maintaining some level of corporate oversight.

Above all, the forums created to consider social media use in the workplace must strive to provide policies that are enforceable while being absolutely clear on what is mandatory and what the consequences are for non compliance. These policies should result in guidelines that easily create awareness and understanding of your organization's position on social media adoption. Your unique framework can be considered successful when it can demonstrate that it has been effective in building organizational knowledge of the benefits and risk of social media, and is supported through ongoing tailored communication and training.

### Key questions to ask

Where should guidelines for the management of social media be established?

What areas of the organization are/will be impacted?

How does the organization manage an environment that is rapidly evolving and will continue to do so at a greater pace?

How can we develop a policy that is all encompassing and applicable to everyone yet specific enough to be effective?



## Conclusion ... how to get ready

It's clear that social media tools are transforming the way we work ... and will continue to do so in ways we can only imagine. It is critical for Human Resource professionals to understand what these tools are used for and assess the risks and opportunities they may present to an organization.

Social media is redefining how companies innovate by connecting people and ideas in ways that have previously not been explored.

Organizations now have the ability to utilize knowledge from external audiences around the globe that they could never reach before.

It is changing the way we do business today. Additional benefits include the ability to enhance your public image, improve interactions with customers, and promote employee engagement. But it is not without internal and external risk.

### Key external forces

- Social media technologies are pervasive and are constantly evolving
- Access to enormous amounts of information, no matter where you are
- Workforce expects flexibility, diversity, mobility, transparency
- Multigenerational workforce has a wide range of skills, expectations, loyalty
- Increased privacy and compliance concerns

### Considerations to fully embrace social media

- Comprehensive governance strategy to consistently manage the risks
- Team with the right skills to succeed in this environment
- Holistic internal strategy that complements the broader organizational approach

### Opportunity for positive impact

- Employee engagement and employee communication can be accelerated with social media
- Social media is transforming the entire recruiting process, and the candidate/company relationship
- Learning is an enormous opportunity for leveraging social media
- Social media has the potential to transform talent management and performance management
- HR service delivery can be improved through emerging technologies

### Key questions to ask

How can social media support our organization's vision, mission, and strategy?

Do we have a social media policy in place and is our workforce aware of the risks and benefits?

Is our organization's culture ready to embrace social media?

Do we have leadership buy-in and are they fully engaged?

How do we monitor the use of social media and measure its effectiveness/impact on our organization?

Do we provide our social media team and our employees with continuous training?

Do our management practices and reward system support and encourage the integration of social media as part of our core business strategy?

Vision without action is a daydream. Action without vision is a nightmare.

Japanese proverb

### KPMG member firms help our HR clients make the most of the social media opportunity with a six-step methodology:

1. Review each process in the HR domain in your organization to assess the current state

2. Understand your organization's HR strategy, as well as challenges, to define the opportunity

3. Complete a holistic review of your organization's social media presence, governance, and policies

4. Understand external best and emerging practices

5. Develop a strategy and implementation roadmap to incorporate these learnings

6. Create process to monitor and evolve the strategy

## Contact us

### **Karen Isaacson**

#### **KPMG in the United States**

kisaacson@kpmg.com

**T:** +1 312-665-1166

### **Sarah Peacey**

#### **KPMG in the United States**

speacey@kpmg.com

**T:** +1 312-665-2047

**[kpmg.com](http://kpmg.com)**

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