



The Impact of Social Computing on Human Resource Management

Master Thesis Economics & Informatics

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Abstract

The use of the Internet continues to grow and social media is becoming a bigger part of our private and professional lives, making our world faster and more transparent. As a result, professionals in the recruitment sector consider social media a free substitute for job boards and a threat to staffing agencies. This movement towards social media caught my attention and made me wonder if the impact of social media could be affecting more business aspects than recruitment suppliers only. Therefore, I have researched the broad question “What is the impact of social computing on human resource management,” by means of conducting interviews, applying theories, and analyzing subjects’ responses.

In this research, I combine the information from the forty-five interviews held with professionals in the field of human resource management with various theories to examine the impact of social computing, and I look for risks and opportunities that the rise of social media may bring. The impact of social media on suppliers will be discussed based on the buyer-supplier relation from the Porter’s Five Forces Model. The Virtual Value Chain is used to point out the opportunities that the use of social computing could bring to the human resource processes. I will present the HR Cube as a framework that shows the dimensions of value creation for the processes.

The interviews showed that human resources are in an experimental phase with social media and are exploring how to benefit from social networks. When human resources become more experienced with social media, new and more efficient ways to deploy social media should be considered by using the HR Cube. This will lead to improving HR processes, adapting the current tools so that processes can be organized more efficiently, and carrying out work more effectively, thereby, gaining strategic benefits.

However, in order to take advantage of the opportunities social media is presenting, the human resource department must be open for change and be ready for the shift in power from organization to individual. This shift in power will lead to new work processes and business models. To be able to achieve strategic benefits, human resources will need to re-evaluate the Key Performance Indicators, measure the efforts, and evaluate the results.

Analyzing the performance of social networking is an interesting topic for future research. This social networking trend may lead to media being integrated in or replacing the current systems and industries.

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1 Problem

I work as a Business Innovation Manager at an IT company, which develops systems to support recruitment processes. Part of my job is to talk with our clients about their work, the changes they are experiencing in their field of work. Lately, clients have been discussing how online social networks like LinkedIn, Facebook and Twitter are replacing the current job boards. The clients argue in favor of the cost efficiency of converting to free online social networks to post job vacancies over current job boards that charge for vacancy postings.

This argument caught my attention. I compared these new free online social networks to various past innovations that made a significant impact to human resource management (hereafter, referred to as HRM). For instance, the introduction and the adoption of the personal computer and Internet have changed not only the way businesses function but also the way humans live. In the last decade, the Internet also changed the job application process and the way in which companies recruit their staff. The process of handwriting a Curriculum Vitae and then, sending your motivation letter through the postal office to apply for a job vacancy has been outdated with the speed and efficiency of computers and the internet. Nowadays, applicants browse the World Wide Web for interesting job openings, they upload their digital CV, and submit an application electronically. Vacancies are published on company websites and other professional website services like online job boards. With these innovations of computer technology and electronic communication, the slower and more inefficient method of posting job vacancies in newspapers now belongs to the past. (Source: Stevenson, 2003)

When we look at current developments in computer technology and communication, we cannot ignore the rise of social computing. Everyone is talking about social media and the media is full with articles addressing this topic. The numbers of users are showing an explosive growth in the use of these social networks and already introduced us to a new Social area with new risks and opportunities. The question is how this will impact your company's business. (Source: *Vermeiren, 2008; Ymerce, 2009; Waasdorp 2008*)

The increase of free social networks has been correlated to a rapidly declining income for the print-media publishers advertising job vacancies. The public profiles, like the LinkedIn profiles of people, who are unemployed pose a threat for the search agencies that match employees with possible job openings. Because employees are choosing to use free social network to find jobs, the number of new CV's of the applicants on the job boards will also drop. As a result, these professional agencies offering job boards lose market share to social network sites. When social networks provide ways to post jobs, to communicate and match employees with employers, and to generate management information, at no cost to either employees or employers, why should companies invest in publishing

their job openings on the job boards, in recruitment systems also known as application tracking systems? (Source: Chung, 2010; Waasdorp 2008; Wolter Kluwer, 2009)

We cannot predict the future, but what we can predict is that social media is introducing changes, risks, and opportunities to the business of human resources. For instance the information that people publish on the social networks makes it easier to find these people. So when finding candidates for job openings is part of your business model, this could bring advantages since your work becomes easier or it could bring risks because your clients, the HR departments of companies start using these social networks to find good candidates for their job openings themselves. What happens when HR starts using the social networks to find candidates and post their job openings? How does this effect the use of job boards and how will the use of social media affect and impact the HR departments of the companies? What are the risks and the opportunities? How can HR benefit from these opportunities? And how will this affect the current work process of the HR departments?

2 Relevance

The growth in use of these social networks is increasing with millions of users each month. More and more companies I have talked to are thinking about it or are participating already in one or more social networks. Based on the companies marketing budgets and the increasing part for social advertising the general expectation is that the use of social media will grow in years to come. (Source: *Jungle Minds, 2010; JCSI, 2010*).

This growing popularity and use of social computing is introducing new ways to communicate, new markets, and probably more opportunities for new businesses or to gain strategic advantages. Does this mean that the rise of social media is introducing change in the way we live, communicate and the way we work? And what does this change mean for the business environment, strategies, and the HR department in processing staff? Change creates new threats and opportunities. When change occurs in the business environment, companies need to re-assess their position in their industry, re-evaluate their strategy, and re-align their processes to profit from change.

Research by the Nederlandse Vereniging van Personeelsmanagement & Organisatieontwikkeling (NVP) shows that in general HR departments do not perform business impact analysis. It states that the HR departments do measure their effort, but do not look at the results of their actions. This implies that HR departments will not analyze the impact that social computing is having on their work and will not evaluate their results to improve. Therefore this research is relevant for HR departments and their suppliers. This research gives an insight in the impact social media has on their business and also provides tools to assess the opportunities which social media presents.

(Source: http://www.nvpcongres.nl/images/doc/Hogeschool_Amsterdam-NVP_Analytics_Workshop_25_nov_2011.pdf)

The HR department can incorporate the findings of this research to improve their own HR schemes and businesses. If negatively affected by this increase in social media, the HR departments can adjust their strategies, align their businesses to minimize company risks, and take advantage of the opportunities introduced by social media. Therefore, these companies can prevent further income losses by adjusting their HR business strategies.

3 Scope

3.1 Social computing

The term social computing has emerged over the past years to describe the network computing tools used to facilitate interpersonal and organizational interactions. (Source: National University of Singapore, 2011, <http://goo.gl/GXkjk>)

Forrester describes social computing as: “Connecting the personal computers to a network created the possibility for people to communicate and to interact. The social aspect of people interacting through computer systems and networks like the Internet is called social computing. The term is used for the wide collection of online applications like email, instant messaging, blogs, polls, wikis, online auctions, social bookmarking, social network services, reputation systems, prediction systems and tagging.” (Source: Forrester Research, 2006)

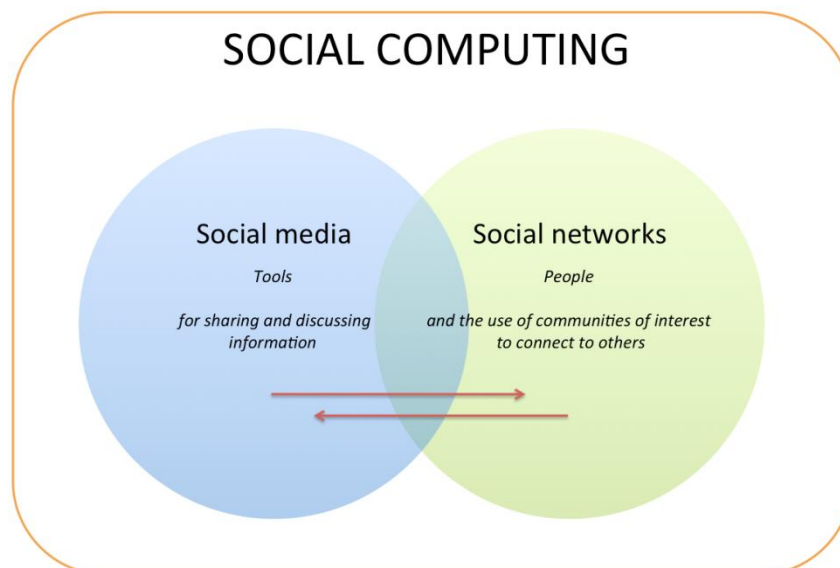


Figure 1: Social Computing

(Source: Eleanor Wynn and Abram Detofsky 2009, “Innovating using Social Computing”, IBM DeveloperWorks <http://goo.gl/EqJ0Q>)

3.1.1 Social media vs. Social networks

Social computing encompasses both social media and social networks. These two terms are often erroneously interchanged. Therefore, I want to address these two terms and provide a definition for how I will use these terms in this research.

Social media

For the term social media, I will refer to the different media or online tools that allow people to share & discuss social activities and content of their interests. Based on these activities and interests

shared in social media, the figure seen below categorizes the most familiar social networks. Each color represents a different category and each category contains the logos of the social media.

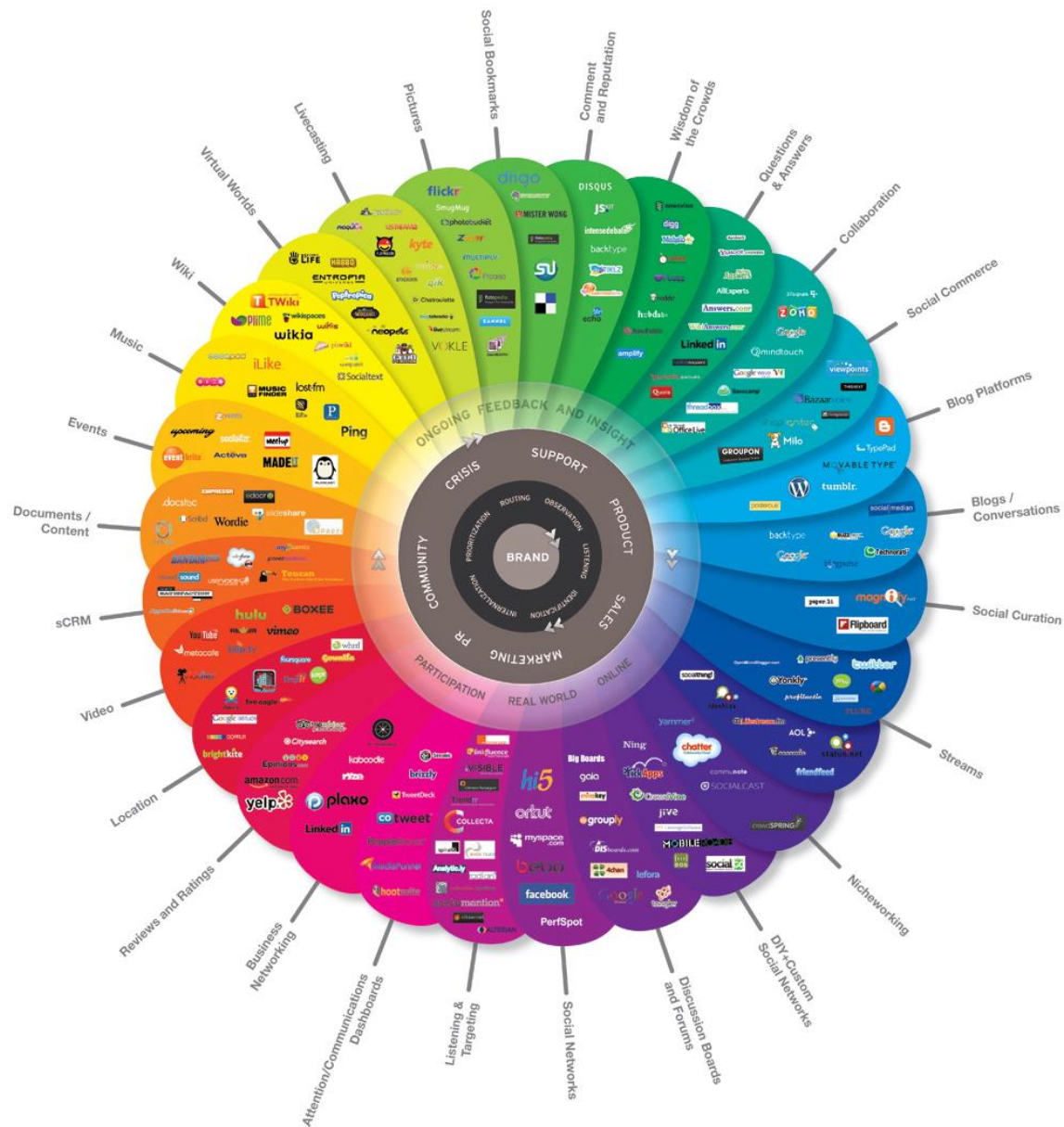


Figure 2: The Conversation Prism
(Source: Brian Solis, 2009)

Kaplan & Haelein describe social media as: "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content." (Source: Kaplan & Haenlein 2010, "Users of the world, unite! The challenges and opportunities of Social Media")

Social networks

In this research, I will use the term social networks for people that connect and form groups based on a social media friendship, workplace, genealogy, geography, cultural, religion, or other interests.

Example

A Google Plus profile enables users to connect with different people and their profiles. To make life easy, users can create groups to categorize their connections. Most likely users will link groups of people based on their relation or common interests. In this case, Google Plus is the social medium that enables users to connect, share, and interact with your social networks.

3.2 The HR business environment

The business environment for companies is the elements or factors outside an organization that directly affects the organization. This is a very broad definition and therefore, I have chosen to focus on the business environment of the HR department. I will address this as the HR business environment.

3.3 The HR department

In this research, I will focus on the impact that social media has on HR department from the perspective of the HR department.

3.4 The HR processes

All processes executed by the HR department can be translated into three main categories: Recruitment, Development, and Outplacement. This research will focus on the impact social media has on HR management based on these three topics that Frederick Taylor, explorer of “scientific management” or “Taylorism”, laid the foundations for in the 1880’s. The HR Model and the categories, Recruitment, Development, and Outplacement are further explained in chapter 5.1.2.

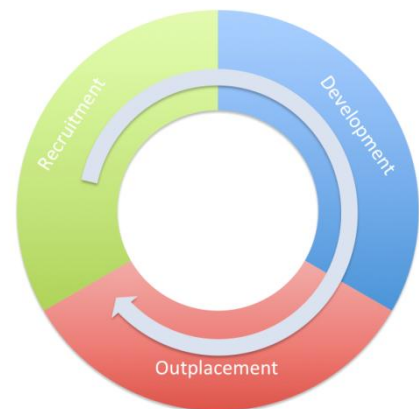


Figure 3: HR Cycle

3.5 In the Netherlands

This research will focus on the impact that social computing has on human resource management in the Netherlands.

4 Research method

In this research I will explain what HR is, see paragraph 5.1, and will give an overview of the processes in the HR department, like recruiting and developing employees in paragraph 5.1.2. Next, I will explain the theory and models that I will use to evaluate the business environment of HR, to assess the HR processes, and to demonstrate the impact of social media. I will do the above mentioned by integrating the virtual value chain and the value grid to provide a framework that presents the opportunities introduced by social computing.

I used literature and qualitative research methods. In the following paragraphs, I explain why I have chosen these specific research methods.

4.1 Literature research

To understand the definitions, the background, and the elements of HR and social computing, I used scientific literature published on the Internet and in books. Furthermore, I used literary research to understand how HR and social computing have evolved over the past decade(s) and what kind of influences has introduced change.

Next, I will explain which research method I used to research the impact of social media on HR.

4.2 Qualitative research

There are three methods for research: quantitative, qualitative, and mixed research. First, I will explain these three methods:

Quantitative research

“Quantitative research provides the fundamental connection between empirical observation and mathematical expression of quantitative relations based on historical data collections or statistics. Based on the results from quantitative research one can verify if the hypothesis is true.” (Source: Wikipedia)

Quantitative research gives an explanation or prediction based on statistical correlations and analyses. By zooming in on the subject the hypothesis is tested.

Qualitative research

Qualitative research does not provide empirical data to support a research hypothesis, but produces a more general conclusion based on particular case studies. These case studies can purposefully be selected based on certain characteristics and contextual variables.

Various case-study perspectives can help examine the research question with the purpose to explore and discover patterns and themes.

Mixed research

The third variant uses both of the above mentioned research methods.

	QUALITATIVE	QUANTITATIVE	MIXED
SCIENTIFIC METHOD	"Bottom-up" generates new hypothesis & theories from fieldwork	"Top-down" tests hypothesis & theories based on data	Deductive & inductive
RESEARCH OBJECTIVE	Description, exploration & discovery	Description, explanation & prediction	Multiple objectives
FOCUS	Wide & deep angle lens examining the phenomena to learn more	Narrow angle lens testing	Multilens focus
HUMAN BEHAVIOR	Fluid, dynamic, situational, social contextual & personal	Description, explanation & prediction	Somewhat predictable
FORM OF DATA COLLECTION	Interviews, participant observation, field notes and open-ended questions	Ratings, scales, closed-ended questions, behavioral response	Multiple forms
NATURE OF REALITY	Subjective, personal & socially constructed	Objective	Common sense realism & pragmatic
NATURE OF DATA	Words, images, categories unstructured data	Variables structured data	Mixture of structured & unstructured data
DATA ANALYSIS	Search for patterns, themes and holistic features	Identify statistical relationships	Quantitative & Qualitative
RESULTS	Findings, views & multiple perspectives	Generalizable findings	Corroborated findings may generalize
FINAL REPORT	Narrative report with contextual description & quotations from research participants	Statistical report with correlations, comparisons of means & reporting of statistical significance of findings	Eclectic & pragmatic

Figure 4: Research methods

(Source: Frechtling and Sharp (1997), "User-friendly Handbook for Mixed Method Evaluations")

4.2.1 Why qualitative research

The main objective of my research is to explore the impact that social media has on the HR department. Therefore, I will need to discover the impact that the professionals in the field of HR are experiencing as a result of the rise of social media.

Social media is a relatively new phenomenon. Therefore, the historical data on the impact of social media in the Netherlands is limited, especially on specific topics such as HR. There are several studies on social media and recruitment, but these studies are mainly quantitative studies looking at the use of social media. These studies show that recruiters are indeed using social media to get a better impression of the applicant. The research also investigates which social networks HR departments use to advertise jobs and recruit candidates for vacant job opportunities.

Using the quantitative research method, I could gain empirical information about this the impact of social computing on human resource management. However, this information would not result in an overall understanding about the impact that HR professionals have experienced and expect in the future, because there is no long-term historical data to assess the span of the impact. The researchers and respondents can only express their expectations based on research over a collected over a short period of time.

As I want to discover a future impact, I have chosen to perform qualitative research to gather an in-depth understanding of why and how social media has an impact on the HR departments. One advantage of qualitative methods in exploratory research is the use of open-ended questioning, which gives participants in the research the opportunity to respond in their own words, rather than forcing them to choose from fixed responses, as quantitative methods do. By using fixed respondents I could risk getting only concrete one-dimensional answers from my respondents and I could affect the affect their answers with the stated questions and the provided options.

Qualitative research also has disadvantages. In the next table I present the advantages and disadvantages of qualitative research.



Figure 5: Qualitative research - advantages & disadvantages
 (Source: Frechtling and Sharp (1997), "User-Friendly Handbook for Mixed Method Evaluations")

4.2.2 Recruitment in qualitative research

In the next paragraphs, I explain how I have conducted this research.

4.2.2.1 Target – the respondents

To gather an in-depth understanding of why and how social media has an impact on HR, I was in need of people that know the business and culture of HR departments and that have experienced the impact that social media has had on the HR business strategies and procedures.

The respondents, which I focused on for this research, consisted of:

- Professionals in the HR field
- Professionals delivering products or services to HR departments

Professionals can be:

- Employees
- Business owners (employers)
- Self-employed

4.2.2.2 Channels – to reach the respondents

In order to reach out to the potential respondents and to find people willing to help me gather information, I set up a personal marketing mix.

Personal website

I published information about my research by creating a personal website. I created an online form, where people could leave their contact information, indicating if they were willing to help me gather information and if I could contact them for an interview.

Personal marketing mix

To attract attention to the website and potential respondents for this research, I used:

- my business network, by asking business relations if they or their colleagues would be respondents
- my LinkedIn profile
 - by renaming my profile to show up in searches for HR, Social Media, Research and Impact
 - by sending a message to my LinkedIn connections
- LinkedIn groups, by starting a discussion in the following groups
 - “Arbeidsmarktcommunicatie netwerk”
 - NVP “Nederlandse Vereniging van Participatiemaatschappijen”
 - Dutch HR P&O professionals
 - Rotterdam School of Management
 - HR community
 - HR professionals
 - Social media recruitment
 - HR blogs
 - Connexys
- Twitter

This personal marketing mix successfully created publicity and a diverse group of respondents for my research. Within two weeks, I closed down the online form because of the overwhelming response.

I selected respondents based on their match with my target group of HR professionals and their current job position in the business environment of human resources.

- Corporate HR professional
 - employed
 - self employed
- Search & Selection HR professional
- Advice or consulting
- Education or ‘management’ development

Presentations and seminars

I attended several presentations and seminars about online recruitment and HRM, for example: eHRM (2011 and 2012), Social Media Conference (2011), and De Wereld Werft (2012).

4.2.3 Interviews

4.2.3.1 Interviewees

For this research, I conducted forty five in-depth interviews, with the people from the target group of HR professionals. Twenty of which work at a HR department, ten HR Consultants whom advise on different HR topics and fifteen professionals work at suppliers of the HR departments. In the table below, I present a breakdown of the interviewees. (see chapter 10 for the complete list).

interviewee		W&S agency	Recruitment	Development	Outplacement	Systems
Category	Count					
HR	20					
HR Consultants	10					
HR Suppliers	15	7	1	3	1	3

Figure 6: Interviewee breakdown

This number excludes the people I have been talking to and the seminars I have attended.

4.2.3.2 Method of interviewing

I have taken into account the advantages and disadvantages of interviews. See table below for an overview of these advantages and disadvantages.

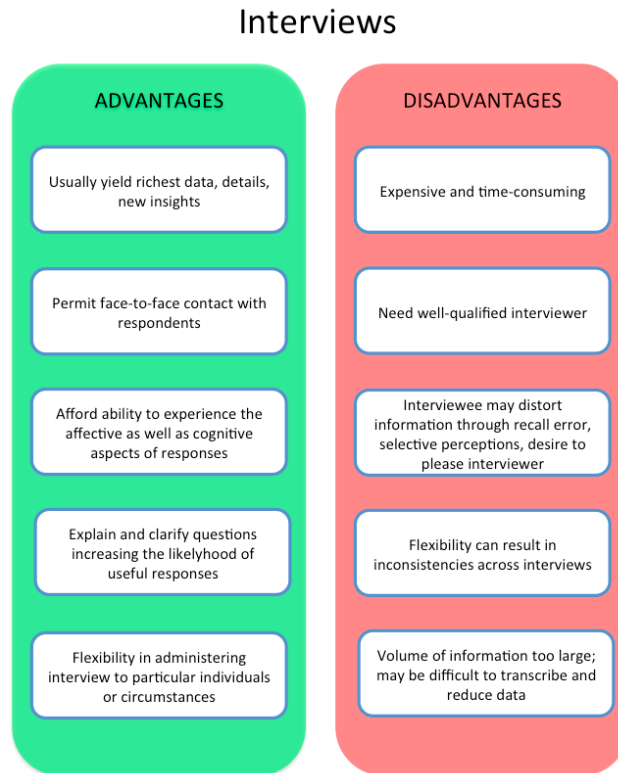


Figure 7: Interviews - advantages & disadvantages
 (Source: Frechtling and Sharp (1997), "User-friendly Handbook for Mixed Method Evaluations")

These interviews were one-on-one conversations conducted in the offices of the respondents, in public places, or on the telephone. I recorded and made transcripts of the interviews. To make sure that the respondents could speak freely about their experiences within their company or with their clients, I have ensured them that I will not publish these recordings or transcripts.

I chose this group of HR professionals for my research because of their experience in HR and knowledge of how social media has impacted their profession. I gathered information for my research through open discussions with the HR professionals in my respondent group. I chose not to use a questionnaire that would risk getting only concrete one-dimensional answers from my respondents. Instead, I chose a few opened-ended questions to gain a more in-depth interview and evoke new perspectives on this topic from the respondents. With just a few open-ended questions I was able to led the respondents lead the conversation.

4.3 The research question

After an introduction, my interview started with some basic questions about their opinion on the definition of HR and social media to avoid any confusion on the terminology of the interview discussions.

Approach

For these interviews, I chose a top-down approach. In other words, I started discussing less specific information and worked into discussion on more refined detail.

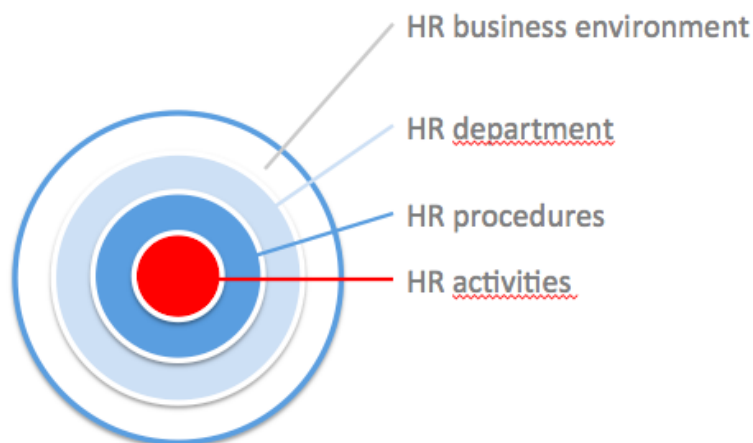


Figure 8: Top down approach

The research question

“What is the impact of social media on Human Resource Management in the Netherlands?”

This is a less specific question, open for many interpretations. Most of the respondents started talking from their experiences. Using many different respondents, I was able to gain insight into a vast array of views and opinions.

Open-ended questions

This variety of views and opinions helped me gather a better understanding of the impact of social media on the HR department, the changes in procedures and activities, and the future of the overall organization. To keep the conversations in relation to this research, I used a few semi open-ended questions.

The semi open questions:

- What are the effects on suppliers of HR?
- How will social media affect the organization?
- How will social media affect the HR department?
- How will social media affect the processes in HR?
- How will social media influence the costs (structure) in HR?

5 Theory

Before I am able to understand the opportunities that social media brings, I need to analyze the impact of this social computing movement on companies and their business strategies. In this chapter, I will describe the business environment and explain the theories I chose to analyze the impact and how I applied the theory in my research.

5.1 Human Resources

In this chapter I will describe HR, starting at its origin. Then, I will describe the various HR processes based on an HR model and demonstrate that HR is a cycle concerning all organizational levels. Finally, I will combine the organization pyramid and the HR cycle into a new model. Like Dr. Sullivan 2006 introduced the “Five level of HR contribution” model.

5.1.1 History

In order to paint a good picture of HR, I will describe the historical development of HR in the paragraph below.

5.1.1.1 Industrial revolution

Inventions in the 18th century like steam power and electricity changed the western world and were the start of the new era of Industrial Revolution. The use of these inventions introduced many new tools, machines, and engines that enabled us to replace the time consuming manual labor. This led to factories with large numbers of employees to benefit from economies of scale by producing in large quantities to reduce the costs per product. The working conditions were unsanitary and unsafe, and the labor was poorly compensated. There were no governmental regulations to protect the employee (French, 1986), and therefore, labor unions emerged to protect workers’ rights (Cohen, 1960). The demand for better working conditions was followed by violent strikes and resulted in a "division of labor." To reconcile this “division of labor,” the HR profession was founded (Cascio, 1992).

5.1.1.2 Scientific management

Frederick Taylor analyzed the workflows within the factories, and for the first time, science was applied to the development of processes in working environments.

"Scientific management is concerned with knowing exactly what you want men to do and then see in that they do it in the best and cheapest way." (Source: F.W. Taylor, Scientific Management, New York: Harper Brothers, 1911)

His theory describes how to improve the economic efficiency by looking at the labor productivity. Elements of Taylor’s theory are still relevant today. The contribution of Taylor to Management Theory is so significant that Scientific Management is often called Taylorism. Taylor’s theory and his

book, “The Principles of Scientific Management,” provided the concept of recruitment, development, and compensation. These three elements of management led to the introduction of personnel departments in the early 20th century, which became the foundation for human resource management.

5.1.1.3 Behavioral Science Movement

The literature on human resource management goes back to the 1950s. Organizations began to pay more attention to the ‘value’ aspect of human resources and to improving the quality of working life for employees. Classic theories like Maslow's, “Hierarchy of Needs;” Herzberg's, “Two Factories” and “Job Enrichment;” and McGregor's, “Theory X and Theory Y;” were adopted and led to “the Managerial Grid” by Blake and Mouton in 1964 and were again used in the organizational development movement. The soft side of human resource management was introduced and named the Behavioral Movement. Improving the working life of the employees to make the workforce more efficient has been a topic in human resource management ever since.

5.1.1.4 Organizational development movement

The theories developed during the Behavioral Science Movement formed the basis of the “Organizational Development Movement” initiated by Bennis in the 1970s.

Organization Development is referred to as:

“ a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of an organization so that it can better adapt to new technologies, markets, challenges, and the dizzying rate of change itself.” (Warren Bennis, “Organization Development: Its Nature, Origins, and Prospects.” 1969, p.2.)

“an effort planned, organization-wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization's 'processes,' using behavioral-science knowledge.” (Beckhard, “Organization development: Strategies and Models”, Reading, MA: Addison-Wesley, 1969, p. 9.)

5.1.1.5 From personnel to human resource management

The modern view of human resource management gained attention when it was introduced in the MBA course at Harvard Business School. Harvard focused on properly accommodating the basic human needs of the employees and not solely on using workers for a resource for the workforce, which is referred to as soft-HR. A contrasting approach developed in Michigan, where HR focuses on the organization's goals, called hard-HR.

These models are used in the most prestigious MBA courses all over the world making its interpretation of HR particularly influential (Beer et al, 1984; Guest, 1987; Poole, 1990).

5.1.1.6 The Present: Strategic Business Partner Model

In the 1970s and 1980s the HR profession began to receive much more attention. More and more professionals responded to the changing environment within their companies and adjusted their focus to their HR activities and transformed from personnel administrators into HR experts. The discussion in the field of HR is now once again about the role of the HR function. Since the HR professionals aim to add value to the company in everything they do, the HR professional should move from transactional to strategic activities and become a strategic business partner.

5.1.1.7 The Future: Organizational Effectiveness

The HR profession must evolve to the next level of organizational effectiveness. Organizational effectiveness is the measure of how successfully organizations achieve their missions through their core strategies. Organizational effectiveness studies are concerned with the unique capabilities that organizations develop to assure their success (McCann, 2004).

Dave Ulrich has been writing about the different roles within human resources for the last decade and has shown the need to become a strategic business partner. To become strategic business partners, he believes, HR professionals need to possess these competences:

- knowledge of business (which includes financial, strategic, and technological capability)
- knowledge of HR practices (which includes staffing, development appraisal, rewards, organizational planning, and communication)
- management of change (creating meaning, problem-solving, innovation & transformation, relationship influence, and role influence)
- the ability to measure organizational effectiveness

This framework shows the necessary alignments and linkages between business strategy, employees, daily work routine, and the influence and interaction of these components. In short, HR professionals need the ability to think and measure the results of their work in terms of systems. Of course, more research and application is needed before it (it refers to framework? It needs an appropriate antecedent) will become the accepted way for measuring HR professionals' value and contribution.

The Accenture High Performance Workforce Study 2002/2003 clearly shows that organizations and HR need to develop further in this area. This study found that a major shortcoming in many companies is “a lack of measurement on the impact of HR, which is preventing executives from understanding where and how they should best apply resources.” (Accenture, 2003) The report went on to say that some companies are achieving success in this area and that these organizations are more likely to see the HR function as valuable and strategic. This concept also is supported by the research conducted by Ed Lawler and Sue Mohrman. “When organizations have a strategy that

focuses on knowledge and information, HR is much more likely to be a full strategic partner. Knowledge and information strategies inevitably lead to a focus on human capital and the degree to which the company possesses the knowledge and information it needs in order to implement the strategy” (Lawler and Mohrman, 2003). This supports the idea that HR needs to be able to present their added value based and the organizational effectiveness to become a strategic business partner.

Now that we are familiar with the history and background of HR, I will explain the HR model, which will be applied in this research.

5.1.2 KPMG HR model

To analyze organizational processes the Value Chain of Porter is often used. As I am focusing on the HR processes in this research, and not on the entire organization’s processes, I have decided to use the HR model as described by KPMG. KPMG has developed a HR model based on their extensive experiences with HR optimization projects and their analyses of organizations of all sizes. The HR model analyzes primary processes and support activities, just like the Value Chain of Porter. Where KPMG is using this model as starting point to further analyze which processes are being supported by HR systems. I will use the KPMG model to give insight into what comprises HR and what processes HR manages.

In the next paragraphs I will explain the various processes.

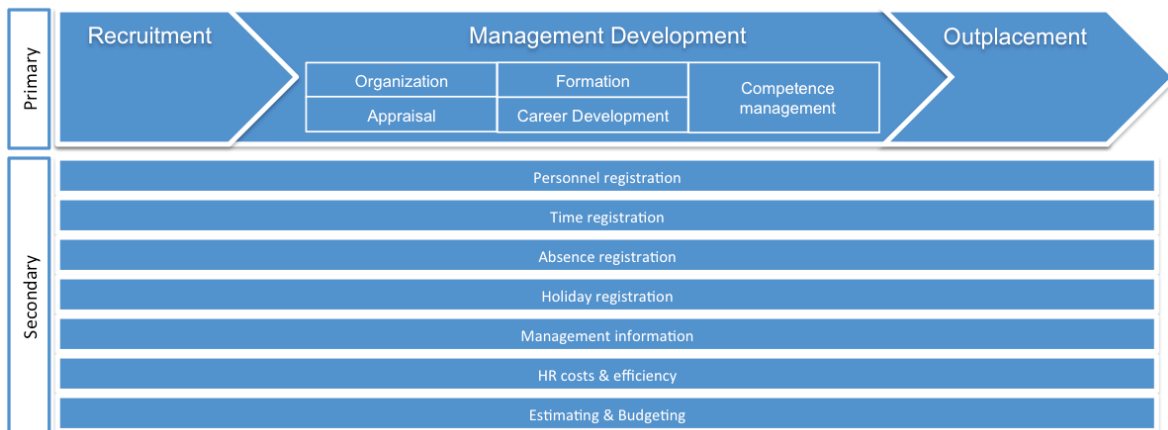


Figure 9: HR Value Chain
(source: KPMG, 2010)

The primary HR process is divided in 3 key processes, namely:

- Recruitment
- Development
- Outplacement

5.1.2.1 Recruitment

All activities that are related to searching and selecting applicants belong to the “Recruitment” process. Searching includes activities to approach candidates. Selecting includes the selection of the right candidate for the appropriate appointment.

For search campaigns, internal and external applicants and their competences can be registered in HR systems. Competences of applicants can also be compared in order to make the optimal choice. HR systems assist with the registration of remuneration agreements (usually based on job level and work experience).

5.1.2.2 Development

Development can be divided in 5 sub processes:

- organization
- formation
- appraisal
- career development
- competence management

Organization

Organizations change over the course of time due to the of growth or reduction of the organization and the need to change the organizational structure. An HR system can support this change by presenting the current organization schemes and by simulating new possibilities for structures.

Formation

Jobs are being administered by the chosen or yet to be chosen organizational. HR systems can secure and register jobs. Allocating formation jobs to employees makes which person is filling in which formation job and which are still open apparent.

Appraisal

Appraisal means measuring and evaluating the work results, the behavior, and the potential of the employees. The appraisal often takes place every half-year and is usually being discussed with the employee. It is often connected with a salary increase or some other monetary reward. A HR system is supporting this sub-process by signaling and registering the appraisal meetings, registering the outcome, calculating bonuses, and giving insight in appraisal rounds.

Career development

Career development focuses on guiding employees on an individual basis. Often an appraisal is the basis for a career development plan of the employee. Career development is the means to improve specific qualities of employees, to bond employees to an organization and to make optimal use of

the existing skills. HR systems can support the registration of training and the need for continuing education of an employee. Ambitions and the growth path (part of the career development plan) can be monitored and adjusted because there is insight into the development of competences.

Competence management

Competence management is linking the goals of the organization with the goals of the individual employee. By working with competence management, these goals are translated into the individual employee competences that are necessary to reach these organizational goals. Job qualifications can be linked and compared to the competences of the employees. An HR system can register the competences, at formation level as well as at employee level. Also some HR systems are capable of securing competence development.

5.1.2.3 Outplacement

Outplacement is a result of employees that retire, continue their career elsewhere, are fired, or have died. An HR system should support all these types of outplacement. For example, in the case of dismissal, the dismissal permit must be registered. Also other aspects need to be supported by an HR system, such as exit interviews, back-payments to employees, and settlement arrangements.

5.1.2.4 Support activities

The administrative processes can be divided in the following processes:

- personnel registration
- time, absence, and holiday registration
- payroll processing
- management information
- HR costs & efficiency
- estimating and budgeting

Personnel registration

Personnel registration involves the securing of relevant data of current and/or former employees. Personnel changes must be processed quickly and without errors. The changes must be processed quickly because personnel departments are forced to work more efficiently. Personnel changes must also be processed without errors because the personnel registration is the basis for payroll management and other HR critical processes.

Next to efficiency and reliability, personnel administrations must have flexible work relations. In the personnel registration the individual employee's data is managed; information such as, addresses, contracts, and remuneration. The complexity of this registration can be great because an employee

can have several employment relationships. Another complicating factor is the large amount of data that must be registered. An HR system can back up personnel registration by securing a large amount of data in a simple, reliable, and fast way. Generating reports like personnel mutations and data is an important function.

Time, absence, and holiday registration

Time registration is not an explicit HR component but the registration of hours worked has big advantages. If the HR system is providing time registration options, it simplifies the payroll processing of the hours worked in the event of absence or holiday leave.

An increasing number of organizations are dealing with their absence and reintegration policy. The government is putting the responsibility for decreasing sick leave with the employer and employee. An HR system can register sick and recovery reports to satisfy governmental laws and regulations.

Holiday registration is important for the registration and checking of the different sorts of absence of an employee. In many HR systems, the granting of absence is being calculated on the basis of rules like age, salary scale, and employment duration. In addition to absence registration, it is important for HR departments to be able to pay absence and to make pro rata calculations of absence entitlements.

Payroll processing

Payroll processing is an important activity for an organization. An organization must decide between doing it internally and outsourcing to a specialized party.

Management information

The process of Information Management focuses on obtaining the right information for the management, by means of management reporting and dashboard functionality. An HR system can also serve for obtaining information on management procedures that are related to planning and control. The reports can provide information on cost management, results and reporting.

HR costs and efficiency

When investing, the future benefits and costs must be considered. HR related costs are usually related to investments in training, absence policies, and working conditions. The main benefits are increasing the employees' motivation, resulting in a higher productivity.

Estimating and budgeting

Insight into the benefits and costs is becoming more and more important for running a business. In both the profit and the nonprofit sector the need for efficient operations management is essential.

On many organization levels it is expected that managers can translate their activities in estimates and budgets, i.e. in “hard” numbers.

5.1.3 The HR cycle

The model used by KPMG to describe HR (Figure 9: HR Value Chain) is a linear model and gives the impression that employees enter the organization, move on internally to other jobs and then leave. However, in reality under normal circumstances when an employee leaves, then another one needs to be hired to fill the empty spot. The same applies for employees that are moving internally to another job: if it is not possible to fill the empty spot internally, a new employee will be recruited. HR is therefore a continuous round process.

This process is being influenced by the dynamics of the organization. When an organization is stable, the emphasis is on Development. When an organization is growing, the emphasis is on Recruitment. And when an organization is reorganizing, the emphasis will be on Outplacement and Development.

In bigger companies a department consists of a director, management and employees. The director is strategically responsible for the mission and vision. The management has a tactical responsibility: how to realize the mission and vision. The employees will be responsible for the realization of the vision and mission.

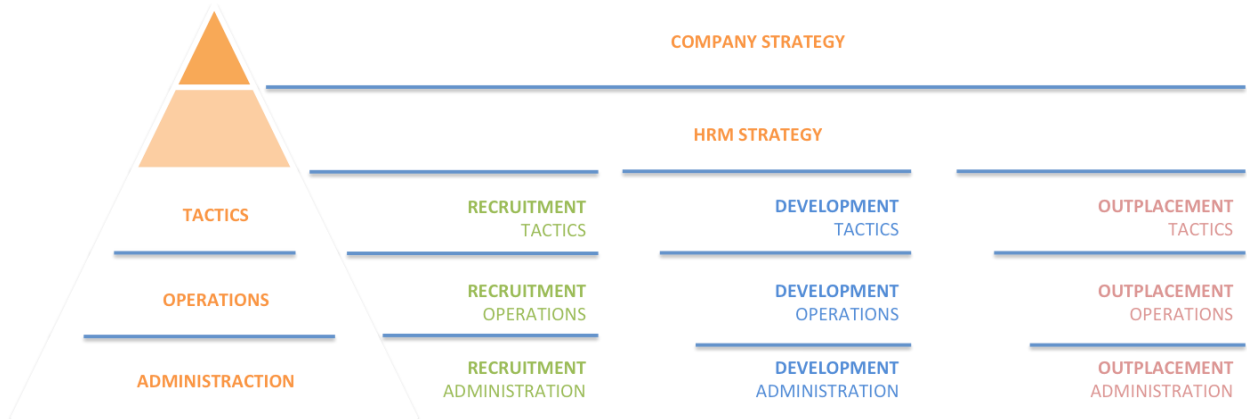


Figure 10: HR pyramid
(Source: Sander van Lingen, 2011)

The continuous HR process and the HR pyramids representing the HR department can be connected to form a HR Cone. The following figure will present the top view of the HR Cone.

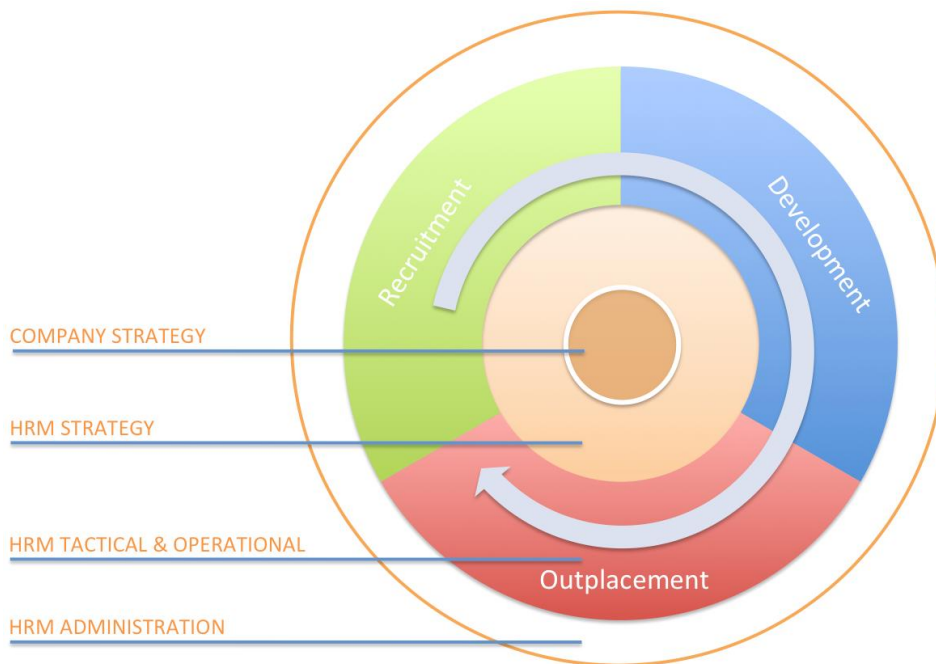


Figure 11: HR Cone
 (Source: Sander van Lingen, 2011)

In my opinion this cone comprises the whole of HR, organization wise as well as process wise.

5.2 Five Forces

To analyze the impact of social media on HR I use the Five Forces model (Porter 1979). This model provides a framework to identify the different forces that affect the competition in an industry. As described in the Value Chain (Porter and Millar 1985) HR is a supporting activity within a company, not an industry, but HR is involved in many industries and participates in a buyer supplier relation. Therefore I will focus on the buyer supplier relation of HR. I will look at this relation from the viewpoint of the three main activities of HR: Recruitment, Development and Outplacement. In this way the Five Forces model identifies the influences that social media has on the different industries in which HR is participating. In chapter 6.1 the external impact on HR will be analyzed.

5.2.1 Five Forces model

The different forces from Porter's model determine the intensity of and also the attractiveness to a market. The next figure will show these forces and I will describe each of the forces in the following paragraphs.

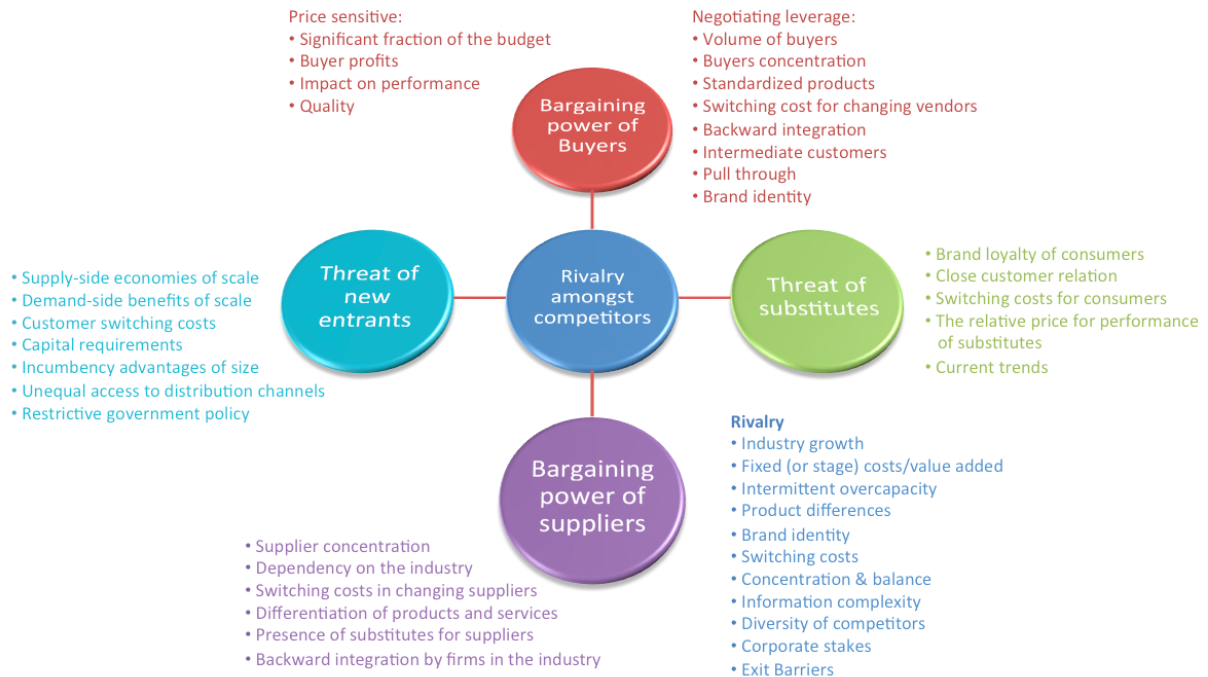


Figure 12: Five Forces Model
(Source: M.E. Porter, 1979)

To read the exact details on this model I refer to this article: *“The Five Competitive Forces That Shape Strategy”* by Porter in the Harvard Business Review 2008.

5.2.1.1 The bargaining power of suppliers

As mentioned above, I will focus on the buyer supplier relation of HR. In this paragraph I will therefore describe what the Five Forces model considers of the bargaining power of suppliers.

Powerful suppliers can decrease the profitability of an industry by increasing their prices, narrowing services or limiting quality.

A supplier can be powerful for different reasons:

- Supplier concentration is higher than the industry
The industry depends on a small group of suppliers, then the power of those supplier is high.
- Suppliers dependency on the industry is low
The power of suppliers is high when they generate profit from different industries. This empowers them because they do not depend on this single industry. They can spread costs for example their R&D costs, which can provide them with volume advantages.
- The industry face switching costs in changing suppliers
The investments made in specialized products, trained staff or location based advantages can have a high impact on the decision to choose for another supplier.
- Differentiation of product and services
The suppliers that offer specialized products or services have more power over their clients, than suppliers that offer generic products.
- Presence of substitutes for suppliers
The power of suppliers is very high when there is no other supplier providing that product or service.
- Forward integration by firms in the industry
Within an industry that makes high profits compared to the suppliers, the risk of suppliers integrating forward into the industry becomes high.

5.2.2 Factors not forces

Forces are described as the influences on an industry and factors are described as general influences that affect everyone and everything. Factors cannot be changed and are therefore excluded in Porter's Five Forces analysis (Porter, 2008).

The following factors for HR were mentioned during the interviews: generation gaps, ageing population, economy and technological developments. I will expand on these factors in chapter 6.1.

5.2.3 Five Forces applied in this research

I am analyzing the impact of social media on the HR related industries / suppliers (Figure 12: Five Forces Model) and describe the impact on the relation with HR. I will look at this relation from the viewpoint of the three main activities of HR: Recruitment, Development and Outplacement.



Figure 13: HRM Buyer-Supplier relation
(based on the Five Forces Model by M.E Porter, 1979)

This research will provide a clear overview of the impact that human resource departments experience or can expect from the rise of social media.

5.3 The Virtual Value Chain

The present world does not anymore consist of physical products only. The flow of information has increased enormously which has created a virtual world. Knowing both the physical as the virtual and the coherence between the both is important for businesses in order to be able to create added value. The more efficient, the fewer the costs, the bigger the margin.

Value adding can be examined through the Value Chain. The Value Chain is an instrument to analyze the company activities and linking them to the organization’s competitive position. The Virtual Value Chain is an expansion to the Value Chain and describes the company activities in the virtual world.

In this chapter I will first shortly explain the Value Chain and then continue with the Virtual Value Chain, including all of its components.

5.3.2 The Value Chain

Porter's value chain is describing the company activities and linking them to the organization's competitive position. This framework categorizes all the generic value adding activities of a company and identifies the costs and value drivers for each value activity. The resulting model is shown in the next figure.

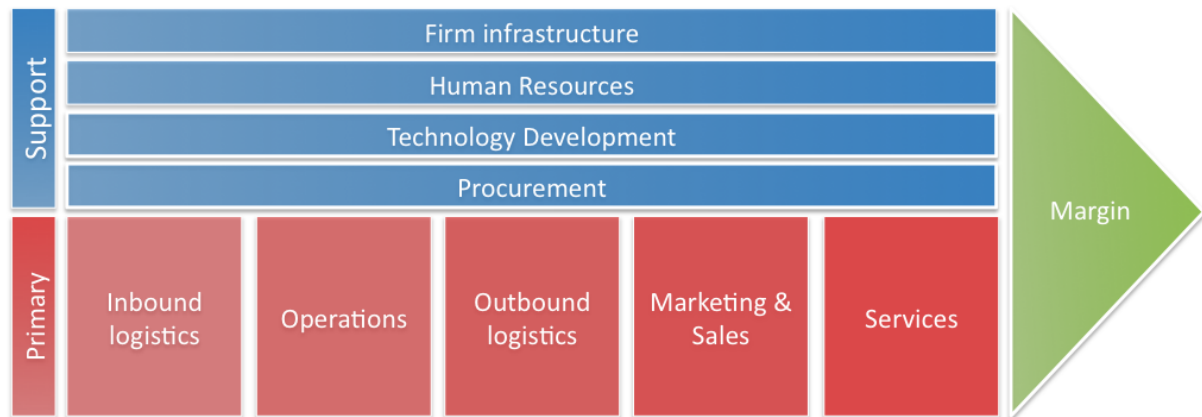


Figure 14: The Value Chain
(Source: M.E. Porter, 1985)

A firm can create a cost advantage by reducing the cost of individual value chain activities (*primary and support activities*) and reconfiguring the value chain. Creating the cost advantage depends on how efficiently the value chain can be analyzed and managed. Many companies have achieved this goal by the proper use of information technology.

5.3.2.1 The Primary activities

The primary activities consist of inbound logistics, operations, outbound logistics, marketing & sales and service. The goal of these activities is adding value to the product or service. By creating more value than costs the chain of activities generates a profit margin.

5.3.2.2 The Support activities

Support activities entail procurement, technology development, firm infrastructure and human resource management. These are the activities that do not directly add value to the product and that why these activities are seen as staff functions or overhead.

5.3.3 The Virtual Value Chain

In the Value Chain information is being treated as a supporting element of the value adding process, not as a source of value itself. The Virtual Value Chain describes how information can be extracted from the physical process in order to add value to the whole process.

An example. Managers often use information that they capture on inventory, production or logistics to help monitor or control these processes, but they rarely use this information to create new value for the customer. However, FedEx allowed customers to track packages through the company's web

site. Although FedEx provides this service for free, it has created added value for the customer in a fiercely competitive market. (Riggins, 1999)

The creation of added value involves a series of events:

- **Gather:** inventorying organizational processes and information linked to these processes
- **Organize:** sorting out the significance of the information and the location and way it is stored
- **Select:** choosing what information will be used. This is basically determining the reporting requirements or even the company's KPIs
- **Synthesize:** creating the data stores to be used for reporting
- **Distribute:** spreading the information.

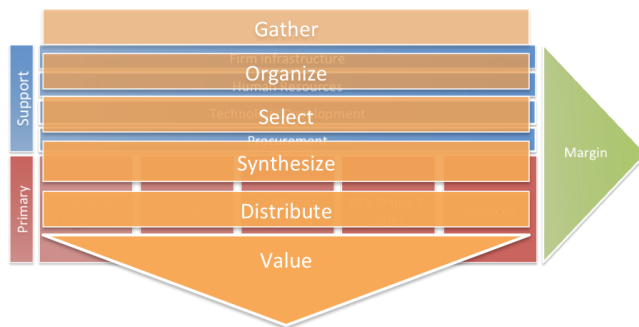


Figure 15: Virtual Value Chain
(Source: Rayport and Sviokla, 1995)

The execution of these events allows businesses to generate new markets and new relationships within existing markets. The process of a business-refining raw material into something of value and the sequence of events involved is similar to that of a business collecting information and adding value through its cycle of events. (Source: *Exploiting the Virtual Value Chain*, Rayport and Sviokla 1995, *Harvard Business Review*)

5.3.4 The Virtual Value Chain applied in this research

Normally speaking the Value Chain is being used to analyze internal processes of an organization in the physical world (Porter). However I will deviate on one aspect. I am examining the impact of social media and the risks social media has on HR processes. Social media is digital, therefore the Virtual Value Chain is a better instrument as it is based on the *virtual* world, not on the *physical* world.

Riggins, 1999, "A Framework for Identifying Web-Based Electronic Commerce Opportunities", *DuPre College of Management Georgia Institute of Technology*

Rayport & Sviokla, 1995 "Exploiting the virtual value chain", *Harvard Business Review*

I will apply the Virtual Value Chain on the primary process and support activities of HR to identify the impact of social media.

5.4 HR Cube

To understand how to add value in an information world, the EC Value Grid can be used. If the EC Value Grid is connected to the e-business cubicle (used to analyze the e-business opportunities for different parts of the organization) in combination with the HR process model, this is resulting in the HR Cube. In this chapter I will explain these elements and how the HR Cube will be applied in this research.

5.4.1 EC Value Grid

The EC Value Grid can be used in two different manners. Firstly, to identify online opportunities and what types of applications truly add business value. Secondly, to measure the value and impact of Web-based applications on the company's bottom line.

The EC Value Grid is an expansion on the framework developed by Hammer and Mangurian. The Value Grid focuses on the use of communication technology to impact time, geography and relations. Riggins has expanded this framework to include the impact on altering the interaction, the potential to offer entirely new products and services, and the application of the framework to Web-based Electronic Commerce.

5.4.1.1 Dimensions of commerce

The five dimensions of commerce according to Riggins are described as:

- Time: the Internet can contribute in different ways to reduce or eliminate the time it takes to deliver information, products and services on demand. To enable this, companies are implementing Internet technologies.
- Distance: the geographical distance is meaningless in cyberspace. Online presence is giving access to a global market, but it does not mean that the company is instantly found on the Internet. Therefore developing strategic alliances with traffic control sites is becoming critical for generating visits, page views and ranking in the search engines.
- Relations: The Internet presents opportunities to alter the structure of relations in both BtoC and BtoB commerce. Internet start-ups can compete with the large established companies. Where customers previously preferred the established brand, there is now a choice for the functionality offered by start-ups. The Internet start-ups are challenged to gain customer loyalty.
- Interaction: online presence offers new ways to communicate. Companies can find new ways to make use of the Internet and to create new forms of interactions.
- Products and services: the power of the multimedia aspects creates the opportunity to offer new products or services.

5.4.1.2 Dimensions of value creation

Value is generated in three different ways, by using applications to generate efficiency, effectiveness and /or strategic benefits.

- Generating efficiency: the opportunity to improve efficiency by using information technology.

- **Effectiveness:** the opportunity to improve the effectiveness of decision makers by making the right information available on demand is certainly one of the Web's strongest features.
- **Strategic benefits:** the Web can be used for strategic purposes if it results in increased revenues by opening up new markets, new products and services or by allowing firms to gain advantages over competitors.

By combining the five dimensions of commerce and the three dimensions of value creation, a framework is introduced which identifies 15 different ways in which Web-based applications could be used to generate new business value (Van Hooft and Stegwee).

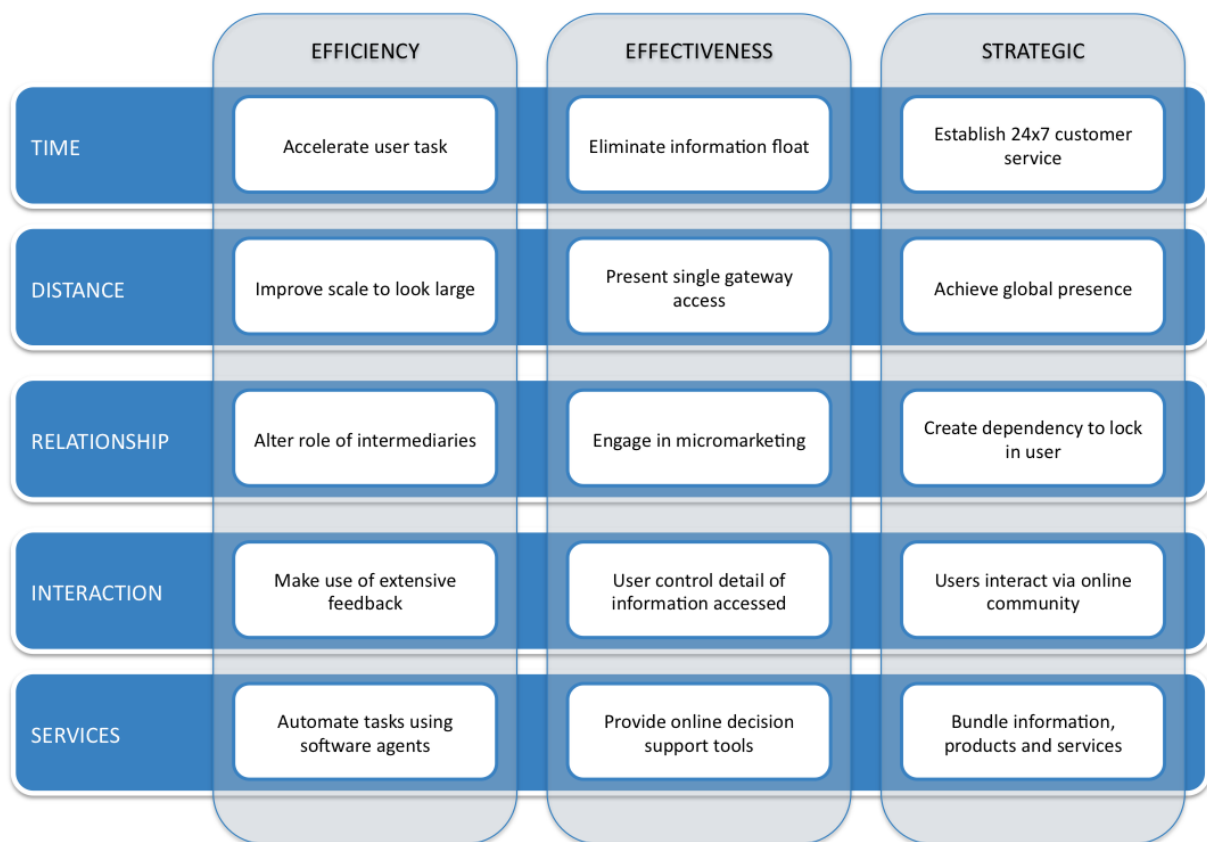


Figure 16: EC Value Grid
 (Source: Van Hooft and Stegwee, 2001)

5.4.2 E-business cubicle

Van Hooft and Stegwee (2001) introduced the *e-business cubicle* in their paper “E-business strategy: how to benefit from a hype”. By connecting the e-business value chain of the organization to the EC Value Grid they are presenting a framework to analyze the e-business opportunities for different parts of the organization. From the two-dimensional model a three-dimensional model is created. Several value grids are created, each focusing on a certain part of the value chain.

Van Hooft and Stegwee use the cubicle as framework to determine which areas there are and need to be analyzed. Such analysis is carried out on the basis of a clear understanding of available e-business applications. The result of the analysis consists of an e-business portfolio of applications that contributes to the vision and attaining the goals of the organization.

The e-business cubicle is based on the primary and supporting activities of the organization in the e-business value chain. Because I am analyzing the impact of social media on HR and not the entire organization, I am using KPMG’s HR process model instead of the e-business value chain. This is producing the following model:

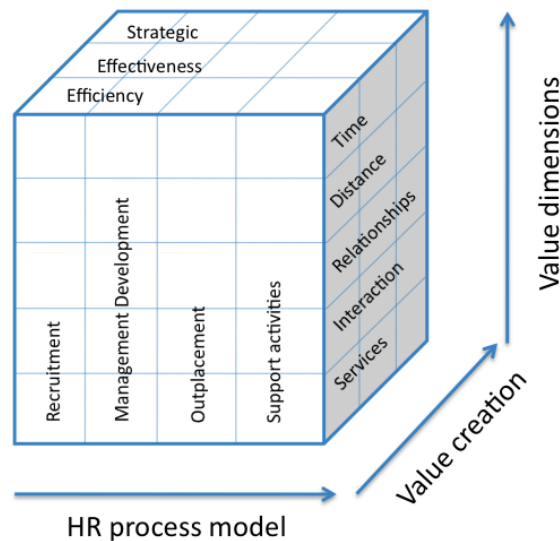


Figure 17: HR Cube
 (Source: Sander van Lingen, 2011)

I will from here on forward refer to this model as the HR Cube.

In the HR process model I am distinguishing the primary process and supporting activities. The primary process concerns recruitment, development and outplacement; the supporting activities in HR mainly concern administrative tasks.

5.4.3 HR Cube applied in this research

By applying the Value Grid on HR process model a I want to use the dimensions to identify the impact of social media on the HR process. This is done by applying the value grid on every HR activity.

The HR cube as mentioned in paragraph 0 provides a framework to analyze the opportunities which the use of social media presents to HR. By analyzing the framework and comparing it to the interviews it will provide an indication of the level of adoption and the possible other opportunities for HR.

6 Impact

To address the impact that social computing has on HR, I will bring together the theory, the interviews and the findings in this chapter. Firstly, suppliers and the impact they experience by the rise of social media will be analyzed, thus giving a view of the influences from outside the organization on HR. Next the organization itself will be looked at and how social computing is influencing the processes and activities on the work floor. The Virtual Value Chain will be used to analyze the impact on the HR processes. Finally, the impact will be presented in the HR Cube.

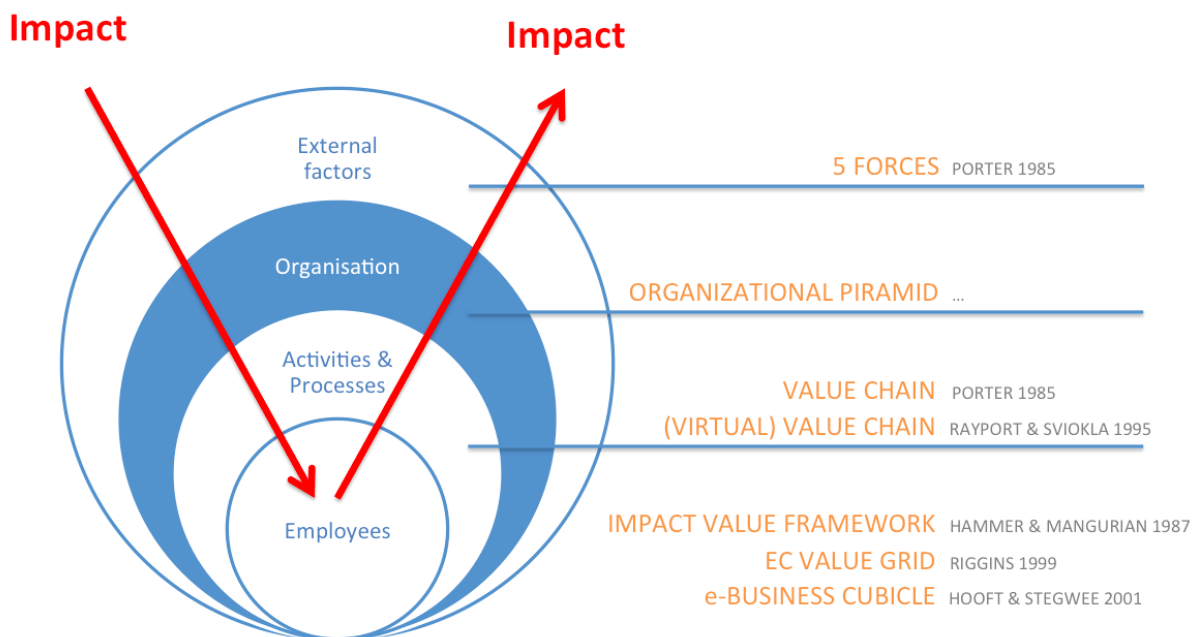


Figure 18: Impact model

6.1 Impact on organizations

Subjects that were raised during the interviews will be explained in the next paragraphs. These concern factors that influence an entire population and that every organization must deal with.

6.1.1 Generation gaps

The sociological meaning of “generation” is a category people that belong to the same age group and has common characteristics that can dominate individual differences. In essence new generations are cultural innovators (the collective intelligence of a social system, like organizations, associations, political parties). New generations are ensuring that social systems are kept up-to-date, in other words new generations are ensuring the evolutions of social systems. (Source: [http://nl.wikipedia.org/wiki/Generatie_\(sociologie\)](http://nl.wikipedia.org/wiki/Generatie_(sociologie)))

There are several ways of dividing the Dutch generations. I have chosen for the following division:

- Baby boom generation: 1944 - 1959
- Generation X: 1960 - 1979
- Generation Y: 1980 - 1994
- Generation Einstein: 1995 – 2009

	Babyboom generation 1944 - 1959	Generation X 1960 - 1979	Generation Y 1980 - 1994	Generation Einstein 1995 - 2009
MENTALITY	self-actualization, optimistic, objective, difficult to commit, ambitious, status sensitive	skeptical, needs of recognition, pragmatic, act normal, modest	gain experience, realistic, optimistic, fearless, seek challenges, self reliant, autonomous, critical, determined	courageous, willful
WORK	workaholic, accept stress, experimental, non-conformist, driven, hard work will pay off	balanced, sacrifice for career, in the system, experience, for the company	variety, entrepreneurship, work/private balance, pleasant work environment, less loyal, recognition, personal ambition, use talents	must be fun
TEAMWORK	soloist, give space, support, quality, discuss, convincing ideas, meeting culture	focused, mediator, constructive, adjust, quality, awareness, share reality, listen	share expertise, quick results, personal attention & feedback, multiple projects, open & forward, networking	multicultural team, meaningful, roles no positions or ranks, focused, fast
RELATION	personal satisfaction	confidence, good relations	does not want to commit, connected world wide, community	..
ENVIRONMENT	avoiding conflict	adjust, multiple point of views	technology, media era, detection & recognition, difficult to really connect to	live and let live, multimedia
LEADERSHIP	consensus, majority, respectful, status symbol	competence, not impressed, if it works it works	involve, pragmatic	fast, by feeling, no hierarchies

Figure 19: Generation differences in the Netherlands
(Source: K. Castenmiller “Generatie Y: aan het werk”)

6.1.2 More employers during work life

The Baby boom Generation was looking for good employership, security and a stable pension plan, but this has changed for Generation Y. Research by Motivaction shows that Generation Y aspires

“Gaining experience above a laid down career path. Many young people do not yet know which profession or job is the most appealing. They want to gain as much experience as possible.” (Source: “De grenzeloze generatie op de arbeidsmarkt” Manpower op basis van onderzoek Motivaction)

This explains why Generation Y is known as job hoppers. An analysis of **Error! Reference source not found.** shows a comparable picture. This figure is comparing and grouping the different generations according to the number of employers they have had.

At first glance it looks like as if the Baby boomers had the most employers and are the main job hoppers (see group “over 10 employers” with 8%). However, this generation is close to their pension date so the numbers will not shift that much anymore. With 10 to 25 years of working experience, Generation X is in the middle of their career. Right now it looks like this generation is changing employers less than the Baby boomers but in the next 35 years (when the last person of Generation Y retires) a lot will change. 52% of Generation Y has 1-4 employers, compared to 53% for the Baby boom Generation. And there is still a big shift in employers for Generation X possible. It is therefore plausible to say that Generation X is already abandoning the search for a lifetime employer.

Generation Y is maximum 30 years old and can therefore have no more than a maximum of 14 years of work experience (compulsory education is until the age of 16). 17% already has had 5 to 10 employers. On the basis of 5 employers this means that a large group of Generation Y has not worked longer than 3 years at one employer (14 years divided by 5 employers). The conclusion is that Generation Y will continue this trend and will most probably change employers even more than the previous generation. And the number of registrations with the Chamber of Commerce as own entrepreneur or freelancer is not even considered here yet.

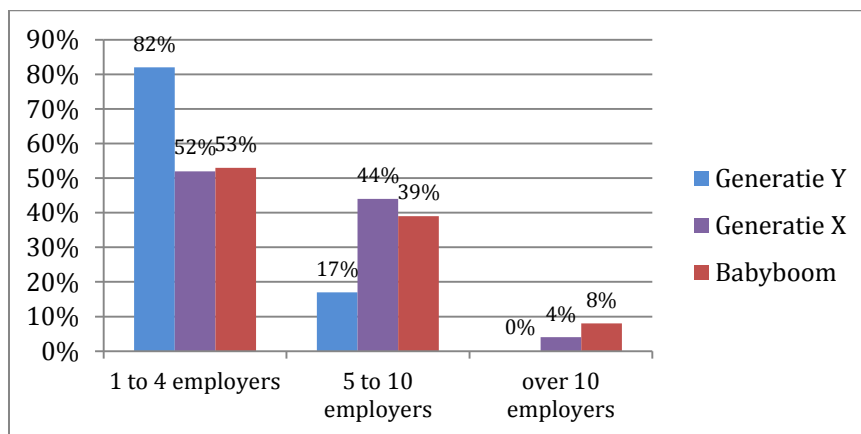


Figure 20: Number of employers during career per generation
(source: BSP-staffing, 2011)

In 2011 BSP-staffing has done research on (back office) workers (2,192 persons with a financial, HR or secretarial job). This research shows that 3 out of 5 employments last less than 2 years and the average employment term is 2.9 years. That is a significant difference with the numbers published by

the CBS in 2001, showing an average employment term of 9.2 years (source: <http://www.vkbanen.nl/banen/artikel/Dienstverbanden-afgelopen-tien-jaar-flink-verkort-/775239.html>)

6.1.3 The work attitude of Generation Y

Authority and hierarchy are not for the current young generation. Compared to the 1990's, young people are much more independent and self-confident. Motivaction has analyzed the work attitude of Generation Y. 63% considers oneself a good leader and 68% considers oneself very special. The research also shows that a good career outlook is not triggering them, but what they are doing in their private lives is defining them. (Source: "De grenzeloze generatie en de opmars van de B.V. Ik" Frits Spangenberg and Martijn Lampert, founder and research director of market research agency Motivaction. <http://www.motivaction.nl/content/de-grenzeloze-generatie-en-de-opmars-van-de-bv-ik>)

6.1.4 Ageing population

The population in the Netherlands is currently ageing. This is a result of the explosive birth rate after the Second World War (the Baby boom generation). Another cause for the ageing population is the fact that since the 1970's the birth rate has declined under the influence of easier access to birth control. (Source: <http://nl.wikipedia.org/wiki/Anti-conceptie>)

In the Dutch population pyramid shown in the figure below you can see the result of these developments. The Baby boom has resulted in a spike of people aged between 51 and 66 years. This group is also influenced by the rising life expectancy, caused by better health care, and will therefore live longer. Since the 1970's the birth rate has declined and has been stable from the end of that decade until now.

Hoogheemraadschap van Rijnland, Jerome van Ingen (List of interviews, #20)

The average age in the organization is around 47 years. This means that the organization is age wise comparable to the labor market: there are relatively many middle-aged employees so many will retire in the coming years. This causes the organization to carefully look at the formation and diversity of the staff.

The central office of statistics (CBS) in the Netherlands shows the following models for the Netherlands:

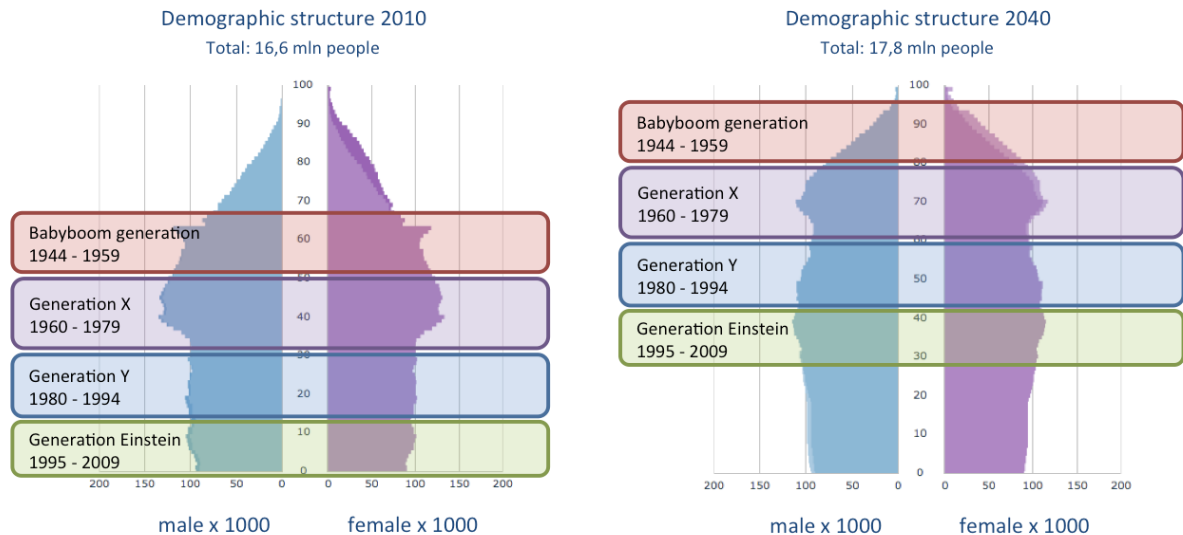


Figure 21: Demographic structure 2010 vs 2040
 (Source: <http://www.cbs.nl/nl-NL/menu/themas/bevolking/cijfers/extra/piramide-fx.htm>)

6.1.5 Declining labor force

In former times, one would start working at an earlier age, there were less learning opportunities, fewer people went to university. Working to make a living, marriage at an earlier age and supporting a family were contributing to the fact that people were entering the labor market at an average earlier age. Nowadays there are much more opportunities for learning and starting a family is done at a later age, resulting in a declining labor force. On the other hand, compared to the Baby boom Generation, more women are entering the labor market. This development started at Generation X. The effect of the ageing population is that the Baby boom Generation is retiring in the next couple of years and because there are less young people entering the Dutch labor force, the Dutch labor force will decline in the years to come.

Based on the economic growth the labor force in Europe will decline with 5 per cent in high market growth scenario or decline with 20 per cent in limited market growth scenario in the next 40 years. (Source: <http://www.pbl.nl/publicaties/2011/sterke-daling-beroepsbevolking-verwacht-in-grote-delen-van-europa>)

Europe 2020
http://europa.eu/press_room/pdf/complet_en_barroso_007_-_europe_2020_-_en_version.pdf
http://ec.europa.eu/public_opinion/archives/ebs/ebs_377_sum_en.pdf

Recently the Dutch government has increased the pension age from 65 to 67 to counter attack this development. This means organizations will need to get more efficiency out of their own staff, by means of technical innovation and making better use of the labor force by developing their talents and interests instead of developing skills.

6.1.6 Economical crises

Due to the financial crisis of 2008 and the subsequent Euro crisis of 2011, people were laid off. Hence there was a bigger offer of labor force. HR departments are therefore not noticing the urgency of the ageing population and declining labor force. The longer the economical crises are there, the stronger the need is as soon as the economy is rising again.

Because of the declining labor force, organizations will face several effects. The average years of experience and knowledge will decline. Furthermore, industries like health care need more and more employees to take care of the elderly, caused by the Baby boom generation and rising life expectancy. And the amount of work stays the same, but it has to be done by fewer people.

This is causing a distorted image of reality: we are noticing the shrinking labor market less because there is enough supply of employees due to the crises, except for industries with a significant amount of manual work, like the Technical and Health sector. The consequence is that the focus of HR is more on this than on the future developments and thus the better of use of talent in the company.

6.1.7 Technological developments

The technological developments are changing rapidly. The Internet can be accessed everywhere and by all sorts of devices, it is faster and wireless. Software is available through the Internet. The technology is accelerating and minimizing the equipment (e.g. extensive video conferencing set has been replaced by a small laptop). The more advanced technology becomes, the sooner it will be used, and the cheaper and smaller (easier to take with you) it gets.

An overview of the technology:

- client server: sending data from your computer to a server
- website where content can be published
- Web applications online via the Internet (log in, use, log out)
- working together online (e.g. Google Docs)

Also see, the infographic of the evolution of the microprocessor in the High performance computing milestones <http://goo.gl/4PGZ3> by AMD and the infographic of the evolution of data storage in physical data vs. digital data <http://goo.gl/POGPI> by visual.ly

6.1.8 From efforts to results & Alternative Workplace (“Het Nieuwe Werken”)

The current way of working is based on fixed working times at the fixed working location. One gets paid on basis of the number of hours that one has worked. If one performs well, a salary raise or bonus can be granted. This is an efforts oriented way: the effort people put in their jobs gets rewarded.

This way of working is changing as an effect of several developments.

The advancing technical developments are enabling the Alternative Workplace (in Dutch: “Het Nieuwe Werken”). One can work whenever and wherever one wants, independent of location or fixed working hours. Communication works through the Internet, the rush hour can be skipped, work can be done in the evening when the children are in bed.

The Alternative Workplace is not possible in every industry or function though. For example health care, shop, hospitality personnel is attached to a certain work place. The adoption of the Alternative Workplace will differ per industry, it is expected that the IT industry is much more advanced in this than the Government.

A result of the Alternative Workplace is that employees are working together differently as they are not anymore at the same time at the same work place. This is affecting the way of leadership, it needs to adopt different control and management mechanisms. The organization of the work will be left to the employees as long as they obtain results and the organization is controlling.

Finally, the trend is towards results oriented work: work will be done more and more on a project basis. A project must meet certain requirements and time, and has a certain financial value. If an employee is very good in his work, he can do the project in fewer hours or less turnaround time if more than 8 hours per day is being worked on the project. The employee is being paid when the job is done, in other words: result obtained = money. An employee can do more assignments at the same time, possibly even at several companies. The company is checking the result and quality.

6.2 Impact on suppliers

After discussing in the previous paragraph the factors that are currently taking place in the Netherlands, the impact of social media on the HR suppliers is looked at in this chapter. With which suppliers is HR dealing and how does social media influence these suppliers? According to Porter, the bargaining power of the buyer (in this case HR) is divided into two categories: price sensitivity and negotiating leverage. With respect to price sensitivity it can be concluded that for HR a product or service is always expensive, as HR does not make profit, only costs. This means that the products or services HR is buying, must improve the performance or quality of HR. The power of negotiating

leverage is supplier dependent. As described in paragraph 5.2.3 HR consists of Systems, Staffing, Knowledge, Education & Development, Marketing & Communication. I will address the impact of social media on the negotiating leverage in the following paragraphs. I will do so for each type of supplier and I will sum up the changes that were mentioned during the interviews. I will summarize these changes in four categories, referring to the possibilities that social media offers:

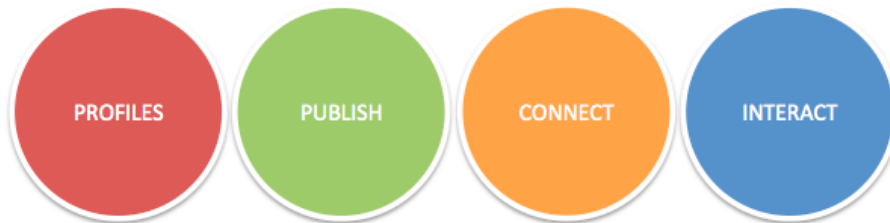


Figure 22: Categories for social media possibilities

The personal *profile* is the base for participating in a social network. *Publish* refers to presenting and sharing information on the World Wide Web or a social network and *Connect* refers to registering a relationship between profiles. *Interact* is communicating and working together within a social network.

I will start with the supplier type Systems.

6.2.1 Systems

HR encompasses many administrative tasks. These support activities are often digitally processed and to do so, different systems are being used. The purpose of a system is:

- Registering: capturing data, formation of files
- Consulting: making available of current data and if necessary updating them
- Reporting: making activities, results and costs transparent

HR uses systems to register all possible data on personnel. However, registration and consulting is more and more moving from HR to employee and / or applicant.

The following systems are being used in HR:

- Applicant tracking systems (ATS)
- Personnel Information Systems (PI)
- Outplacement systems
- Career sites
- Job boards
- Search engines
- Reporting tools

The following figure provides an overview of these systems and where they are being used within the HR process.

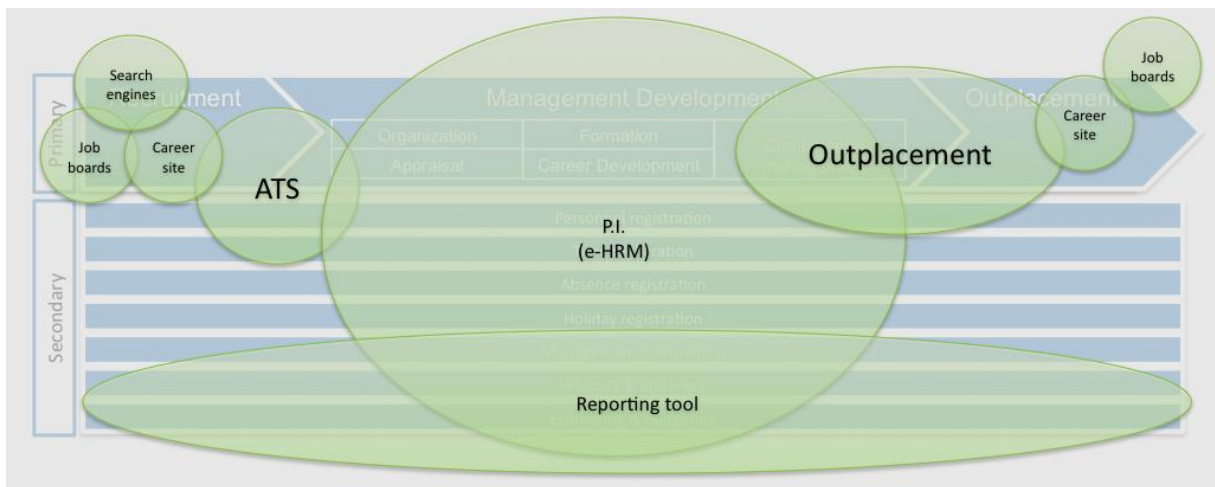


Figure 23: Systems in the HR process

I will describe the systems mentioned above. Next I will explain what impact social media has on these systems. This analysis is based on the interviews. Possible relevant quotes from the interviews will be added last.

6.2.1.1 ATS

An applicant tracking system (ATS), also called a candidate management system, is a software application designed to help an enterprise recruit employees more efficiently. An ATS can be used to post job openings on a corporate career site or job board, screen resumes, and generate interview requests to potential candidates by e-mail. Other features may include individual applicant tracking, requisition tracking, automated resume ranking, customized input forms, pre-screening questions and response tracking, and multilingual capabilities.

(Source: <http://searchcio.techtarget.com/definition/applicant-tracking-system>)

Another feature of an ATS is the possibility to generate reports:

- Reports concerning the efforts: how many activities are registered, e.g. the number of interviews. This will give insight how busy the recruitment department is.
- Reports concerning time: how long is the recruitment process taking (e.g. individually on candidate level, time to fill a vacancy, etc)
- Reports concerning results: how many vacancies are published via which channels, how many applications per channel, which channel generates the most successful candidates, etc.
- Reports concerning costs: individual and average cost per hire.

The below table shows the impact of social media on ATS's mentioned during the interviews:

PROFILE	Online profile
Waiting for an applicant, requesting personal information and receiving a digital CV, becomes extracting data from online profiles like LinkedIn and taking legislative conditions into account.	
People have multiple online profiles for different social networks. Connecting these profiles provides a broad view of a person and his interests. The challenge is to combine this data and match new vacancies with the data in online profiles.	

PUBLISH	Publishing, sharing and distributing vacancies
Dealing with the different possibilities of each network. There are other criteria for posting a vacancy on a social network than on a job board. Every network has its own criteria and possibilities	
Every online profile becomes a publication channel. This is influencing the registration and source indication of an applicant. The ATS should measure this to report on the ROI for publication channels or the cost per hire	
Measuring and reporting of these publications. Detecting if it is about the organization, the employees or the interests of a candidate. Knowing what the sentiment is about the organization or what sentiment the candidate is sharing	

CONNECT	Connecting
Social computing enables connecting profiles or even viewing a profile's connections. This makes it possible to organize the organization's referral program in a different way, as connections can be used to get in contact with a potential candidate for a job	
People can connect their online profile with company profiles. In this way people can show their interest in the organization, stay informed on company updates and become part of a pool with potential candidates outside the ATS database	

INTERACT	Data
Expansion of candidate data. ATS must be designed so that candidate data, other than resume, motivation and personal data, including the conversations or interactions, can be registered. The users of the systems can then see an overall picture.	

Recruitment is used to publish a vacancy, wait until applications come in and then process them. However under the current developments Recruitment will need to actively search for candidates and activate their network.

[Deloitte, Roos van Vugt \(List of interviews, #8\)](#)

The different way of interaction between a candidate and a recruiter through social media requires a different type recruiter.

[Tempo-Team, Wesley Hendriks \(List of interviews, #43\)](#)

Referral recruitment has always been the best. Social media is also a referral network. If an organization can activate its own employees then they can be the best ambassadors for your organization. Furthermore, this is beneficiary for recruitment and branding (both marketing and employer branding).

6.2.1.2 Personnel information systems

Another system HR uses is the personnel information system (PI systems). PI systems have been designed for the purpose of storing and maintaining records of all employees of the organization.

The trend is that employees will get access to their own online / digital personnel file and can add / change information, for example: education, appraisals. This is not only a result of the evolving technology but also because people are getting used to manage their own profiles due to social media.

The below table shows the impact of social media on PI systems mentioned during the interviews:

PROFILE	Online profile
Ownership of data shifts from organization to employee	
Career development can be registered by the creation of a portfolio for every employee. Data needs to be extracted from online profiles (taking the legislative conditions into account) so assessments, interests & talents, recommendations, reviews, ratings for a project, employee and organization can be registered	
PUBLISH	Employee Engagement Survey
Registration (if not anonymous) and presentation	
PUBLISH	Internal projects
Publication of new projects to match the best employee for the job or enabling employees to find new opportunities within the company that fit their talents and interests	
CONNECT	Online organization chart
Extracting the organizational structure from the online profiles for formation purposes	
INTERACT	Validating and evaluating
Career development can be registered by the creation of a portfolio for every employee, thus validating work experience and registering appraisals	

Securitas, Natasja Freijer (List of interviews, #38):

HR used to be an administrative department: taking care of administration, determining personnel regulations and registering agreements. Now the employee is able to access his own personnel file and can register his wishes, HR is capable of concentrating more on facilitating, advising and controlling where needed. The possibilities offered by social media enable HR to engage and involve the employees. If HR can achieve that, it should lead to personnel that goes to work with pleasure and performs better.

Spie, Cathelijne Olderaan (List of interviews, #40)

Employees are being assessed on their competences. Spie acquired a PI system that can register competences, so the best people can be found for a project through the system. Also, the system enables conducting an Employment Engagement Survey. The results can be centrally registered in

one system instead of employees putting their anonymous answers in a letter box and processing those.

6.2.1.3 Outplacement systems

Next I will discuss outplacement systems, that are being used to register which employees are declared redundant. Their files are available and the system is aimed to help these employees find a new job. For example assessments can be part of the outplacement system to help the employee become aware of his strengths and motivation and can be added to his personnel file. The file can be shared with e.g. a career counselor and can be used for both internal as external applications.

The below table shows the impact of social media on outplacement systems mentioned during the interviews:

PROFILE	Online profile
Extracting data to create / expand the employee's file and matching vacancies and employers with an employee	
PUBLISH	Online sentiment
Measuring and registering (negative) sentiment	
CONNECT	Connecting
Helping redundant employees to find a new job by activating the public	
Sending redundant employees temporarily to another organization for a project (surprisingly enough the Government is a forerunner in this area)	
INTERACT	Online sentiment
Measuring and registering (negative) sentiment	
INTERACT	Connecting
Helping redundant employees to find a new job by activating the public	
INTERACT	Sharing personnel and knowledge in projects
More and more organizations work together in projects and exchange personnel	

Stehouwer en Vink, Jan Stehouwer (List of interviews, #41)

Letting employees go is often accompanied with negative feelings. Social media enables the expression of sentiment and spreading possible negative messages. When an organization helps to find new jobs for these people, then a negative message can get a positive turn.

6.2.1.4 Career sites

The fourth system HR may use is the career site. A career site is the place where HR brings together employer branding and publishes the vacancies of an organization. People can apply to these job openings and by means of Web statistics it can be measured where traffic is coming from. There are internal career sites that form part of the company's intranet. These internal career sites are mainly being used to give employees the first opportunity to be considered for a new job to facilitate

internal development. The external career site is either part of the corporate Web site or is a separate site focused on employer branding. These external career sites are meant for the recruitment of new employees and are also being used to give a good impression of the organization.

The below table shows the impact of social media on career sites mentioned during the interviews:

PROFILE	Online profile
Extracting data from online profiles for applicants	
PUBLISH	Sharing web pages and vacancies
The career site must be made in a way that every content / page can be shared (the use of i-frames can prevent this) and that is taken into account that Intranet cannot be shared	
Dealing with the different possibilities of each social network. Every network has other criteria for posting vacancies, URLs or pictures	
To be able to measure the results and conversion from social media channels, the career site must be used as source / basis for sharing vacancies and other content	
CONNECT	Connecting
Subscribing with online profiles or social media tools instead of registering and validating one's E-mail address (or even creating a new account)	
Involve staff and public	
INTERACT	Distributing, sharing and interaction
To be able to measure the results and conversion from social media channels, the career site must be used as source / basis for sharing vacancies and other content	
Integrating all social media activities that are taking place on the career site (single point of entry) so that the visitor can get an overall picture of the organization and its employees	

The use of social media enables employees to show how working at the organization really is, by posting blogs, photos and videos. The organization can set up the web site so that it can directly interact with the visitor: chatting with employees, leaving reactions to publications, blogs or vacancies but also contacting possible new colleagues to ask questions about the job. The various social network profiles are being shown so that visitors can use their preferred network to contact the organization or stay informed about the organization, via the like, follow, connect buttons.

By giving a realistic image of the organization visitors can consider whether the organization fits or not. Visitors who choose to apply, are better informed, resulting in less but qualitatively better applications.

6.2.1.5 Job boards

Another system is the job board. Job boards help organizations to convert web traffic into potential candidates and provides a database in which organizations can search for candidates. HR uses job boards to bring to the attention a vacancy or the organization to a bigger or more specific target group than the own career site can reach.

The below table shows the impact of social media on job boards mentioned during the interviews:

PROFILE	Online profile
Resumes are now publicly accessible through social media (e.g. LinkedIn) so why pay money for (often not updated) profiles in a job board whilst everything is accessible for free	
Extract data from online profiles for new applicants and existing candidates to keep the profile updated	

PUBLISH	Sharing
The job board must be made in a way that every content / page can be shared (the use of i-frames can prevent this) and that is taken into account that Intranet cannot be shared	
Dealing with the different possibilities of each social network. Every network has other criteria for posting vacancies, URLs and pictures or videos	
To be able to measure the results and conversion from social media channels, the job board must be used as source / basis for sharing vacancies and other content	

CONNECT	Sharing and subscribing
Reaching target groups through the social networks “for free”	
Subscribing with online profiles or social media tools instead of registering and validating one’s E-mail address (or even creating a new account)	

INTERACT	Sharing
Reaching target groups through the social networks “for free”	
To be able to measure the results and conversion from social media channels, the job board must be used as source / basis for sharing vacancies and other content.	
Integrating all social media activities that are taking place on the job board (single point of entry) so that the visitor can get an overall picture of the organization and its employees.	

NUwerk.nl, Simon Evenblij (List of interviews, #30)

As it will be possible to find candidates online and to share jobs through the social network, job boards must offer more than just a CV database and the possibility to show vacancies. Job boards need to stay innovative and offer different or better functionality than social media do. For the time being it is still difficult to find suitable vacancies or compare organizations via the social networks. And as long as job boards can ensure reaching the right target group, presenting the right vacancies and providing qualitatively good applicants, time will be saved for Recruitment.

6.2.1.6 Search engines

The next system I will discuss is the search engine. The Internet is one big network filled with information. Meanwhile there is so much information that people do not know which web site to go to. A search engine gives the user the possibility to perform a search, presenting the web sites that contain information related to the search. Such a search engine searches all data (“crawling”) and registers what can be found where (“indexing”) so the search engine can retrieve the information. When a user performs a search, an algorithm is being run working out within the index what is relevant to show in the search results.

“A web search engine is designed to search for information on the World Wide Web and present relevant search results. search engines also maintain “real-time” information by running an algorithm on a web crawler.” (Source: http://en.wikipedia.org/wiki/Web_search_engine)

The below table shows the impact of social media on search engines mentioned during the interviews:

PUBLISH	Online profile
Social networks have a high ranking in the search engines. This is because social networks look at updates, visitors, link building, content, thus providing relevance to content	
CONNECT	Connecting
Content shared by a person with many connections will be ranked higher than content shared by a person with less connections	
INTERACT	Interaction
Social networks have a high ranking in the search engines. This is because social networks look at updates, visitors, link building, content	

In fact, there is a new trend that search engines are now switching roles. They are using the gathered information for enrichment in their own advantage. This means that social media relevance is added to the search results: what one’s friends like on social media is given extra value and will be ranked higher. For example: Google is doing this with Google+. Friends’ activities on Google+ will most probably add more value to the search results than friends’ activities on other social networks. (Source: http://mashable.com/2012/01/10/google-launches-social-search/?WT.mc_id=en_my_stories&utm_campaign=My%2BStories&utm_medium=email&utm_source=newsletter)

And then there is big data. There will so much data that it will become increasingly difficult for the search engine to present the best search results. Search engines try to link the data to a certain relevance, based on the profile and connections of the person carrying out the search. In this way the most relevant data can be presented. (Source: http://en.wikipedia.org/wiki/Big_data)

6.2.1.7 Reporting tools

The last system that HR may use are reporting tools. Every organization needs to report on its performance and spending. Therefore each company needs tools to gather the numbers and present them in a clear overview. These reports provide an insight on how the company is doing and present signals where the management needs to pay attention on or where adjustments are needed.

Small companies manage with their accounting systems and the bigger companies have different systems, which provide insights on different departments or activities. These different insights combined provide a company overview in a management dashboard.

HR makes use of different systems for various activities, calling for interconnecting and merging of the management reporting from these systems to give a clear overview of the HR related costs and benefits.

Taking the different activities within HR into account and divide those in Recruitment, Development & Outplacement, then different systems are being used for these activities. To be able to measure the performance, it must be possible to link data. For example, measuring the quality of recruitment can be done by measuring the time needed to fill a vacancy. This can be measured easily in the recruitment system. The quality of recruitment gets even better when they recruit new employees that stay for a longer period and progress through the organization. These data can only be derived from the personnel information system. When an employee leaves the organization he cannot only become a new supplier for the organization but also act as recruitment channel. Therefore knowing who the alumni are is important, but also which recruitment channels supply qualitative candidates, i.e. the new employees that stay longer with the organization.

More recruitment channels are coming in through the rise of social media, as well as more systems collecting data.

The below table shows the impact of social media on reporting tools mentioned during the interviews:

PROFILE	Online profile as recruitment channel
Measuring the source of the applicant. The applicant's source is the web site where a job is published and shared by the public via an online profile; or the source becomes the online profile through which a new applicant applies. There will probably be a need to report on both and management reporting must be adjusted accordingly	
PUBLISH	Online profile as recruitment channel
Measuring the source of the applicant. The applicant's source is the web site where a job is published and shared by the public via an online profile; or the source becomes the online profile through which a new applicant applies. There will probably be a need to report on both and management reporting must be adjusted accordingly	
CONNECT	Referral program
Setting up the referral program so that referrals through social media be measured	
INTERACT	Employee engagement survey
Using social media be used for the employee engagement survey and measuring the employees' sentiment be measured	

Detailresult, Jeroen Kneppers (List of interviews, #9)

Like any other department, HR needs to report on their costs and performance. Since this department uses different systems for different activities, presenting this to the management is getting more difficult. Jeroen Kneppers managed to link several of the systems, resulting in qualitative reporting to the management, e.g. on the ROI of publishing vacancies on social media.

From my own experience I know that recruitment departments usually make limited use of reporting and that those reports seldom surpass the department. Linking reports from different systems is often a wish, but usually it stays that way, whereas organizations that do link recruitment reports to the data in the personnel information system collect a lot of relevant data used for optimizing the working process. This continues to surprise me, as the HR department is a supporting activity in the value chain, which does not directly add value to the process and is seen as overhead. I would therefore expect pressure on HR to gain more output. This is being confirmed by Dr. Jeroen Delmotte and Luk Smeyers. (Source: <http://www.hrintelligenceblog.com/?p=202>).

6.2.1.8 Conclusion

Now the systems that HR uses were separately discussed, an overall conclusion on the impact of social media on HR system suppliers can be drawn. I will first discuss the bargaining power of HR, followed by the bargaining power of the system suppliers. Finally, I will discuss the impact of social media on the suppliers of HR systems.

Bargaining power of HR (buyer)

The bargaining power of HR increases as more suppliers are entering the HR systems industry. HR uses many different systems but there will always be more HR departments than systems. Despite the fact that there are many suppliers, the features within the HR systems will become more and more similar. All these systems support the various components in the HR process, resulting in common features. The bargaining power of HR will therefore increase, and the price will go down.

Bargaining power of systems suppliers

The huge number of suppliers gives HR the opportunity to shop around for HR systems. The various HR systems offer approximately the same functionality. The software suppliers should therefore continuously innovate, develop according to the changes in the market or offer additional services in order to add extra value for existing customers.

The various software suppliers can exchange data faster and easier and as a result, work to develop similar software. By linking with other organizations, the smaller suppliers can accommodate specific needs to complement the more general functions of the bigger software systems. Linking all the

different HR systems will probably increase the switching costs, as a result the bargaining power increases.

Eventually suppliers must add value to the HR process, which means augmenting either the performance or the quality of HR.

Impact of social media

Through the rise of social media, new dimensions arise in the HR process. The exchange of information changes, for example, now the public social networks help HR publish jobs. The employees as well as the HR department compile the personnel file. Today public actions are recorded and registered in combination with the actions of the HR. When systems can support social computing and can report the actions of social computing, they can then help the development of new tools to increase the quality of HR. And these tools will also enhance the performance when systems support social media activities. When the impact on the existing architecture is big, supporting social computing can be a risk for an existing supplier. On the other hand, the rise of social media can also be an opportunity for both existing suppliers as new suppliers. By offering new features, the system suppliers gain more bargaining power.

6.2.2 Staffings

The next supplier type that is offering its services to HR, is staffing. When HR has not enough people available for recruitment activities, or when HR has not enough knowledge of the target group, the target group is based with competitors or the organization is in need of temporary staff, the services of staffing suppliers can be used. Staffing suppliers are specialized in the search and recruitment of workers as well as in the selection and payroll services.

In this research I define the following types of staffing suppliers:

- Temporary work agencies
- Employment agencies / Headhunters
- Posting of workers (“detaching”)
- Freelancers (“ZZP’ers”)

The below table is showing the distinction between the staffing suppliers:

	Temporary work agencies	Employment agencies	Posting company	Freelancer
PAYMENT	Rate per hour	Fee	Rate per hour	Rate per hour
PAYROLL	Agency	Employer	Agency	Employer / Agency
RISK	Agency	Employer	Agency	Freelancer
DEVELOPMENT	Yes	No	Yes	Yes

Figure 24: Staffing suppliers

Payment refers to the business model on which the staffing supplier bases its services. This can be a fee for every hour the person is working, or a fixed fee for searching and selecting a new employee. In case a project price is charged, the activities are being carried out against a predetermined fee.

Payroll indicates which company pays the worker. That can be the agency that is posting the worker or the employer the worker is posted at.

Risk involves who is responsible for the worker's social security and insurances. When something happens to a worker leaving him unfit to work, the employer will bear the risk. When an employee is being posted, the risk is for the agency. And freelancers are facing the risk themselves.

Development refers to the benefit for the organization if it invests in the development of a person. When a worker has more knowledge and / or skills, the worker is more valuable for the organization, accompanied by a higher tariff. If a posting company invests in the development of a worker, a higher hourly tariff can be charged. The same applies for a freelancer, but not for employment agencies as they are charging one-off fixed fees.

I will describe the different staffing suppliers as mentioned above. Next I will explain what impact social media has on these staffing suppliers. This analysis is based on the interviews. Possible relevant quotes from the interviews will be added last.

6.2.2.1 Temporary work agencies

The first type of staffing supplier are the temporary work agencies. Temporary work agencies are supplying staff that can be contracted on short term and flexible. Temporary work agencies contract workers as soon as they have work for them for the period of the assignment. They are taking a part of the employer costs and hiring these workers against an hourly tariff to the employer. Well-known temping agencies are Randstad, Tempo-Team, Adecco and USG People.

Wikipedia describes temporary work agencies as follows: *“A temporary work agency, or temp agency or temporary staffing firm finds and retains workers. Other companies, in need of short-term workers, contract with the temp agency to send temporary workers, or temps, on assignment to work at the other companies. Temporary employees are also used in work that has a cyclical nature that requires frequent adjustment of staffing levels.”* (Source: http://en.wikipedia.org/wiki/Temp_agency)

The advantages for the employers of using services of temping agencies are less obligations and more flexibility, especially for seasonal work.

6.2.2.2 Employment agencies / Headhunters

Next I discuss employment agencies / headhunters. Employment agencies and headhunters look for people that fit a job opening, at the request of an employer. Temporary work agencies are more focused on mass, employment agencies and headhunters are specifically looking for the most qualified person for the job. Both searching and selecting are done by these suppliers, and the activities are charged against a fee based on the annual salary.

“An employment agency is an organization which matches employers to employees. In all developed countries there is a publicly funded employment agency and multiple private businesses which also act as employment agencies.” (Source: http://en.wikipedia.org/wiki/Employment_agency)

Certain employment agencies have the Dutch top notch companies as customer. They charge the candidates a fee in order to help them at a job at one of the top companies.

“An executive-search firm is a type of employment agency that specializes in recruiting executive personnel for companies in various industries. This term may apply to job-search-consulting firms who charge job candidates a fee and who specialize in mid-to-upper-level executives.” (Source: http://en.wikipedia.org/wiki/Employment_agency)

A headhunting company tries to match senior management level candidates and jobs. By keeping in contact with senior management a headhunter knows the upcoming vacancies as well as people who might be open for a move. The job openings are usually not openly advertised due to possible impact on the stock exchange.

An executive agent is a type of agency that represents executives seeking senior executive positions which are often unadvertised. (Source: http://en.wikipedia.org/wiki/Employment_agency)

6.2.2.3 Posting of workers

HR may also use the service posting of workers. An organization has an assignment or project but misses specific knowledge or skills. The services of a posting company can then be used. For example KPMG, Deloitte and Ernst & Young are active in the field of financial services and management consultancy. They are training their employees so they become specialists. Subsequently these specialists are posted with customers for an assignment. After an assignment the specialists return to their own company for an internal project or training, or are posted to another customer. This happens also a lot in the IT sector; Atos Origin, Logica, Cap Gemini and Sogeti are well-known companies.

“Posting of workers is lending of employers to a third party. The difference between posting and a temporary work agency is that a posting company is only employing people and a temporary work agency is both employing people and contracting them for temporary assignments.” (Source: <http://nl.wikipedia.org/wiki/Detachering>)

6.2.2.4 Freelancers (“ZZP’ers”)

Last I discuss the freelancers. *“A freelancer, freelance worker, or freelance is somebody who is self-employed and is not committed to a particular employer long term. These workers are often represented by a company or an agency that resells their labor and that of others to its clients with or without project management and labor contributed by its regular employees. Others are completely independent.”* (Source: <http://en.wikipedia.org/wiki/Freelancer>). “ZZP’er” is Dutch and stands for “Zelfstandige Zonder Personeel”: an independent entrepreneur without personnel.

6.2.2.5 Impact of social media on staffing suppliers

In the below table is summed up what social media offers and what the impact is for staffing suppliers. Next, cases from the interviews I held are presented.

PROFILE	Online profile
Free online resumes make social networks the new competition for the staffing agencies	
The business value of the agencies is their candidate databases. Under the influence of social media these databases will one way or the other become publicly accessible.	
PROFILE	Interaction
Finding and communicating with people who share interests is made easy by social media. For HR inquiring in the social network about a candidate becomes much easier.	
PUBLISH	Interaction
The new communication channels provide new ways to achieve goals, which enables the need to	

reassess the current process and targets. The agencies work with targets for their workers. These targets are usually based on number of telephone calls, number of visits etc. The rise of social media is changing this way of targeting: e.g. contacting both employers as candidates through social media cannot be measured in the traditional way.

CONNECT	Interaction
Because social computing is based on persons and not on companies, contacts are linked to employees of companies. If an employee switches jobs, the contact will move with him to the new company. (Reference: www.jurofoon.nl/nieuws/weblog.asp?id=4293)	
There is a gentlemen's agreement between companies that they do not actively recruit each other's employees. Now everything is on social media it is much more transparent who is working where and who knows who. This enables contacting people through mutual friends. This is a threat to employment agencies / headhunters that were specialized in this form of recruitment	
Social computing provides solutions to questions like: <ul style="list-style-type: none"> • "How can an organization stay in contact with freelancers / ZZP'ers after they have finalized their assignment?" • "How can HR search for freelancers with good appraisals within the company?" 	
From the viewpoint of the employment agency connecting with candidates is not a good idea because it will expose the candidate base	

INTERACT	Interaction
Finding and communicating with people who share interests is made easy by social media. For HR inquiring in the social network about a candidate becomes much easier.	
The new communication channels provide new ways to achieve goals, which enables the need to reassess the current process and targets. The agencies work with targets for their workers. These targets are usually based on number of telephone calls, number of visits etc. The rise of social media is changing this way of targeting: e.g. contacting both employers as candidates through social media cannot be measured in the traditional way	
Social computing provides solutions to questions like: <ul style="list-style-type: none"> • "How can an organization stay in contact with freelancers / ZZP'ers after they have finalized their assignment?" • "How can HR search for freelancers with good appraisals within the company?" 	

INTERACT	New opportunities
The way of communicating is changing and generates more possibilities. This might affect e.g. the housing of the agencies	
The rise of social computing generates more and more online possibilities. These possibilities create the opportunity to centralize activities.	

INTERACT	Access to information
If organizations want to use social computing as a recruitment channel or to collect information, then access to social media is necessary. In the past social media were regarded as "private" (Hotmail, Hyves, etc) but now it can be regarded as a tool that can be used business wise (and employees can access it nowadays with their smart phones so screening is useless anyway).	

I spoke with several staffing suppliers. In order to describe the way they look at the impact of social media on their business I highlight a few interviews.

Hebbes, Marcel de Jong (List of interviews, #17):

HR is a conservative component in the organization. In general they are not open for change, making the adoption of new possibilities slow moving. Fifteen years ago eHR and online accessible personnel files were already mentioned, but only the last few years it became an item on the HR agenda. It is suspected that the HR employees are possibly afraid to lose their job if these new developments are being adopted. Compare the current rise of social media with the rise of job boards and CV databases on the Internet. Back then there was speculation if this would mean the end of recruitment agencies. However they still exist. It is clear that the recruitment agencies are facing a difficult future, but if they keep ahead of HR with innovative services they should survive.

Vuzz, Bert-Jan van der Woude (List of interviews, #48)

HR departments cannot keep up with the fast pace in today's world. They are caught up in the issues of the day, so not only recruitment agencies but also the HR departments will face difficulties through the rise of social media. What is the added value of recruitment agencies if all CV's are accessible online? Another issue is that recruitment agencies are using KPI's that have not evolved with time and developments. The technology is offering new possibilities and the way of working and controlling should anticipate on these.

Organizations should become more flexible to be able to compete, the structure of organizations will change into a smaller core (established personnel) and a bigger flexible shell (employees with temporary contracts or assignments). The challenge will be managing the flexible shell. Organizations will more and more get the shape of matrix organizations with project teams for specific assignments. This is already happening in the construction industry where the big construction firms are hiring smaller subcontractors for a specific job. For organizations it is important to know which external persons did a good job and what their expertise is. The manager who hired the person, will most probably know but the challenge is in using these persons in other places in the organization. This could be a task for HR or for an external agency.

Content Executive, Martine Langerak (List of interviews, #5):

It is important to introduce the right people for an assignment. The candidate should not only have the right credentials but, maybe even more important, the candidate must fit in well with the company or team. Content Executive Search is using Motivaction. This is a method to improve the match between a candidate and an organization, thus increasing the quality. The candidates that are being introduced fit the organization better, and the application process is less time consuming.

The rise of the social networks caused Martine to get involved in social media, specifically LinkedIn. Content Executive Search is looking for higher educated personnel and in general these can be found

more on LinkedIn than for instance on Hyves. This group is possible also present on Facebook, but harder to find and Facebook is considered more a place for friends than for business contacts. Martine started with establishing discussion groups and approaching people for membership. Her experience is that it takes a lot of time to get the interaction going within the group. She is also encountering technical difficulties when engaging colleagues within the groups as the IT infrastructure is not yet set up for the use of social media. For example: she has a business mobile phone but not a smart phone, PC's are not set up to make videos etc. When management will acknowledge the value of social networks, developments are expected. The current IT barriers will be handled and targets will be reevaluated. It would be good if social media are not considered as a danger, but as a chance.

Qualified Professionals, Erik van Maanen (List of interviews, #33):

When working for a big IT company in the past, Erik has interviewed many applicants that were introduced via a recruitment agency. Often these agencies were not capable to introduce the right people. Lack of knowledge of the specific industry is usually the reason for this. When for example an Oracle DBA is introduced for an Oracle Forms or Oracle ADF development position, it is clear that the agency did see a similarity between the job and the C, but has no knowledge of the specific field. By understanding what the customer is doing, what the organizational culture is and what the organization is exactly looking for, quality can be delivered. QPWeb exclusively mediates personnel within the IT industry, where they have knowledge and experience and know the companies and people.

The rise of social media indeed makes it happen that CV's can displayed publicly, but it does not imply that all persons with a LinkedIn profile are actually looking for another job. When a recruitment agency knows these people, speaks their language and get their trust, then it can mean more for both candidates as company. In both cases possible frustrations, time and money can be saved.

No Nonsense Consultancy, Ton Westphal (List of interviews, #29):

No Nonsense Consultancy is a n employment agency for specialist candidates. They screen the candidates and when they are sure they will the right match for a certain company, the candidate is being introduced to the HR department of that company. When HR rejects the candidate it is sometimes because the recruiter is too generalistic to judge the candidates. Another phenomenon is that candidates overestimate themselves or do not know what they want in a job content wise (contrary to the terms of employment). Employment agencies are not redundant because for the time being they know the candidate and and know more about him.

Vitae, Jan-Maarten Rovers (List of interviews, #47):

Social media is being used to bring together and facilitate customers. In offline meetings customers were already meeting to discuss different subjects like good employership and how to make the organization new professional proof. Vitae now also started an online community to connect the customers online. Social media is used as the tool for connecting. Connecting equals communicating, sharing knowledge, documents, etc.

The network of Vitae was considered a treasure chest, but now the relations are on the social networks, the network is exposed on the Internet. This invoked fear and resistance with the board of directors and personnel. Now a new board of directors is in place that is active on social media, a culture change is taking place. Customer meetings are being organized to share knowledge about current subjects in the field, which creates a closer connection with the customer. It is more about helping each other and sharing knowledge, supported by an online community.

Recruitment agencies are not yet written off as long as they offer added value with the match, network, after sales and involvement. Vitae believes in this and is offering its services therefore no cure no pay, according to Jan.

Triceps, Harry Nauta (List of interviews, #45):

The difference between Triceps and other agencies is that Triceps helps the individual to develop and to accelerate his career. By taking on the role of career coach Triceps helps the individual to find a job that fits one's wishes. Often people know what they want, but not how to plan their career path and what companies do fit with the person. By guiding the person in his search and providing insight in the qualities, ambitions and behavior of the person a personal profile can be made. The personal profile will be visible in the community of Triceps (the talent bank) where persons and companies can find each other and match on their profiles.

According to Harry, social media makes it possible that CVs are available online, but the technology does not help a person with questions about his career. Triceps knows their candidates and knows more about them than is stated in the CV and can therefore find fitting jobs at companies in their network. They do not only help the candidate, but also the organization with an employee that fits ambition and culture wise. Triceps is not afraid of social media. It is new application that has a lot of focus and attention, but it similar to the rise of job boards that would sideline the agencies. However the agencies that add value to its customers, will continue to exist.

As is shown above, employment agencies are stating that the world is changing, they are changing with it and they do that better than HR departments. Agencies that do not add value, e.g. that simply shove CV's, will not survive. As long as value is being added by making the right match and supply candidates faster than an HR department can do, right of existence continues to exist for

employment agencies. However, HR departments look at it differently. They state that all employment agencies will face a difficult future now CV's can be found online and contacts can be made easily through the social networks. A good example is Deloitte.

Deloitte, Roos van Vugt (List of interviews, #8):

Within Deloitte Roos was responsible for the recruitment department. She set up a new social media strategy with a few recruitment colleagues. By realizing a new Web site and implementing a new recruitment system the team obtained good results, such as increasing the number of visitors to the career site, brand recognition and a clearer image. By embracing social media, showing how it is to work at Deloitte, looking for interaction and using the network for recruitment, Deloitte was able to increase the number of visitors through search engines and direct traffic to the own web site and reduce the recruitment via employment agencies. This is a significant cost reduction that social media also contributed to. An extra plus is that Deloitte gained a strategic advantage by being able to use social media as the first of the accountancy big five companies. Read more at Deloitte presentations: <http://www.slideshare.net/lsloof/social-recruitment-28sept2011>

6.2.2.6 Conclusion

After discussing the different staffing suppliers, an overall conclusion on the impact of social media on staffing suppliers can be drawn. I will first discuss the bargaining power of HR, then I will discuss the bargaining power of the staffing suppliers. Finally, I will discuss the impact of social media on the suppliers of staffing systems.

Bargaining power of HR (buyer)

The more services that are bought, the bigger the power of HR. There are much more buyers than suppliers in this market so there is no negotiating position for HR. When it comes to generic staffing services, HR suppliers can bid against each other. This is not the case, when it concerns specialized services, for example, delivering specialized knowledge. There will be relatively low switching costs unless exclusive contracts have been closed with suppliers. As long as the price is not too absurd, HR will not carry out the concerned service itself.

Bargaining power of staffing suppliers

HR is not dependent on a small group of suppliers. The number of suppliers is high which gives HR the possibility to shop around. Staffing suppliers are dependent on HR which gives HR more power. There will be relatively low switching costs unless exclusive contracts have been concluded with suppliers. Only those suppliers that offer a specialized product or service will have a certain degree of power over HR.

Every supplier should add value by improving the performance of HR or the quality of HR services, as illustrated in the interviews above.

Impact of social media

Porter’s theory shows that suppliers maintain bargaining power when they add value by improving the performance of HR and the quality of the services that HR offers.

The rise of social media can influence the position of staffing suppliers as it is easier to find, contact, and recruit the target group through the online CVs or profiles in social media channels. The online profiles give a better representation of the person allowing a better match for a vacant position. This theory is also echoed by persons with a corporate background that I interviewed. Persons that work freelance or at recruitment agencies are partly in agreement. These freelance HR professionals endorse the theory that it becomes easier to find and approach the target group using social media channels. Recruitment agencies that only pushed or “shove” CV’s will face difficult times as they do not add much value to the performance or quality of HR. However, agencies that perform better than HR will continue to remain in business.

6.2.3 Knowledge

The third supplier to HR that is being discussed is Knowledge. HR is using Knowledge suppliers for the following areas:

- Legal advice
- Management consulting
- HR consulting
- IT

Below I will describe the different knowledge suppliers. Next I will explain what impact social media has on these suppliers. This analysis is based on the interviews. Possible relevant quotes from the interviews will be added last.

6.2.3.1 Legal advice

The first knowledge supplier to be discussed is Legal. Legal advices on all legal aspects HR could be involved in. For start-ups Legal can help drawing up contracts, agreements and directives. HR works with people and files a lot of data with regards to these persons. Dealing with these data also has legal aspects. Organizations where this has already been taken care, will need legal advice when exceptions occur, e.g. infringements on the code of conduct, exit procedures, or exceptions to standard contracts and on how to deal with changes in laws and regulations.

In the below table is summed up what social media offers and what the impact is for Legal. Next, cases from the interviews I held are presented.

PROFILE	Online profile
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Adjusting Code of Conduct or establishing Social media guidelines. Clarity is necessary on the ownership and use of online profiles and connections	
Privacy legislation, taking into account the laws and regulations for extracting data from online profiles and the rules that the company has to comply to	
PROFILE	Publishing
Business vs Private. The use of social media is on personal title but there is a border between private and business. The organization must take a position on this	

PUBLISH	Publishing, distributing and sharing
The organization should state in the confidentiality agreement on what can be said about the organization, customers, ongoing projects, also on the Internet and social media. Also the thin line between private and business must be taken into account	
Dealing with infringements of employees who are active on the social networks, e.g. an employee called in sick and Facebook clearly shows this person is on vacation	
Dealing with the information that someone is applying - essentially it is not different than encountering an employee in the database of a job board	
People can rate, review, start a discussion, comment on reviews. The Code of Conduct should be clear on what can and what cannot be said about the organization, the production process or the ongoing projects	

CONNECT	Online profile
Adjusting Code of Conduct or establishing Social media guidelines. Clarity is necessary on the ownership of online profiles and connections.	
Non-competition clause must possibly be adjusted, e.g. dealing with an employee who is leaving the organization and remains in contact with the business relations	
CONNECT	Distributing and sharing
Dealing with infringements of employees who are active on the social networks, e.g. an employee called in sick and Facebook clearly shows this person is on vacation	

INTERACT	Interaction
Two aspects are of importance: time and costs. Time: what is and what is not accepted during work or with company devices like phones and laptops. Costs: how to deal with the costs of data use by employees at a company paid data subscription	
Dealing with laws in different countries	
Referral rewarding system. Rewarding the employee who brought a new employee to the company OR referring to another company	

During the interviews Legal was mentioned several times. Peter Pleunes, Ties Guitens de Vries and Anneke Peters discussed the most specific examples which I describe below.

Merck, Peter Pleumes (List of interviews, #27):

Merck heeft te maken met verschillende wetgevingen bv. hier in NL is het niet toegestaan dat een producent van medicijnen vertelt over hun producten terwijl in de VS dat wel mag en het verschil is eigenlijk alleen maar het .nl of .com adres.

Ties Guitsen de Vries (List of interviews, #49):

Because of the rise of social media new rules and legislation will arise. A new dimension of communication will arise, causing HR to adjust the code of the conduct of the organization defining what can and what cannot be shared by the employees on social media. Also social media makes it easier to communicate and to work together at a distance. In conclusion, it advances the “Alternative Workplace” giving the employee the freedom to determine his work place and work times.

It looks like organization call out louder and louder for encouragement of the “Alternative Workplace”. But in fact the “Alternative Workplace” can only flourish when the government will adopt this way of working in the law and legislation. Labor is still being considered as bringing in hours in exchange for pay. The employment contract needs to mention an employment term, an hourly rate and the number of hours that will be worked. Salary processing, tax calculation, allowances and benefits are all linked to the salary and number of working hours. The number of working hours is also linked to the number of vacation hours one is entitled to. In short, the entire social security system is based on the hours one works and the remuneration involved. Whereas the “Alternative Workplace” is not anymore about the number of hours one is working or is in the office, but about the result that is obtained. The law and legislation should therefore be adjusted to results oriented pay and that will take quite some time.

Ernst & Young, Anneke Peters (List of interviews, #12):

The employees of EY work for big organizations that are often quoted on the Stock Exchange. They should consider the possible effects of their expressions on social media. A very enthusiastic message about a project can influence the market sentiment and possible even the exchange rate of the organization. Clear rules must be defined in the code of conduct of the organization and HR and the employees must pay close attention to this. Anneke says: “Maybe the awareness should be raised amongst the employees, but on the other hand our employees are educated above average so I expect I can count on the common sense of our colleagues”.

Legal will advise HR on the following subjects:

- Laws and regulations
- Contracts
- Exit procedures
- “Tresspassing” by employees

6.2.3.2 Management consulting

Next I will discuss the knowledge supplier management consulting. When big projects or projects with a great impact are concerned, management consulting is being involved. To determine the right strategy HR will look together with the management to the objective and the best way to achieve it.

When specific situations like mergers, acquisitions or crisis are supported, often management consulting is being used.

Management consulting will advise HR regarding:

- (Re)organization
- Processes
- Project management

Kweekel, Fiona van Maanen (List of interviews, #24):

Organizations are often caught up in every day's business and need once in a while be helped to stand still and think about:

- What are we doing?
- How are we doing that?
- Why are we doing that?
- For who and with who are we doing that?

Read more: http://kweekel.nl/index.php?option=com_content&view=article&id=106:het-kweekel-business-modelr&catid=2

This also applies to HR. The rise of social media will bring advantages and disadvantages. An organization should regularly question itself: what is your added value? As a person and as a department one should continue to add value to an organization and as organization it should continue to add value to the customers.

With the rise of social media job boards and employment agencies should consider the services they offer but HR should also consider the services they offer to the organization.

When employment agencies only shove CV's, they are facing a difficult future in a world where everyone has his CV online on a social media channel and where searching for CV's is being simplified by these networks and the search engines. The Internet and social media enable publishing and finding articles, so also for job boards that only show jobs and make them retrievable, it means they need to consider their added value.

HR departments should look for what do we do, why and with who. The rise of social media will change this for sure. It is therefore important that HR moves in step and uses the opportunities. This will ensure the adding of value, because standing still is a step back. And if the added value is limited, then replacement or outsourcing becomes more attractive. Also for HR.

Van Schendel Interim management & Organisatie advies, Robbert van Schendel

(List of interviews, #46):

Impact of social media goes beyond the HR department. The use of social media will change processes in the organization, which can and will change organizational structures. The shift of power, shortage of talent and the rise of social media will introduce new competitors and change of business models. Management consulting agencies will analyze organizations to advise on how to deal with these changes, point out the pitfalls and challenges. How can the people in the processes be empowered to reduce labor or add value? For example, the tools provided by social media enable people to work together online. Online means that location is irrelevant, only the devices and the connection to the Internet are critical.

OranjeMund, Robert van Laren (List of interviews, #31):

Ensuring that an organization is sustainable, it must move with the market developments. The organization has a vision and a goal. People in the organization will continuously move to realize the vision. Human Resources has an important role as they must make sure that the people in the organization are developing. Development means training and educating employees, but also letting go of people who cannot develop with the organization. However, the organization and HR do not look clearly at this. HR looks at the structure of the organization, which capacities and competences are in the organization and which do we need in the future. In big organizations departments are closed, sometimes even without looking what the people in the department have to offer. When these people are being taken into account, then the capacities of what a person can do now are being regarded. Maybe it will be determined which people might be re-educated. But this all happens from the viewpoint of the organization, seldom from the employee. This is happening in a country where there is an ageing population, plus globalization and the competition of the upcoming economies like Asia. We therefore must work more efficiently: obtaining the same result with less people and make better use of the talents in the organization.

The strange thing is that we focus too much on the points we are not good at, in order to improve them. This is how it is in school and also at HR. At primary school it already starts with extra assignments: if a child is not good at reading or mathematics, he gets extra exercises. It is the same at HR where the assessment criteria are being looked at. One should work on the points that do not score well. But it is not often heard that an employee gets the chance to further develop his talents within the organization. A good example is sporting clubs. Young talents are challenged extra to further develop their talents by doing what they are good at. Study gets a lower priority, just like going out with friends. Apparently they are prepared to do so, in order to do what they really like to do and are good at.

Suppose Ajax told Johan Crujff: your competences as a goal keeper are not so good so we will make sure you become a better goal keeper. Then he would have never been such a good striker or he would have gone to another club. If organizations would look like this to their employees then employees will get enthusiastic, perform better, call in less sick, and if possible employees will work longer, all because they are doing what they are good, in the field of their interests and further develop their talents.

Too few people know what their talent is and HR should be able to help. There are several tools that offer the possibility to find out what one's talent is. The role of social media would be in the area of engaging and activating the employees, but also to determine their talents. Because social media is being used to share interests. Whether it is an interesting article or a reaction to an event of liking a message or image: people publish and react to things they consider interesting.

HR should therefore look a different way to put together the staffing, assess and develop people in a different way. Motivate the personnel and make them move by letting them discover and develop their talent. Let it be a boost for the organization, company spirit as company results wise.

In the below table is summed up what social media offers and what the impact is for management consulting. Next, cases from the interviews I held are presented.

Effects from the rise of social media:

- The fixed core of the organization is getting smaller and around the core forms a flexible circle of people that are hired on a flexible basis to perform certain tasks / projects. What does this mean for the organization?
- Processes and projects can be arranged differently and do not always need to be time and location dependent.
- Social media make working together easier, e.g. use one online document to work with.

6.2.3.3 HR Consulting

HR also uses the services of HR consulting. The HR department is responsible for finding solutions for HR problems, and not always all knowledge is available within the organization. Then HR consulting can help. Also some developments and problems need intervention of an external person or party to avoid reputation damage, as making changes is not always well received.

HR consulting can advise HR regarding:

- Employee Benefits
- Pensions
- Insurance
- Education
- Competences / performance management
- Remuneration

- Health & Safety
- HR communication

Eneco, Lidia Schwab (List of interviews, #11):

It is the task of HR to bring together person and organization. The organization is aiming for continuity and in doing so, it has to change in accordance with the world inside and around the organization. But change meets resistance. That also occurs with changes in processes, organizational structures and formation places. It is the task of HR to manage changes for the personnel at all levels in the organization. And I am helping organizations doing so.

Diana Russo HR BusinessPartner, Diana Russo (List of interviews, #10):

HR must ensure that the right people are at the right place in order to realise the organization's goal. HR must be involved in the strategy as a business partner, because changes in the organization can be brought about by the people in the organization. HR knows these people, their competences and what drives them. That is why HR could activate the people the best to make the change possible. The rise of social media means change but in a different way than organizations are used to, namely from the employees instead of the organization. HR would need an advising role towards the management and a guiding role towards the employees. By teaching people how to deal with social media they can be saved from risks and possibilities can be pointed out. For an HR consultant it is key to develop a good HR policy and use the right tools for every phase in the HR process. Social media offers, e.g. with Yammer, the possibility to continuously monitor "employee engagement", and if necessary amend. The combination between the HR policy, the right tools and employee engagement determine the employer brand of the organization. See also: "Integrated Employee Engagement Model" <http://www.dianarusso.nl/IntegratedModel.html>.

Effects from the rise of social media:

- Responsibility for arranging employee benefits, insurance, education, pension, remuneration is shifting from employer to employee (freelance but also result oriented remuneration)
- Shifting from competence management to embedding and further developing talents of your employees
- Social media is a completely new field with which especially the youth is adept in using it, but they do not know how to use it for the company -> bring together youth and experienced workers
- Bring together the different talents, e.g. IT and sales, to exchange ideas
- Recruitment, development and outplacement is changing

6.2.3.4 IT

The last knowledge supplier that I discuss is IT. Today there are many different suppliers that offer HR systems for various solutions. HR knows their business and processes, but IT is not one of them. IT

can guard HR from risks by the selection and implementation of systems. HR will also use the Web site, as part of the corporate site or as separate career site. Managing these systems is a task of IT. However, there is a trend that software is more and more being used outside the own IT infrastructure, e.g. SAAS and PAAS solutions: services that are available online and management is with the supplier. “Working in the cloud” is another new development. IT is able to explain the advantages and disadvantages.

Content Executive, Martine Langerak (List of interviews, #5):

The use of social media requires more from the PC and the IT infrastructure at the office. This also has its impact on the mobile devices we are using and the mobile contracts. If the company really would like their employers to engage and promote their employer, they should think about these simple consequences as well.

SPIE, Cathelijne Olderaan (List of interviews, #40):

Implementing HR systems took 2 years. We needed a much time to set up the system and consequently use it. Especially competence management took a lot of our effort and now we witness continuous changes in this part of the system. Systems should therefore be flexible, they should evolve with the wishes and changes in the organization. Systems should support processes, not determine.

ADP, Jeroen Houtsma (List of interviews, #1):

The world of IT is changing increasingly with more and more developments. This means that suppliers of big IT systems should not enter into every development, but should have a good look at the added value of the development for users and / or organization. Furthermore, the impact on the own systems must be considered. One of the development ADP experiences, is that from an IT organization ADP turned into a service organization. Changes in the law often result in changes for the systems. This knowledge of changes in the law and regulations is now being shared with ADP users and there is even a dedicated service department. The service has broadened from the delivery of software to interacting with users and supporting them. Another development in the last years is the linking of the various systems. The technology makes it increasingly easier to exchange data between systems. This also creates new functionality for existing users.

IT will advise HR regarding:

- Infrastructures
- Hardware
- Software

Effects from the rise of social media:

- “Het Nieuwe Werken”: working in the Cloud and with social media

- (Apparent) contradiction in security of information whilst everything will be shared: company data is being stored in the Cloud instead of in own management
- Virtual hardware instead of hardware in the organization
- Development speed can overtake implementations
- Employees have better hardware privately (laptop, smart phone) than at work so are using these. How about security and company information?
- Code of conduct / guidelines: taking into account more private equipment in the workplace.
- How to deal with social media during working time? IT would like to limit data traffic and prevent viral contaminations, HR is benefiting from employees using social media sites, unless it is slowing down the productivity. Also consider downloading etc.

6.2.3.5 Conclusion

Now that the knowledge suppliers were discussed in detail, an overall conclusion on the impact of social media on knowledge suppliers can be drawn. I will first discuss the bargaining power of HR, then the bargaining power of the knowledge supplier. Finally, I will discuss the impact of social media on the suppliers of knowledge.

Bargaining power of HR (buyer)

Bargaining powers of HR increases because there is much knowledge available from the public. The number of buyers stays the same but the number of suppliers of knowledge increases. There is so much knowledge available, for example via the Internet, that is necessary to check the validity. In addition to the information available on the Internet, there are so many changes, such as the recent developments of social media applications. Experience with these developments is needed to determine which application is useful for the organization and what it means for the work process.

For general information, the bargaining power will increase, but for very detailed questions, the bargaining power will possibly decrease. In total the number of suppliers will increase (every individual on the Internet shares knowledge) resulting in an augmentation of the bargaining power of HR. Changing suppliers is not accompanied by high switching costs.

Bargaining power of supplier

Through the rise of social media every individual that shares knowledge becomes a potential supplier of free personal knowledge. Organizations that charge for their services will need to supply extra added value to HR, for example, by being continuously up-to-date with the latest developments. Furthermore, the suppliers of knowledge need to be experienced in their profession in order to validate the knowledge they are sharing, whereas, knowledge shared by an individual is the opinion and experience of that one person. Service organizations can share the knowledge derived by employees of the organizations and eventually also from assignments at different companies.

The supplier concentration is decreasing, resulting in a decreasing bargaining power as well. When the suppliers focus on specific knowledge sectors, this will result in more experience in a specific topic. This experience validates the knowledge of the supplier and the advice of the supplier will be more reliable. Specialization may result in more dependency, but on the other hand, differentiation of services can result in a unique proposition and increases the bargaining power of the supplier.

Impact of social media

Exchanging experiences and sharing knowledge amongst individuals is made easier through the use of social media. The specialization or knowledge of a individual on a certain topic becomes more transparent and the power may shift from organizations to individuals. Enormous amounts of data derive from the extensive use of social media for publishing, quicker interaction, and sharing knowledge. The advantage of the transparency is that a lot of knowledge on persons or subjects is available, however, there is so much data that it is difficult to organize and process. The challenge is to filter the right data and make optimal use of it. The speed of developments and the available data catches up with the current architectures, business processes, organization structures and legislation. Both HR and suppliers should pay attention to these developments and the impact on their business. The impact of social media for knowledge suppliers is, therefore, that services shift and both HR and the suppliers of knowledge have to continue future developments correlating to such shifts.

6.2.4 Education & Development

Education & Development is also a supplier that is offering its services to HR. An organization has set a goal and to reach that goal, the organization needs people who are qualified. In my opinion the No. 1 task of HR is to recruit and retain employees with the right qualities in the organization. Improving the efficiency and effectiveness of the organization is only possible when the employees are capable of improving their way of working. HR can help them by training, developing and motivating them.

I am making a distinction between Education and Development that I will describe below. Next I will explain what impact social media has on these suppliers. This analysis is based on the interviews. Possible relevant quotes from the interviews will be added last.

6.2.4.1 Education

First, I will describe Education. Education is schooling, i.e. institutionalized teaching. The government determines the structure of education, the schools determine the programs and the student chooses the education that is right for him. By making the first choices in the secondary school, one is already determining the direction of one's work career.

The following levels of education are known in the Netherlands:

- Primary school (“basisonderwijs”)
- Secondary school (“voortgezet onderwijs”)
- Vocational education (“middelbaar beroepsonderwijs”)
- Higher education (“hoger onderwijs”)

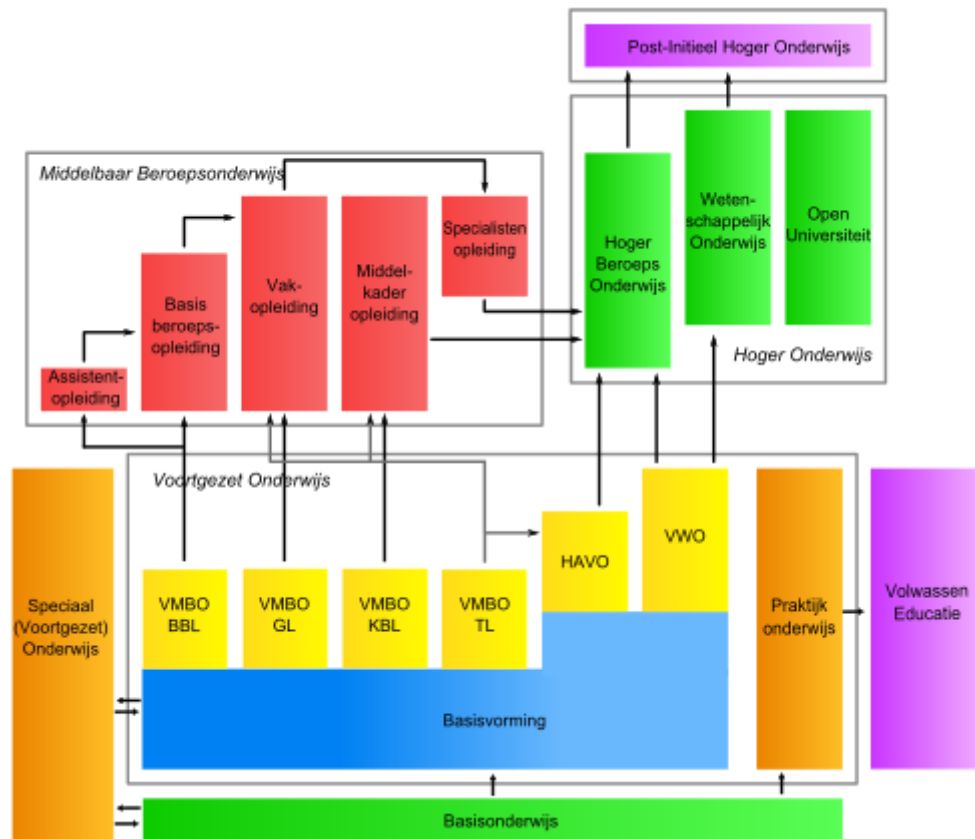


Figure 25: Educational system in the Netherlands
 (Source: Wikipedia, www.nl.wikipedia.org/wiki/onderwijs)

In the below table is summed up what social media offers and what the impact is for education suppliers. Next, cases from the interviews I held are presented.

PROFILE	Online profile
During an education assignments need to be made. The teacher will rate these and subsequently nothing else is done with the assignment. I think that in the future students will have an e-Portfolio, with all of their assignments and ratings online available. Also the online e-Portfolio could be rated publicly, and will become part of the CV	
PUBLISH	Publishing
Social media offers the possibility to publish, reuse and share information and knowledge, like texts, images, audio but also video publications	
PUBLISH	Online communication
Online communication makes cooperation easy, e.g. sharing 1 document to work at, digital	

meetings when everyone is available, sharing online calendars, exchanging text messages, chat and video conferencing

INTERACT	Publishing
One is not time and location wise bound anymore. Anytime, as publications can be looked for or consulted any time of the day. When one has time, one can absorb knowledge. Anywhere, all that is necessary is a device with Internet access to look up publications	
Publications can be found through the Internet but social media is also enabling asking for information and discussing on publications	
INTERACT	Online communication
Online communication makes cooperation easy, e.g. sharing 1 document to work at, digital meetings when everyone is available, sharing online calendars, exchanging text messages, chat and video conferencing	
INTERACT	Online profile
During an education assignments need to be made. The teacher will rate these and subsequently nothing else is done with the assignment. I think that in the future students will have an e-Portfolio, with all of their assignments and ratings online available. Also the online e-Portfolio could be rated publicly, and will become part of the CV	
INTERACT	Online data collection
Data collection will happen more and more online. Speed of data collection is going up. Social media offers much more channels. However, validation of the sources of these data is key because everyone can publish anything	
INTERACT	Online review
Student can work in a team and publish the results. These results can be reviewed by other students, teachers but also by the public on the Internet. Subsequently discussions can be added to these results	

When I combine the points from the above table with what I have heard during the interviews, I conclude that the e-Portfolio will be the future. An e-Portfolio is owned by a person who brings it with him to every educational institution and can even use it as CV for a future job. An example can be seen here: <http://www.youtube.com/watch?v=dgM2cpu7rWk&list=UUsjU8qZrZHxXFrRPAXCS76g>.

Boertien groep, Diane Paulissen (List of interviews, #3):

From teaching (face to face) to e-learning. E-learning is very suitable for transfer of knowledge, but competencies cannot all be done by e-learning. Knowledge can be tested online which is more difficult for competencies. Designing an e-learning program takes a lot of time and effort, but when it is there it is very well (re)usable. Teachers can much easier communicate with their students through e-mail, chat etc. Teachers can publish their lessons through SM channels.

CPS, Claudia Verbiest (List of interviews, #6):

The world is changing fast and educational programs should change just as fast but unfortunately this is not yet the case. This concerns both the content of the programs as well as the way of teaching. Programs for higher school are designed for 4 years (e.g. university) but it is impossible in

the current world to look 4 years ahead. Programs should be adjusted to the developments in the business world in the meantime.

Also teachers need to keep up with developments at school / university and in the business world. The business world should be more involved in the educational programs for example by means of guest teachers, otherwise the connection with the demand from the business world can be missed.

OranjeMund, Robert van Laren (List of interviews, #31)

The aging of the population is going to make it necessary to do the same amount of work with less people. We either must use new technologies and innovation to work more efficient and effective or we should use our team and talent better. Education is becoming outdated: at school is being taught where one is not good at instead of learning how to use your talents. A top sports person puts a lot of time and energy in his sport, possibilities are being created to be able to win the gold medal but someone who is not good at e.g. languages, is required to spend a lot of extra time and energy in learning a language.

Hogeschool Zuyd, Paul Brouwers (List of interviews, #19)

Developments go very fast which has an effect on the educational material in which an educational institution is investing. Also developments in businesses occur quickly. One way or the other the knowledge must come together, for example teachers participate in businesses and companies help teaching.

6.2.4.2 Development

Next I will describe Development. An organization indicates in which direction an employee should develop to take the next step in his career. To me development is the ongoing development of a person, usually from the perspective of an organization. Development is almost never regulated by the government. A person can also choose for taking a course, paid by that person and done in one's own free time, to develop for personal goals.

When determining the need for development, HR will identify:

- What is the goal of the organization based on the vision, mission and strategy and what does the organization need to get there?
- Does the existing staff have the skills to reach that goal and if not, can they be trained? (outplacement)
- What skills are missing and can these be recruited?

Existing tools for identification of development needs are:

- CV and interview
- Performance reviews
- Appraisals
- Assessments
- Tests
- Certification
- Management development
- Educational programs / in-house academy

In the below table is summed up what social media offers and what the impact is for development suppliers. Next, cases from the interviews I held are presented.

PROFILE	Online data collection
Students ask for information on social media, e.g. by means of a poll. This poll is being spread on the social networks / Internet and reactions can come from anywhere. These reactions are linked to personal profiles, enabling the student to automatically generate a segmentation based on these profiles. For example: a poll on LinkedIn gives information regarding gender, industry, education, function level etc. For the training company this is easy to check	

PUBLISH	Publishing
From teaching to e-learning. A training company can offer courses online. This is a onetime big job, but after that the course can be reused over and over again	
One is not time and location wise bound anymore. Anytime, courses can be following any moment. Anywhere, all that is necessary is a device with Internet access to follow a course	
PUBLISH	Online data collection
The training company can validate sources easier through the URL's and online presence of sources.	

INTERACT	Publishing
The online offering of courses makes physical locations less important. Online courses cause a need for teachers that can set up e-learning programs. Are these teachers the same as the ones that are teaching now, do they have the right capacities?	
INTERACT	Online communication
Communication with a teacher anytime, anywhere	
INTERACT	Online profile
File for the training for publishing assignments, progress, communication, reviews, grades etc.	
INTERACT	Online review
The following reviews are possible: <ul style="list-style-type: none"> • from the training company on the student • from the student on the teacher • from the student on the training company • from the public on the online publications of the student 	

CV-OK, Harm Voogt (List of interviews, #7):

Regarding validation of information: "We are in business, because 75% of the people are cheating on his CV".

6.2.4.3 Conclusion

After discussing both Education and Development, an overall conclusion on the impact of social media on these suppliers can be drawn. I will first discuss the bargaining power of HR, then I will discuss the bargaining power of the education & development supplier. Finally, I will discuss the impact of social media on the suppliers of education & development.

Bargaining power of HR (buyer)

Companies that collect services in bigger numbers have more bargaining power. The increasing number of freelancers changes the concentration of buyers, which adversely affects HR, as more buyers come in and freelancers can unite. This union results in a decreasing negotiation leverage of HR. When costs become too high, or the quality and / or improvement of the performance is disappointing, HR can decide to take care of development itself. Organizations with a strong name will easily attract suppliers for collaboration, resulting in more bargaining power for HR. Furthermore, development by an organization with a strong name adds value to the CV of an employee.

Bargaining power of supplier

The supplier concentration is higher for education than for development. For Development there are more suppliers, so the bargaining power decreases. These suppliers are dependent on HR, because HR determines whether Development is on the agenda. Because switching costs are low and the possibility exists that organizations are going to take care of Development, the bargaining power of suppliers is low unless the suppliers have developed a training program together with the organizations. These suppliers do have bargaining power, especially when they educate and develop the skills of people for the jobs that are highly needed.

Impact of social media

Because developments are produced more rapidly, training programs must be adjusted more often, as well as, the demands of the organization. These changes apply mainly to training programs that deal with knowledge rather than competencies. More frequent adjustment will make the costs of the programs higher, resulting in organizations developing training programs themselves. If they can do it cheaper and use the program more frequent. Through the rise of social media, more information is available on the World Wide Web, interaction between people becomes easier, and exchanging knowledge is faster. Gathering content (text, audio and video) is easier which, makes it opportune for organizations to develop their own training program.

A different reason for organizations to develop their own training programs is when job seekers like to join an organization but do not have the right diplomas (in industries with a shortage of

employees, like Health Care).

Validation of the own training program can be done by students, colleagues, teachers, business world, and the public on the Internet.

6.2.5 Marketing

Marketing is also supplying services to HR, which I will discuss in this paragraph. There are many definitions of marketing. Most of the definitions are focused on customers and profitability, like the definition of the Chartered Institute of Marketing:

“The management process responsible for identifying, anticipating and satisfying customer requirements profitably.”

(Source: <http://www.cim.co.uk/resources/understandingmarket/definitionmkting.aspx>)

Since this research is about the impact of social computing on Human Resources, I am looking for the Marketing services that have influence on HR. The HR department does not have customers. HR has the management board of the organization that will provide directions, goals and targets on the one hand. On the other hand HR has the staff within the company and the potential staff members for the future to which they provide services and to which they need service. Therefore I prefer the definition of marketing by Philip Kotler.

“Marketing is the social process by which individuals and organizations obtain what they need and want through creating and exchanging value with others.” Kotler and Armstrong (2010) *“Marketing defined”* Principles of marketing

In this definition marketing is focusing on the individual and not on the product. “Individual” can be translated to the target group of HR, namely the potential, current or previous employees.

Marketing concerns itself with displaying an image of the organization but also with identifying and targeting of target groups, customer satisfaction and retention. This can be compared to HR: HR identifies the demand for personnel, the HR strategy of recruitment plan to approach the target groups and the development plans to retain employees.

Marketing is since the beginning of the 1980’s dealing with branding. HR is doing this only since 2000, so HR can use the expertise of Marketing in this field. Labor Market Communication (“LMC”) is linking the knowledge and experience of Marketing and the target group and message of HR.

Martijn Hemminga is describing LMC as follows:

Structural communication to the internal and external labor market target groups and their influencers with the purpose of recruiting new employees, positively influencing of the employer brand and / or maintaining contact with the current, potential and previous employees. (Source: http://www.amcinfo.nl/index.php?module=announce&ANN_user_op=view&ANN_id=103)

The Marketing department is experienced in communicating with target groups, through different channels and with a catchy message. It is indeed their daily work to bring products and the image of the organization under the attention of the public.

The HR department has no products or services they are selling, but has vacancies and an organization they would like to bring to the attention. The big differences are the target groups and message. It concerns the marketing of an interesting employer instead of a “good” organization, or challenging vacancies instead of a fancy product. The vacancy cycle is different than the product life cycle and reaching the target group can be done through other channels.

However, advertizing a message, using and measuring tools and channels are more marketing than HR related.

That is the reason that in bigger companies usually someone is responsible for LMC who will advise HR on the following topics.

- Target groups
- Channels & Tools
- Message = the Employer Value Proposition & Reputation = the Employer brand

The suppliers of LMC are:

- Advertising / media agency
- Print
- Exhibitions (merchandising, catering companies, etc)
- Online media
- Web agencies
- Designers (photo, video)
- Text writers

In the below table is summed up what social media offers and what the impact is for labor market communication. Next, cases from the interviews I held are presented.

PROFILE	Online profile
	Online profiles enable organizations to be present and findable on every social network. Online profiles are also offering the possibility to share information from the social networks
	Online profiles are giving a better insight in the interests and ambitions of the target group.

PUBLISH	Publishing
Online publications must be made shareable. They offer the possibility to enlarge the reach, to target and to measure	
Employees can share their experiences online. These experiences can be positive or negative	
Offline publications can be scanned or photographed and as such be shared online. For example: QR codes make the measuring of offline conversion possible.	
SEO, link building, ratings and comments: the search engines value the popularity of an online publication. The more often something gets shared, the more relevant according to the search engines. Furthermore, Google ensures that photos from one's network are shown in one's search results, prompting one to have a look at the photos. And if a friend shared a certain publication, it is shown higher in his network's search results. See also http://googleblog.blogspot.nl/2011/02/update-to-google-social-search.html	

CONNECT	Online profile
Online profiles enable the possibility to collect followers. These followers are representing a specific group with interest in the organization that is therefore easy to target.	
The online profile of employees is also offering a channel to target as it is giving access to the friends of (ex) employees.	

INTERACT	Online profile
LMC must ensure that the corporate story that is being told is matching the internal story.	
INTERACT	Online review
The public can react on online publications and leave reviews. Reviews are often considered more credible than the publication itself.	
INTERACT	Online data collection
Through online data collection the organization can learn more about the target group by publishing polls, collecting ratings and reviews, etc.	
INTERACT	Online communication
Interaction with the target group and spreading messages can be done through the various social networks.	
INTERACT	Online findability
SEO, link building, ratings and comments: the search engines value the popularity of an online publication. The more often something gets shared, the more relevant according to the search engines. Furthermore, Google ensures that photos from one's network are shown in one's search results, prompting one to have a look at the photos. And if a friend shared a certain publication, it is shown higher in his network's search results. See also http://googleblog.blogspot.nl/2011/02/update-to-google-social-search.html	

McDonald's is showing in their movies what working at McDonald's should be like. However the image does not correspond with reality and this is generating a stream of negative reactions on the various social networks. (Source: <http://www.youtube.com/watch?v=YU3Wtmj23K8>)

Deloitte, Roos van Vugt (List of interviews, #8):

Deloitte used to have a stuffy image. By letting (new) employees document their job with blogs, photos etc. the outside world can see how it really is to work at Deloitte. It turned out that the

organization was more dynamic than the public was thinking, hence the image is corrected. Furthermore, the recruiters presented themselves online and introduced themselves on the various social media channels. Contacting recruiters became easier, which resulted in qualitative better applications and a lower bounce percentage.

Ernst & Young, Anneke Peters (List of interviews, #12):

Social media is an excellent medium where a snowball effect can be created. However the people in your organization are necessary to get the snowball moving.

G4S, Emanuelle Mendonça (List of interviews, #16):

The HR employees are much more concerned with reaching their targets than deepening in the possibilities offered by the new channels. Next to that, it is not always easy to convince the management that new channels offer new possibilities.

Merck, Peter Pleumes (List of interviews, 27):

The HR Department of Merck exists of 2 persons only, which is one of the two reasons why Merck outsources a lot of their services, amongst others to staffing suppliers. The other reason is that direct targeting of the target group is not allowed. Merck is a pharmaceutical producer and sales can only be done by a select group of people who have very specialized knowledge and an extensive network. There is only a small group in the Netherlands that qualifies. By gentlemen's agreement with competitors this target group cannot be approached directly. The services of recruitment agencies are used to maintain contacts with this target group.

Social media also enables organizations to position themselves as employer brand. However, because pharmaceutical producers are not allowed to directly communicate with the end user – Dutch law only allows direct communication with authorities that can prescribe drugs – Merck is looking for a way to deal with this.

6.2.5.1 Conclusion

I will first discuss the bargaining power of HR, then the bargaining power of the labor market communication supplier. Finally, I will discuss the impact of social media on the suppliers of labor market communication.

Bargaining power of HR (supplier)

When marketing and HR collaborate, the volume that an organization buys will increase. The increase in volume results in more bargaining power. If they continue to work separately, there will be more buyers, which is unfavorable for the negotiating leverage. Using standard products and services gives HR more bargaining power. However, the organization should also present an

authentic image in order to distinguish from the competing organizations. Therefore using standard products is not providing an authentic image, which is a disadvantageous for the bargaining power of HR.

Bargaining power of supplier

Because the number of suppliers increases, including freelancers, the number of substitutes is high. The dependency of HR is limited and because HR will be doing more in this field, this offers more possibilities for suppliers. Switching costs are dependent on preliminary agreements and contracts. Differentiation is not so much in products and services but mainly in the conveyed message. The bargaining power of suppliers is high.

Impact of social media

Through the rise of social media, new opportunities are created. The impact of these opportunities is far-reaching. However, the budget remains the same and must now be distributed over more channels. The online impact and results are well measurable. As HR is price sensitive, this sensitivity has an unfavorable effect on print media and exhibitions.

The new channels are manageable by HR and provide the management information that will show your employee as a marketing channel. Employees can share their photos, videos or blogs, and in this way, generate content for new channels. HR can use and manage these social media channels themselves, which increases the bargaining power of HR. So on the other hand this decreases the bargaining power of the media agencies that provide these kinds of services, like web-designers and text writers. Social media offer a standard product with an almost standard design, making the bargaining power of HR go up compared to website suppliers. These blog sites can easily be integrated with the social media channels and statistics tools like Google Analytics.

Not only the numbers of the analytics become transparent, but the truth as well. The coordinated messages by the company will encounter resistance from people when the message does not represent reality. These people can be former staff members, customers, or business relations. A web care team is needed to deal with the reactions on campaigns. On the other hand, if the personnel is engaged then they might deal with these reactions. Employees communicating positively about their jobs can lead to referrals for new applicants or new business.

Organizations want to adopt the social media channels right away. Because they do not have the knowledge yet, being at the beginning of the learning curve, suppliers are being used to set up a strategy and get these social media channels up and running. As soon as the base is founded, the suppliers become redundant. The marketing suppliers must continue to come with inspiration or unique ideas to remain interesting and to add value to HR.

6.3 Virtual Value Chain

Now the buyer supplier role is described, as well as the effect of social media on the relation between HR and its suppliers, I will describe in the next paragraphs the impact of social media on the HR processes.

Social media has impact on the organization in two ways. The impact from the outside world on the organization and its processes & from inside of the organization to the outside world. By using the Virtual Value chain I will address the value that social media could bring and the downside to it as well.

6.3.1 Outside in

The added value deriving from the outside world on the organization is Knowledge, consisting of finding information and receiving feedback.

Finding information

The Internet can be consulted in order to find information and gain knowledge. Social media is adding the dimension that you can ask for information and if this information is found, opinions of others can also be consulted and own opinions can be expressed.

Example: How to develop a social media strategy

The Internet has provided the possibility to publish information and the search engines enable us to look for publications. Current developments with introduction to social media present the opportunity to communicate with the publisher and react on publication or on other reactions. But it also allows us to ask to users on the Internet or on social media networks to help us find publications or just discuss topics with them.

We are used to Google. Just open a browser, navigate to www.google.com, click on the topic that one would like to find information on and hit the search button. The search results will be presented in seconds. These search results will also present the publications that one's connections on the social media networks and the ratings they have been given. This is called [SOCIAL SEARCH](#) see Google's introduction movie on youtube. <http://www.youtube.com/watch?v=PiewmvaMhUI> (rumors say Google will only present the shares of the connections from Google plus in the future, they have already excluded Twitter source: <http://twittermania.nl/2012/01/social-search-zonder-twitter/>).

The social media present new ways to gain information. Twitter for instance. Just post a question on Twitter and followers will help find what one is looking for. In the Netherlands it is common to use “#durftevragen” or “#dtv” in a post. People who like to help follow tweets with this #dtv and are likely to help when they have an answer.

This same question can be posted on Facebook because maybe a friend has the answer to the question or just start a discussion on LinkedIn. Find a group on LinkedIn who should know the answer, post the question and communicate with the people that react.

Social media provides the possibility to validate information by discussing the information on the Internet.

The current development in the labor market, the economy and the discussions about the alternative workplace raise the question on how the public is thinking about these topics. Tempo-Team struggled with these questions as well and introduced the site www.blijf bezig.nl where they ask the public to share their thoughts on these topics. The site enables the visitors to react on the social media network they prefer.

One of the discussions was about hiring people with experience in the age of 45 and above. Tempo-Team used this input and started a new campaign that showed the importance of hiring experienced people (see an example of one of the commercials on [YouTube](https://www.youtube.com)).

Use the audience to help find answers.

Receiving feedback

There is also information available on the Internet that is not requested for, because everyone can publish anything, also about organizations, products, services, employees or some kind of activities. This information gives feedback on the processes and activities of organizations. It may concern a negative signal, which gives the organization the opportunity to improve its products and services. If it concerns a positive signal, then it can be used as marketing instrument, for research & development and employer branding. Social media makes it possible to involve persons in the activities and processes of the organization.

Example: T-Mobile vs. Youp van 't Hek

Youp van 't Hek is a cabaret performer and writer of weekly columns in the NRC newspaper.

Short version of the case:

His son had an issue with T-Mobile. Their customer service admitted the issue was caused by T-Mobile, but nothing the less a letter had to be sent and within a number of weeks they would react on this matter. Visiting the store, calling the customer service and T-Mobile headquarters asking for a manager did not help and there was no other way to communicate than writing a letter.

The unsatisfied feeling was expressed and posted on Twitter by Youp. People started to react and posted their related experiences with the customer service of T-Mobile. Within half an hour Youp received a call from a manager at T-Mobile and the problem got solved, right away.

The reason for the call was because of the reaction expressed on Internet. @youpvanthek at that time had over forty thousand followers. His tweet received a wide audience and the many reactions create a wide spread discussion on Twitter. Different blogs like the one on [marketingfacts](#), were posted and received a lot of reactions on this topic. Because of the impact of this message he received the call from the manager. That was a reason for him to publish a few more tweets and a [column](#) because of the unfairness to the other customers. This really started the discussion on all the media channels, it even became a news item on TV and an item in talk shows. And his numbers of followers grew up to seventy thousand in a couple of days.

Buzzcapture indicated that the damage to the image of T-Mobile would be 200,000 Euros. (Source: <http://www.nrcnext.nl/blog/2010/10/25/youp-vant-hek-brenqt-t-mobile-imaqoschade-toe>)

Youp bundled all the issues and published them in a magazine “De Help”.

This feedback is horrible for the reputation, but it also provide an opportunity to use the audience and show that you are willing to improve. By showing that you actually improved the issue you can change the negative sentiment to a positive one.

This case should help organizations to address the matter and start a discussion with employees on how to adjust the processes to improve.

6.3.2 Using the Virtual Value Chain to add value

The Virtual Value Chain steps can be applied in both situations. To give an idea I will address one activity: “Measure the sentiment on social media for your company.”

Gather	Inventorying organizational processes and information linked to these processes
Organize	Extract the information from the social media and store them in a database. For instance the publications on social media that mention the company
Select	Filter the information or validate the information and make sure it is about the company
Synthesize	Group the data on the topics you need to report and generate the report showing the percentage of neutral, positive and negative sentiment
Distribute	Share this information with the people that need to know or just publish this on the social media channels

Now you know what people are saying about you. This feedback is valuable input for your next step to adjust your current activities or to further improve the results.

6.3.3 Inside out

Use of social media from within the organization directed to the outside world is adding value for Marketing and Employer Branding. The use of social media can be done from a personal account and from a business account.

A personal account is used by employees who publish about their activities concerning the processes of the organization via their personal accounts on social networks. An employee usually does not have a strategy when publishing. It is mainly regarding things he likes, does, experiences.

A business account is used by organizations to communicate, share and publish in the name of the organization. By using the business account, the aim is to add value to the organization to share fun things about the organization. This is increasing the reach and also an extra means of communication for people outside the organization. The Virtual Value Chain can be used to analyze how to add value.

6.3.4 Using the Virtual Value Chain to add value

I am giving an example how the Virtual Value Chain can be applied for: "Introduction of new employee". The information for this can be derived from the recruitment process, which involves the next business events:

- Manager tells recruiter "I need an employee"
- Recruiter talks to the manager "What is the function about"
- Recruiter makes the job description
- Recruiter publishes the vacancy "We are hiring...."
- Recruiter evaluates the applicants "Sorry not the profile we are looking for" & "Invite for interview"
- Recruiter interviews applicants "Sorry not the candidate we are looking for" & "Invite for assessment"
- Recruiter evaluates the assessments
- Recruiter present the most suitable candidates to the manager
- Manager interviews candidates
- Manager evaluates candidates
- Manager makes an offer to a candidate
- Candidate accepts
- Recruiter arranges the personnel file

Gather	Gather the business events of the hiring process
Organize	Check every business event for information and where this information is stored
Select	Select the data relating to the introduction of the employee, e.g. work experience, function, application date, first impression of the recruiter, assessment results etc.
Synthesize	Summarize these data into a story
Distribute	Post a blog on the Intranet of the organization

The VVC can also be applied to each business event within the main process. For example: “Recruiter makes the job description”:

Gather	Gather all information needed for the description of the job opening by talking to the manager, looking at previous job descriptions, talking to employee in same function, visit the location / work environment
Organize	Film the conversations with the manager and colleagues, and the work location
Select	Select the data, e.g. the department, the manager’s requirements, tasks, candidate profile, location, terms of employment, application procedure
Synthesize	Put the data together into one job description
Distribute	Internally, externally (career sites, social media channels). All videos are input for the YouTube channel and completing the media library for the Web site. This is reusable content, adding value to Marketing and Employer Branding

6.3.5 Conclusion

All physical activities can start digital information flowing that HR can use to add value. This happens on both the level of primary activities as well as the level of support activities. The Virtual Value Chain can, therefore, be applied on HR itself and on every action HR takes.

There are many possibilities to gather data for analyzing and improving activities to use for branding. Social media makes it possible for employees of the organization to bring information instead of HR getting it. Another advantage of social media is the real-time monitoring of the sentiment within the organization. The information can be used by HR to add extra value to the organization by improving policies, activities, and processes. Also better interaction with the employees strengthens the employer's brand.

This theory can be applied on every type of company and activity. This is providing too many variations, for this reason, I confine myself to the above mentioned examples in this research.

Mens in Beeld, Petra Meijssen (List of interviews, #25)

The adoption and added value of social media will depend on the type of company, industry, product or service and employee within the organization. If a publishing company is compared to a

government body, social media will probably be adopted much sooner by the publishing company because they are used to deal with digital information. For example civil servants, who issue driver's licenses cannot share too many work detail on the social media due to the privacy policy. In bigger organizations there is probably room to help, guide and train people with the use of social media, or maybe even hire people. In small companies social media is usually a task on the side.

6.4 HR Cube

So far in this chapter suppliers and the impact they experience by the rise of social media were analyzed, thus giving a view of the influences from outside the organization on HR. Furthermore, I looked at how information flows can add value to the HR process. In this paragraph I will explain what this means for the different components of the KPMG HR model. Recruitment, Development, Outplacement as well as the Support Activities will be analyzed on the basis of the dimensions of the EC Value Grid.

6.4.1 Recruitment

The impact of social media on Recruitment, based on the dimensions Time, Distance, Relations, Interaction and Products / Services will be analyzed and what this means for Efficiency, Effectiveness and Strategy.

6.4.1.1 Time

Recruitment consists of Search (engaging candidates) and Selection (selecting the best candidate). Social media generates efficiency benefits for HR by reducing the time required to complete the recruitment tasks.

Sharing vacancies via the different social media channels is very easy and fast to do. Subsequently getting a first impression of applicants by checking out their online profiles is just as convenient. The social networks can also be used to actively search for candidates, getting a first impression and approaching them.

The Selection process is less time consuming if the Search process is done effectively. The candidate could already form a good view of the organization and base his decision on this view to decide to apply. Also the recruiter could already form a more specific opinion on the candidate. This creates a higher success percentage for the match.

The benefit of social media time-wise for recruitment is that it is available 24 hours a day, 7 days a week to find information and to communicate, a feature that organizations nowadays cannot overlook.

Examples from the interviews and eHRM events:

Deloitte, Roos van Vugt (List of interviews, #8):

Deloitte started to use social media as recruitment tool by communicating about working at Deloitte on Twitter, LinkedIn, Hyves, Facebook, Mobypicture, YouTube and by including a chat function on their own career site. As both organization as employee are able to find a lot of information beforehand the match success percentage has increased and time is being saved. <http://www.slideshare.net/enroc/social-recruiting-deloitte>

Florence, Bart Slottje (List of interviews, #14):

Florence is using social media to reach target groups that cannot be reached via the usual recruitment channels. They are looking for students who must do their internship or who are almost ready with school. Florence is therefore using social media to communicate with this group in order to interest them for a job or internship at Florence. This is a fast and easy way to reach a target group.

6.4.1.2 Distance

The distance on the Web is smaller than physical distance. Video conferencing / chat functionality can be used to save travel time and travel costs. Another benefit of social media is that it can be used to overcome scale disadvantages by linking together people / business units that are geographically decentralized into one larger virtual location. This can be done by activating employees on social media. The content they are generating on all social media can be brought together on one (career) site.

Bringing together all content generated on social media into one virtual location, has the powerful benefit for an applicant to gather all sorts of information in one place, e.g. a career site. He can find more information about the job or the business unit, or find the right contact person for the job. The match success percentage will increase if for example the recruiter and candidate already had online contact, thus making the Selection process more effective.

It is more effective when an employee publishes about the organization than HR doing so. An employee can give a better insight what happens in the workplace, what the atmosphere in the team is and what the daily activities are. This make the distance between the potential employee and his new colleagues smaller.

Often applicants start their job hunt on a search engine. For organizations it is therefore imperative that their career site can be found. This can be done by applying Search Engine Optimization which can be improved by continuous updates on the Web site, link building to the Web site, generating visitors and likes or ratings on the several social media, resulting in a higher ranking at the search engines.

The Internet is providing global presence. With valuable content on the social media a global community can be reached, which is the strategic benefit of social media on the dimension Distance.

Examples from the interviews and eHRM events:

Tempo-Team, Wesley Hendriks (List of interviews, #43):

The Tempo-Team Headquarters are in charge of recruitment for the agencies throughout the country. They have chosen to centrally manage the company profiles on the social media channels like LinkedIn, Hyves, Facebook and YouTube. Apart from the organizational benefits for managing and controlling these, one community with many users generates more interaction and reach than many small local communities scattered on the Web. The employees within this community can together offer more information to potential employees.

Detailresult, Jeroen Kneppers (List of interviews, #9):

Detailresult has several distribution centers in the country that take care of supplying their retail shops like Bas van der Heijden, Dirk van den Broek, Digros and Dekamarkt. For the search and selection of their personnel a temping agency was being used. By launching a Hyves page and activating the employees, Detailresult could show to the connections of the employee how much fun working at a distribution center is, without having to use a temping agency. The outside world had no idea that all social media activities were coordinated by one person, and not by a team of people.

6.4.1.3 Relations

Social media are altering the structure of recruitment business relationships. Social media are automating intermediaries' tasks and therefore a trend towards disintermediation is occurring. It is easy for an applicant to directly contact future colleagues and / or manager and skip the recruiter, who is acting as the intermediary. Also because recruiters can search themselves in online profiles, the role of the intermediary companies is changing.

Another process that is made easier, is referral recruitment. Referrals can be easier reached by using the recruiter's own social network, but also the networks of his connections on the social media. This works not only for the recruiters, but for the entire staff as well.

By collecting information on demand, the Recruitment process can be done more effectively. This is the case for the referral network that can be analyzed on demand, e.g. LinkedIn where can be searched in 2nd degree connections. Also having self control over all candidates in the Talentpool has increased. The dependency on the protected database of intermediaries has decreased since the changing role of the intermediaries.

The strategic side is that social media produces valuable information for free. The candidate must be connected to the organization and the organization must create a lock in by keeping the candidate interested.

Examples from the interviews and eHRM events:

Microsoft

The recruitment site of Microsoft www.werkenbijmicrosoft.nl showed as first employer (as far I know) in the vacancy text photos and tweets of employees of the same department, with a link to the personal profile of these employees on this same recruitment site. This is now also done in a similar way at <http://banen.bol.com>. By showing the employees, in other words potential colleagues, a potential candidate gets a good view of the work environment, and this facilitates contact.

Exact , Angelic Vloemans (List of interviews, #13):

Angelic has worked during her recruitment career at several organizations and has many contacts in the recruitment world, many of them are connected with her via LinkedIn. When her organization has a job opening, she shares that with her LinkedIn connections. This is often resulting in useful candidates when her connections are sharing the vacancy within their networks.

The elaborate network of a recruiter can via social media easily lead to suitable candidates, making a search & selection agency unnecessary.

SocialReferral, Guido Nieuwkamp (List of interviews, #39)

“By utilizing employees’ existing social networks, together with our advanced social matching feature, SocialReferral dramatically increases candidate numbers and accuracy, while at the same time lowering cost per hire. SocialReferral’s easy interface allows recruiters to post jobs easily, and stay on top of the process with comprehensive analytics showing prospective candidates, quality of matches and the reach of the 1st degree network of the complete organization. Users simply recommend contacts for jobs – and benefit from the rewards – by linking to their own social networks. SocialReferral works by making a shortlist of the best candidates for a particular job, and in just one click, users then choose which of their contacts they put forward. Recruitment progress can be tracked through a log showing all recruitment activity – including that of colleagues. Friends and contacts can even be nominated anonymously, while users can still benefit from referral incentive rewards.”

6.4.1.5 Interaction

As social media is all about communication, it is clear that the nature of interaction in recruitment is changing under the influence of social media. Social media enables easy, direct contact with a (potential) candidate. Furthermore, an applicant's blog or contributions to a forum and the feedback on his blogs and contributions already give an impression of the applicant's talents and competences, thus enabling a pre-screening for the recruiter.

Feedback given by potential candidates to recruitment publications or the recruitment process can be used as input to improve the recruitment process.

By putting recruiters in control of the social media interaction, they can determine themselves which information they want to use and who they want to contact. When relationships have already been established using social media, face to face contact is easier. This enables a higher match success percentage in the Selection process.

Recruiters interact via online communities with colleagues, (potential) applicants and other interested parties, thus contributing to the employer brand of the organization.

Examples from the interviews and eHRM events:

PostNL, Gijs Oppenheimer (List of interviews, #32)

PostNL (formerly known as TNT) was able to incorporate a low-cost career site by experimenting with a Wordpress site, a YouTube channel, a Twitter account and a digital camera. Short movies added to the site show managers telling what candidates they are looking for and also showing the working environment. Photos of recruiters are shown including their social media contact links and chat function. This is making the recruiter very easy accessible for applicants, even before applying. www.tnttalk.nl

Deloitte, Roos van Vugt (List of interviews, #8):

Deloitte also offers possibilities to communicate with recruiters who are very active on the social networks. Their experience is that these means of communication are increasingly used and that the interaction with the potential candidates is paying off. The numbers show that candidates that after having had contact are invited for an interview, are more likely to come. In other words, the success percentage of people coming for an interview has increased.

6.4.1.6 Products / services

The different social networks offer several tools to automate user's tasks to improve the efficiency. On LinkedIn a search for profiles can be created that automatically sends notifications concerning

new or updated profiles. Other possibilities are an automatic update of the online profiles of a recruiter's connections on the social media and an automatic update of the data in the online profiles.

The effectiveness of social media for recruitment products / services is to improve the user's information gathering to make decisions. Using Web statistics to find out which target group can be found where (this is also interesting for the marketing department) is one of the social media advantages. Another advantage is that Recruitment now has several channels to contact target groups. In the past Recruitment was part of the corporate site and was often dependent on Marketing when it came to using communication channels. In the end this also contributes to better match making: the success percentage of the match is higher.

Strategically, social media creates marketing value by bundling information of the target groups and new ways to connect people to the employer brand.

Examples from the interviews and eHRM events:

Netwerven, Leon Willemsens (List of interviews, #28)

Detailresult (a big retail company and customer of Netwerven, a company specialized in online recruitment) started using Hyves to recruit youth for the distribution center. When they found this was a successful channel they looked at ways to make it even more easy for the target group to get in contact with Detailresult. Netwerven developed an app in Hyves for Detailresult. Employees of Detailresult could put this app in their Hyves profile and visitors to their profiles would then be addressed personally and informed about vacancies at Detailresult.

Deloitte, Roos van Vugt (List of interviews, #8):

Deloitte developed an iPhone app to find jobs and stay informed about jobs at Deloitte. The results (number of applications) were disappointing but because Deloitte was the first with such an app, it produced a lot of brand recognition. Overall, the Deloitte case is so successful that everyone is talking about social media recruitment cases. Next to the added value for the employer brand it also has an added value for marketing.

6.4.1.7 Support activities

Management information

Through publications on social profiles a candidate gives a more complete picture of himself. This makes it easier for recruiters to find candidates and match them. This also is the case the other way around: the organization publishes more, enabling the candidates to make a better decision before applying. In the management information the match success rate should be made transparent: social

media is effective when the percentage of applicants that are hired increases and the number of applicants that drops in the selection process decreases.

Using social media is increasing referral recruitment and this may be reported in the management information, however, determining whether a candidate came via a referral is not always transparent when using social media. The number and status of the candidates in the talentpool could be reported, as well as the success rate of the hiring process.

Reporting on the behavior of visitors can be done if their origin is known. The Web statistics of the site(s) can be used for this and should be brought together in one location. A distinction should be made between the reach of the own social media channels and the reach of the own site. For example, the own site can be shared via social media. This means that the activities of the public should be measured as well, depending on the possibilities generated by the visitor / Web site / social media channel.

Management information should be expanded with social media statistics, namely reach (number of followers) and engagement (interaction).

Efficiency can be obtained by using social media for recruitment. Organization can choose to stick to recruitment agencies or shift instead to social media. Earlier I discussed the Detailresult and Deloitte cases. Another example is VUmc: by putting the right people at the right place and using the current technology the recruitment process could be organized more effectively at VUmc. Read more: <http://www.hrpraktijk.nl/nieuws/nieuws/gebruik-marketingtechnieken-bij-werving>

HR costs & efficiency

Searching on social networks to potential candidates can be reported in the management information. A complicating factor is how to calculate the time spent by the recruiter.

Reporting on the hiring process can be done on cost per hire and supply per channel. This could possibly be broken down into the several steps in the hiring process, like # candidates, # interviews, # assessments, # hires.

When investing in the use of social media, it is easy to calculate the costs of vacancy postings. However, how can the time to generate an audience on social media be calculated? This is something to consider. The same applies for the search on the social networks for candidates.

The time to generate and maintain an audience on social media should be calculated, as well as the contribution to the value of the employer brand by all interaction activities.

Estimating & budgeting

When an organization has decided to start using social media for recruitment, it might prove difficult to draw up a good cost estimate. It is not sure how much cost will be spent and how much time should be calculated.

6.4.1.8 Conclusion Recruitment value grid

Now the impact of social computing on recruitment, based on the five dimensions of commerce and the three dimensions of value creation, has been analyzed I present the outcome in the Recruitment value grid.

	EFFICIENCY	EFFECTIVENESS	STRATEGIC
TIME	Accelerate search & selection activities	Increase match success percentage	Establish 24x7 online presence of recruitment
DISTANCE	Improve scale to look large Decrease traveling time & costs	Present single gateway access through career site	Achieve global presence for employer brand
RELATIONSHIP	Alter role of recruitment agencies, job boards & recruiters	Engage in micromarketing with candidate & talent pools	Create dependency to lock in potential candidates
INTERACTION	Make use of extensive feedback	Access more detailed information of candidates	Increase loyalty via online communities
SERVICES	Automate publishing, search & selection activities using software agents	Enrich management information & online decision tools	Strengthen employer brand

Figure 26: HRM - Recruitment Value Grid

6.4.2 Development

The impact of social media on Development, based on the dimensions Time, Distance, Relations, Interaction and Products / Services will be analyzed.

6.4.2.1 Time

Social media can reduce time spent on administration by HR by shifting tasks to the people in the organization. This should be made possible by a personnel information system that can be accessed by all employees. Employees are working on certain projects or are performing certain tasks. Instead of having HR finding out which projects or tasks this concerns, they can be entered by the employee himself in the system. Subsequently appraisals can be given in the system by colleagues, and the same applies for assessments.

Furthermore, the sentiment of the employees about the organization on the social networks can be used for the Employee Engagement Survey. This is then monitoring the real-time sentiment of the employees and therefore making this information effective for HR.

The effectiveness of HR can also be improved under the influence of social media by providing the necessary information in the personnel file. So if the employee can enter information as well, the file will be more complete in less time. This information can also be used to update the organization and formation chart instantly.

Social media offers the possibility to be 24 / 7 in contact with the people in the organization and to look into and update the personnel files.

6.4.2.2 Distance

Social media hand tools to communicate via the Internet, e.g. chatting or video conferencing, resulting in reduced travel time & costs.

Using the advantage of the Internet that physical distance is meaningless in cyberspace, social media brings together employees in one virtual location based on interests or work field / experience. Another advantage of social media is that it can inventory the demand from the employees for e.g. training in one virtual location. For HR it is very effective to be able to aggregate information into a single virtual location, which is also accessible by the employees.

On the strategic side, this empowers the employer value proposition.

Example from the interviews and eHRM events:

Recruit2, Jacco Valkenburg (List of interviews, #35)

Recruitment is very conservative and is seldom in the forefront when it comes to developments. A few years back Jacco wrote the book "Recruitment via LinkedIn which sold many times, but in practice it is relatively poorly used. Right now recruitment seems to focus on employer branding and the career site, but mobile seems to be overlooked. Meanwhile a large part of the target group owns a smart phone with Internet access, but the recruitment sites are rarely set up for mobile visitors. As is the case with social media, everyone will soon be able to work location independent. There is a lot of talk about it, but actively using and exploiting it is still in its infancy.

Social media makes online interaction easier which gives a boost to The Alternative Workplace ("Het Nieuwe Werken").

6.4.2.3 Relations

The role of intermediaries is changing under the influence of social media. For Development it is the career coach who could be (partly) replaced as social media can be used to bring together the employees to talk about career development instead of the career coach.

By collecting information about the employees, the organization can service the employees more effectively, for example by offering trainings on the basis of the personnel file or online profile. And if the entry of information is done by the employees themselves, HR can be more effective by focusing on the more complex matters.

An organization that uses social media to present new projects and achieved milestones stimulates and engages employees. If these publications are made available in an online community, will this strengthen the ties with and amongst the employees. Also career opportunities and career development can be presented to the employees. This can strategically be interesting to flex employees: people can job hop within the organization, or could do an internship at another company to gain knowledge and experience.

6.4.2.4 Interaction

Feedback can nowadays be given through the social networks. This is altering the nature of interaction. HR can use the feedback given via the social networks to update the personnel files. In case feedback is given on performance, it is input for development and competence management. Feedback on the organization and the sentiment among employees is input for HR to act.

By putting the employee in control of his personnel file and career opportunities they will provide the information for the personnel file themselves and they can decide which information will be used for what. Of course HR will always have access to the complete personnel file. This is effective for HR so they can spend time on more complex things rather than performing the time-consuming task of updating files themselves.

Using social media has several strategic advantages. Employees can be involved through social media for discussions on e.g. changing regulations. This involvement creates loyalty which results in a stronger employer brand.

6.4.2.5 Product / services

The efficiency of HR could be improved by automating tasks. This could be done for discussions with alumni and by providing benchmark information on compensation, from the personnel information system.

Tools that customize and personalize advice on career development and compensation are very effective for HR as this would simplify the decision process for each and every employee. And strategically the advantage of social media is shown by bundling information for unique offerings to employees.

6.4.2.6 Support activities

Administration

For personnel registration social media is enabling entering of data by the employees. HR can subsequently control the entries. This is saving time for the HR staff.

For time, absence and holiday registration social media is enabling entering of data by the employees. HR can subsequently control the entries. The entry process can be made more intuitive and social media can be used for checking. This is saving time for the HR staff. Especially when the entire staff can be involved to assess their colleagues.

Management information

The continuous updating of the personnel files by the employees under the influence of social media enables reporting on up-to-date organization and formation charts. Furthermore, the real-time Employee Engagement Survey could also be reported.

HR costs & efficiency

Performing an online Employee Engagement Survey is saving time for HR. The sentiment of the employees can be measured.

In case of an international organization, video conferencing and chat functionality save travel time and travel costs. However, the chat functionality must be available during office hours at least, that would mean an investment in staffing the chat functionality.

The cost of managing and updating the site where all content generated by the employees on social media is brought together should be taken into account.

For HR it is very effective to be able to aggregate information into a single virtual location, which is also accessible by the employees. On the strategic side, this empowers the employer value proposition. The costs of adding value to the employer proposition could be calculated by taking into account that when an employee stays longer, hiring costs are being saved and knowledge stays in the organization.

Another advantage of social media is that it can inventory the demand from the employees for e.g. training. This is cost saving on the HR procurement side.

The role of intermediaries is changing under the influence of social media. For Development it is the career coach who could be (partly replaced) as social media. This would save costs.

6.4.2.7 Conclusion Development value grid

Now the impact of social computing on Development, based on the five dimensions of commerce and the three dimensions of value creation, has been analyzed I present the outcome in the Development value grid.

	EFFICIENCY	EFFECTIVENESS	STRATEGIC
TIME	Accelerate HR activities	More complete & accurate data in digital personnel files	Establish employee portal & 24x7 self service availability
DISTANCE	Aggregate information, decrease traveling time & costs	Present single gateway access through employee portal	Empower employer value proposition & achieve time or location independency
RELATIONSHIP	Alter role of the career coach & HR employee	Engage in micromarketing on trending topics & employees in need	Create dependency to lock in (flex) employees
INTERACTION	Make use of extensive feedback & employee sentiment	Employees control detail of information entered and accessed	Empower employer branding via online community
SERVICES	Automate administrative tasks using software agents	Enrich management information & online decision tools	Digital personnel file and bundling information strengthen employer brand

Figure 27: HRM - Development Value Grid

6.4.3 Outplacement

The impact of social media on Outplacement, based on the dimensions Time, Distance, Relations, Interaction and Products / Services will be analyzed.

6.4.3.1 Time

HR is performing a number of tasks in the area of outplacement. Social media can accelerate several of these tasks. HR is helping the employee that has been made redundant to look for another job, either internally or outside the organization. Through social media colleagues can help to find a new

job as referral has proved to be the most effective source. Furthermore, the organization's network can be used to find a new job, so called "mobility".

The made redundant employees are facing an important change in their lives and this comes with a lot of information. Helping them effectively organizing this information by learning how to use social media in their advantage and perhaps even finding a job for them, will give them a positive feeling, even though they are dismissed. This is preventing the possibility that they will express themselves in a negative way on the social media. Reversing a negative sentiment to a positive one is taking time and effort, so preventing this saves a lot.

Employees that leave the company with a good feeling are potential employees and referrals for the future. This has a strategic value for the employer brand of the organization and the soon to be ex-employees may be interested in rejoining the organization in the future.

Examples from the interviews and eHRM events:

[Boertiengroep, Diana Paulissen \(List of interviews, #3\)](#)

Due to the financial crisis in 2009 the dismissal of several colleagues was needed. By providing these colleagues with a social media training and helping them with their presence on the Web, a positive effect was created for the relationship with these ex-employees.

[Stehouwer en Vink, Jan Stehouwer \(List of interviews , #41\) & Rent a Pen, Phil Kleingeld \(List of interviews, #36\)](#)

Both gentlemen spoke about the negative feeling people have when receiving the message to leave the company. What would it mean for your brand when people address these matters publicly on the Internet? And once posted, what kind of reactions would this trigger on the social media? These posts will be in Google and are there to stay. How will this affect the employer brand? Brands should be aware of those effects and should be careful with the communication and the entire process involving outplacement.

6.4.3.2 Distance

A huge benefit of social media is that it can be used to overcome scale disadvantages by linking together people / business units that are geographically decentralized into one larger virtual location. In this way an "outplacement" site could be created where the made redundant employees can present themselves with input from HR and their managers. HR can subsequently promote these employees in an easy way, to both internal staff as outside connections, partners and other organizations.

HR could also use social media to train the made redundant employees in how to use social media, taking into account the privacy option. HR could even create a relatively low-cost site bringing together all tips & tricks by embedding useful blogs and YouTube tutorials.

Bringing together all employees that need to look for another job into one virtual location, has the benefit that all sorts of information regarding the employee are in one place, e.g. the “outplacement” portal. The employee can create a personal profile on this outplacement site and use this for potential new employers and therefore creating an easy point of contact.

The Internet is providing global presence. With the right content and training the employee can present himself on the World Wide Web.

The distance between the employee and possible future employer can be reduced which results in the employee leaving the company with a less negative feeling. This strengthens the employer brand.

6.4.3.3 Relations

By using social media, the structure of business relationships within Outplacement is changing. Disintermediation is also occurring here. The role of the career coach is taken over by the “public” (the users of social networks). Also the role of the intermediaries and job boards is shifting towards the public. By asking “please help me find ...” the public can share jobs.

Also new intermediaries emerge through the use of social media. HR and colleagues can help the employee targeting the potential employers and recruiters more effectively. The employee can target the recruiters at potential employers.

Finally, roles can change. The role of staffing supplier can present these employees to their customers instead of the “official” role of presenting candidates to the organization.

The employee has a profile in the outplacement site and can even after leaving the organization be followed. The employee can therefore be targeted for (online) events such as the alumni network with a bulletin board / news board / expert opinions etc.

This has the strategic advantage that the ex-employee will become an Ambassador, creating value for the employer brand of the organization.

6.4.3.4 Interaction

New types of interaction have emerged through the use of social media. The outplacement site can be used to interact and together with the profile can become a part of the personnel file. The made redundant employee can, if necessary with the help of HR, use the feedback on the profile to improve it.

By putting the employees in control of their files and online profiles they will provide the information for the personnel file themselves and they can decide which information will be used for what. Of course HR will always have access to the complete personnel file.

Granting employees this level of control, will give them a positive feeling, even though they are dismissed. This is also contributing to their “Ambassadorship”.

6.4.3.5 Product / services

Social computing offers several tools to automate user’s tasks to improve the efficiency. HR can use these tools or make them available to the made redundant employees through the outplacement site. Examples of such tools are: online assessments, job matching, expert review, “Banenbedrijf” (initiative of PostNL and 2 major temping agencies to find jobs for redundant personnel of PostNL, see [PostNL en TempoTeam](#)).

By reviewing the outplacement site it becomes clear which employee is actively making an effort to find a new job and who is not. Online assessments show what the capacities, talents and ambitions of the employees are that possibly fit in the organization and are therefore functioning as online decision tools. Right now organizations do not pay enough attention to which talents can be retained to realize the ambition of the organization, now and in the future.

On the basis of interests, talents and ambitions an organization can make more progress. The management information must be adjusted so that per person a match can be made between the talents and ambitions of the organization and those of the employee. The strategic advantage is that an organization can retain the right people during a reorganization.

6.4.3.6 Support activities

Administration

By putting the employee in control of the personnel file and adding social computing features, the interaction between the redundant employee and possible new employer can be registered and possible new connections and new projects or job openings can be presented. The process and administration on assessments can be managed by the employee as well and the results can be used to improve the results for matching vacancies.

This will reduce the time spent on the administration part of the outplacement process and enable the outplacement employees to coaching the redundant employees.

Management information

The real time reporting possibilities, based on the interaction with the redundant employees, enable the HR department to point out the employees that need extra attention. Either for those that do

not put in the effort in finding a new project or job opening and those who are looking jobs that do not fit their profile. The feedback on the job application of persons can be presented in reports, which can help to provide a clear view as to why employees are not successful in finding a new opportunity. The feedback also enables HR to help the employees' awareness that their skills need to be improved or the criteria for finding a new job need to be adjusted.

The interaction with the redundant employees can be captured in the personnel files and this information provides an insight on how the HR department is performing. The management information on the redundant employees can help not only with finding another opportunity, but also helps the company to build up a case to dismiss employees.

HR costs & efficiency

By helping the redundant employees to find new opportunities, organizations save money on the discharge compensation and may keep these redundant employees as worthy alumni. This will result in alumni that are positive about the company and are helpful in generating new business or later in time can return to the company as employees. This is more cost efficient than laying off employees that leave the company with a sense of grievance accompanied by the possibility of negative exposure.

If a company succeeds in engaging the staff to find new opportunities for the redundant employees, this could prevent hiring new staff for the outplacement tasks or outplacing these processes to third parties. It will cost time and therefore money to involve the staff to help find new jobs for these redundant colleagues, but can save costs in the HR department. Not to mention the possible team spirit and positive exposure.

6.4.3.7 Conclusion Outplacement value grid

Now the impact of social computing on Outplacement, based on the five dimensions of commerce and the three dimensions of value creation, has been analyzed I present the outcome in the Outplacement value grid.

	EFFICIENCY	EFFECTIVENESS	STRATEGIC
TIME	Accelerate outplacement activities	Increase referral & mobility	Create ambassadors from redundant employees
DISTANCE	Connect redundant employees in one virtual location	Present single gateway access through outplacement portal	Introduce redundant employees with partners or possible employers
RELATIONSHIP	Activate crowd and alter role of career coaches & staff suppliers	Engage in micromarketing with alumnis	Create dependency to lock in alumnis as ambassadors
INTERACTION	Make use of extensive feedback & referrals	Redundant employees & alumnis control detail of information accessed	Alumnis become ambassadors that interact via online community
SERVICES	Automate outplacement activities using software agents	Use talent as parameter in the decision tools	Retaining talents boosts organization and strengthens brand

Figure 28: HRM - Outplacement Value Grid

The Recruitment, Development and Outplacement grid combined presents the HR Cube as mentioned in 5.4.3 and provides a clear view of the impact that social computing has on HR.

I will summarize my findings and conclusions, based on my analysis of the impact of social media on the HR environment and the HR processes, in the next chapter.

7 Conclusion

In my professional experience in the recruitment industry, social media is considered a free substitute for job boards and a threat to staffing agencies. I have researched the broad question, “What is the impact of social computing on HR,” by means of conducting interviews, applying theories and analyzing subjects’ responses.

7.1 Impact of social computing on organizations

First, I researched the rise of social media and came to the following conclusions.

Shift in power

Social media has become a new powerful medium that presents many new opportunities, both for individuals and for organizations. This combination of rapid communication and public visibility can make an individual’s voice more powerful and important. Individuals can use social media applications to reach large numbers of people in a short period of time and unite. Information is being shared faster than organizations can process. The hierarchical structure and decision making in larger organizations slow down their ability to act, enabling groups of individuals to stand up against established institutions and gain control.

Big data

The rise of social media enables users to publish their thoughts and interconnections on the World Wide Web. This renders so much information about users that entering data is changing more and more into gathering information. The personal profiles give an extensive representation of a person’s interests. People connect with friends, class mates, or colleagues sharing messages, images and locations resulting in links that create a detailed picture of each user. All data together represent a marvelous source of sensitive information.

Privacy

At the same time as the prevalence of communicating via social media increases, there is a shift in the perception of privacy. The variety of opinions on the topic of privacy often leads to many controversial debates. The lines separating private and professional lives are disappearing, making users’ private lives more transparent. Social media allows not only friends and classmates but also colleagues and superiors to view personal information and whereabouts.

Visualization

Mobile devices make it easy to take and edit photos or videos and share them via the social networks. It is more and more common that large amounts of information are summarized in images, presentations, videos, and info graphics.

Business models are changing

Information on individuals is more publicly accessible through the social media, making the labor market more transparent. However, the business models of staffing agencies are based on a non-transparent market. Furthermore, the use of social media is free as opposed to the previous methods of paying for applications. Payment is only required when the use of the software is without advertisements or includes special features. Finally, having a lot of information on a range of people makes targeted advertising possible. Therefore, user data collection is valuable. More profiles and high usage of the application generate more revenue. On the other hand, more profiles and connections with other applications add value for the users. In short, existing business models are changing.

“Free”

Although most social networks are free to use, deploying social media takes a lot of perseverance and time, and therefore, money to pay the workforce. From an organization’s view point, using social media is not free at all. Although the social networks are free to use, these networks are being “paid” by enriching their data collections, simply by using their applications.

7.2 Impact of social computing on Human Resource Management

Next, I investigated the impact of social computing on human resource management. The interviews showed that HR is in an experimental phase with social media and exploring how to benefit from social networks. When HR becomes more experienced with social media, new and more efficient ways to deploy social media should be considered. This will lead to improving processes, adapting the current tools so that processes can be organized more efficiently, carrying out work more effectively, thereby, gaining strategic benefits. If this is succeeded then the impact of social media will be demonstrably clear.

As explained earlier, both HR departments and HR suppliers are part of this research. I will describe the impact of social media on both.

7.2.1 Impact of social computing on the HR department

At first glance, the impact of social computing does not appear to be significant. There is much publicity about the use of social media, but in practice, the opportunities that social media presents are still under used for reasons of time and reluctance.

HR is seen as a department that costs money, particularly because it does not generate turnover. The department is often minimally staffed and busy with the existing activities. Lack of time and appropriate workforce in the HR department makes it logical that the first application of social media is focused on a more efficient and effective use of time. To realize efficiency and effectiveness, HR

needs to coherently invest in the use of social media and interaction with the public. Change is needed and a different way of working is inevitable.

In a conservative department like HR, change can bring doubts and reluctance. Although HR is continuously recruiting people for the ever changing organization, the HR staff is not open to change and working together. The HR employees use the different social media channels, but mainly their activity is limited to passive watching or sending messages. Interaction and active communication are still remote. The management is even more conservative. The management's reluctance to use social media is one of the main concerns when addressing the problem of HR's limited use of social media and necessary changes in business processes to take advantage of the many opportunities social media represents. The management's main concern is their own position within the organization, their immediate staff, and their personal goals, as opposed to the common interest of the organization, let alone the interest of the employee or the community.

Free lancers are much more experienced in the use of social media. This is a logical consequence of the way they use social media, namely to promote and advertise their businesses.

7.2.2 Impact of social computing on the HR suppliers

The increasing use of social media makes the labor market more transparent for HR suppliers. This change in the labor market shifts the power from the organization to the individual. With the speed of technological developments and efficiency of the communication with social media, existing organizational systems - such as business models, laws, and regulations – are affected. The rise of social media therefore has a far-reaching impact. Adjusting these business models and organizational architectures can be complex and therefore, time consuming. This provides opportunities for new initiatives and new entrants in the market.

Researching the question “will social media replace staffing agencies and job boards,” comparisons are found between the development and increasing use of the Internet and the current rise in use of social media. When job boards were introduced containing online CV databases, it was expected that they lead to the demise of staffing agencies, nevertheless, these staffing agencies are still in business today. HR does not appear to rapidly adopt new developments. Fifteen years ago eHRM systems were being introduced and these are only recently widely popular. Therefore, it is incorrect to assume that social media will replace staffing agencies and job boards, unless they do not offer added-value services.

7.2.3 Impact of social computing on the HR cost structure

The rise of social media introduces new entrants to the different industries in which the HR suppliers are competing. More competition will increase the bargaining power of HR and the suppliers need to differentiate their products or services to stay competitive. By integrating their services they will increase the switching costs for HR, decrease the threat of substitutes and gain bargaining power over HR.

Overall I believe that initially the costs of the current HR systems will decrease and more time and money will be spent on people and services to improve the employer brand and the use of social media. When the best way to effectively make use of social media has been discovered, the effort will be focused on using social media more efficiently. This will result in adjustments to the HR systems to optimize the support of the HR processes which will eventually lead to higher costs for these HR systems. I expect that this will be a recurring movement.

In the past couple of years there have been some successful cases, like Detailresult, Deloitte and VUMC that show a reduction in costs for HR by using social media. But since the financial and euro crisis not many cases have been presented.

These crises in Europe have increased the bargaining power of HR based on the declining HR budgets and have postponed the urge to reassess the HR processes or systems. Those organizations that have changed structures and realigned their processes, will have a strategic benefit when the economy gets back on track and the ageing population will be a bigger problem for the labor market than today. The war for talent will be tougher than before, resulting in more time and money being spent on recruitment. I expect that therefore the HR cost structure will not differ from that in previous times of economic growth, as HR is a conservative industry. However, if the HR department would change and for instance engage its employees as recruitment channel, could face different cost structures than before.

7.2.4 Impact of social computing on the HR processes

Every organization has other challenges and their own processes. Which makes it impossible to present the impact for each individual HR process that would suit all organizations. Therefore I present a framework, called the HR Cube that can be used by every organization to assess the opportunities introduced by social computing. The HR Cube demonstrates on which dimensions social media can add value. In my recommendations, see chapter 8, I will illustrate opportunities for both the HR department and HR suppliers to maximize value.

Future scenario

If the shift in power from organization to individual continues, the individual will increasingly be enabled to share his personal profile data and use this in other applications. The individual controls this personal information and who gets access to it. What if the personnel file of an individual would function the same way as a personal profile on the social networks? This would allow individuals to publish their achievements, colleagues to share reviews and ratings, HR to look into the files. On the basis of the HR policies and employee requirements, employees can then be invited for trainings. The outcome and results of assessments and trainings would be visible in the personal profile and the employee can choose to share these with friends, colleagues, and other connections.

Or what if an employee ends up in an outplacement program? A social plan would be launched and employees can make use of assessments to determine capacities and motivations. The employee would receive an invitation for an assessment via his personal profile and the results would enrich the personal profile. This provides possibilities to match job vacancies with employees in an outplacement program. Applying to these vacancies would also be done with the personal profile, as well as communication throughout the application process. If hired, the employee can grant the new employer access to his personal profile with the personnel data. HR would have less to record and the individual would have all data in one place. The individual can decide to what extent his data can be consulted and shared within the new organization. Deciding the salary for an employee or fee for a free lancer would also be part of this, as well as the fee when working via a temping agency.

Of course systems are not yet ready for this future scenario. However, there are various developments occurring that define the exchange of data and security. These definitions are registered in technical standards like NTA-2035 for e-Portfolios and TAS3 for circles of trust for the security of data. These developments will enable secure exchanging personal data and applying social computing between the various HR systems. When individuals can manage their own data and personal profile and control the exchange of information between various HR systems, this will change the systems and process of HR as well as the software industry. These changes and the impact are so huge that it will take time to be implemented.

Time must be invested to fully exploit the opportunities presented by social media. Time to create and engage with the social network costs money. The change in business models and new working procedures require that the current Key Performance Indicators will be adjusted. HR needs more diversity of skills within the workforce. Knowledge of laws and regulations, process administration, and conducting interviews and assessments is important, but also knowledge about online marketing and business economics is essential. Increasing marketing knowledge within the HR workforce would improve employer branding and interaction with the target groups. Furthermore, with more

knowledge of business economics, HR could measure and evaluate activities to optimize HR efficiency in the future.

8 Recommendations

I recommend companies use the HR Cube to evaluate their HR processes in order to detect opportunities using social media to add value to HR. If opportunities presented by social media are optimized, I see the following opportunities described below for HR. These opportunities will more or less apply to each organization.

8.1 General recommendations

Time: many hands make light work

Working together accelerates results. Social computing facilitates working together more efficiently and effectively. Examples of this trend include: HR working together with the ambassadors of the organization, the employees, as a recruitment or marketing channel and spreading the corporate message. Additionally, the organization could use the input of employees or the public to improve the product or services. Organizations in sectors where the demand on labor market is higher than the supply, should work together on the branding of the sector.

Global presence

Nowadays, access to the Internet is no longer restricted as the rise of mobile devices makes it easier to use social computing in any location. Working together can be done everywhere in the world. In addition, social media makes a global reach to the public possible for an individual with only his personal profile and publications.

Relationships

With everyone publishing more and more information and relationships being made visible by the connections on the social media, the world becomes more transparent. Organizations and individuals that have a stake at a less transparent market, like intermediaries (temping agencies, staffing agencies) but also job boards, should reconsider their propositions and look at other ways to add value for their customers.

Interaction

Within the social media channels, social computing enables giving and receiving feedback. Receiving feedback is ideal when using opinions, experiences, and suggestions for learning and improving. If an organization manages to engage the people that give feedback, improvements can be made without having to conduct a customer satisfaction survey. Customers can be used as an advertisement channel. Communication with these individuals is seen not only in the organization's social media network, but also within the individual's network.

Make use of social computing

Activities can be automated by social computing applications. For example, messages can be automatically published on various social media, enabling sharing. Social computing also works the other way around. For example, Key Performance Indicators can be defined and Web statistics or social media monitoring tools can be connected to HR management information, thus, making measuring and analyzing of the effect of social media possible. If needed, activities on the social media channels can be adjusted and new activities can be initiated. This analysis can be shared through the social media, which provides a publication for the organization. Like any publication this provides an opportunity to add value to your employer brand.

Reflections

I notice that much research is being shared, without verifying the source. This sharing of research leaves unknowns such as the way the research is conducted and the distribution of the respondents. In other words, credibility and quality do not get enough attention. Value is added to a publication on the basis of the authority it is linked to. For instance, a publication of the Central Bureau of Statistics has a certain level of trust. When we start to use social media more and more for communication purposes instead of just publishing, more feedback will be received, more reactions and ratings will be posted at published articles. These reactions and ratings will determine the quality of an article. The author will have to earn his credibility.

Social networks gain the trust of the user, even though, it is not clear who owns the data and what happens to it or where the data is stored. Therefore it is not clear to which laws and regulations the social network and the users have to comply. Changes in laws and regulations or discrepancy between the expectations of the users and the actions of the social network can damage the trust of the users and endanger the existence of the social networks.

8.2 Recommendations for HR

The use of social media as a channel

The introduction of new channels increases the supply of media channels and puts prices under pressure. The power of social media is that a channel can be used and managed, without the intermediation of a media agency. Contrary to the existing media channels, social media channels are more transparent and provide the possibility to interact. They offer the possibility to find, approach, follow various target groups, and also give statistics on the use and results, like the number of views or reactions. These results can be presented to the individual level as every user or visitor on the social media channel has a personal profile.

The personal profile enables visitors to communicate and share their opinions. The possibility to interact requires a different way in communicating the corporate message and approaching

individuals. Branding is not about broadcasting what kind of great products an organization offers and recruiting is not about telling how good of an employer the company is. Instead, the interaction with the visitors will become increasingly more important. Organizations used to coordinate the reporting on products, services, and employment terms. However, now the public, including employees and customers, can react to a message from the organization. The personal profiles are inter-connected and publications will be immediately spread within the networks. Then the network effect ensures a much faster distribution of messages than originally accustomed with media devices like telephone, television, and Web sites. However, not everyone is using social media so it is one of the possible channels in the marketing mix.

Using social media for input and validation

HR now uses social computing as an extra channel for relaying the corporate message to the public. There is so much information available on these extra channels and social computing can be used to extract that information. Information such as public feedback about a business, individuals' interests, hobbies, education, and talents can also be detected from these channels. All available information enables a better match on suitability for a job or company culture. This can be of importance for applications or recruiting the best employee for a new job.

Checking references becomes easier because of the connections between the personal profiles. Profiles or the feedback on their publications can be used to verify one's expertise. Furthermore, social media presents a means to measure online sentiment. A positive online sentiment and users' influence on topics are indicators that say something about an individual and their interests.

Information on the social media channels can be used as input for the search and selection of people, as well as, input for the direction of the organization and HR policy. Organization, products, employees, and recruiters will be discussed and judged by the public.

Online sentiments with regard to the organization, its employees, or related subjects can be measured through the visibility of publications and reactions. Online sentiment combined with the speed of social media interaction enables predictions. For example, election results and share prices are now being predicted on the basis of online sentiment. What if HR could take advantage of the voice of the individual? Seen from the public's viewpoint, social media makes it easier to check the reality of the corporate message. If a person is interested in a job opening, he might want to learn more about the atmosphere and culture of the department. Engaging with employees through social media provides some insider information about the workings of the organization. This would allow the employees to compare the various job openings at different organizations and find the best fit.

At present, HR is reluctant to use online assessments and reviews. On the one hand understandably, HR is used to judge individuals while recruiting new staff or assessing employees, not to be judged by their own actions. But on the other hand, HR has nothing to fear, because if the work gets done in the right way, it shows in the assessments and reviews. Every critical note should be considered an opportunity to improve. Unfair criticism will be contradicted by the public and will reflect the person expressing it, which raises the question if that person is right for the organization.

If HR is open for change and adopts the opportunities offered by social media, they can deliver better services than external parties. HR needs to convince the management and employees, by reducing fear for social media, showing the advantages and engaging employees. The people in the organization know best what is going on in the organization, what skills and competencies are needed for a position, and how colleagues are performing. Every employee can support HR.

8.3 Recommendations for suppliers

Suppliers must ensure that HR can make more effective and efficient use of their time. This can be done by supporting work processes and using the information that is available through social media. This has a significant impact for the business models of HR suppliers.

Existing HR systems work with software architecture designed to use data entered by organization's HR and personnel files owned. This is the situation developed over time, but I expect this to change in the years to come. Systems are more and more linked to other systems. With the rise of social media the public experiences the convenience of connecting systems or giving applications access to their personal profiles.

Suppliers should start considering the opportunities to enhance their bargaining power. If the business structure changes, it presents possibilities to introduce a different business model. For example if a job board would use social media to validate a source, a business model could be introduced in which the actual result is being charged. Instead of a business model based on a relative small fee for publishing a job opening, charge a larger fee for introducing the new employee.

Finally, HR is always about the discussion: what is the result? If the results of all suppliers can be measured and brought together by linking all data, HR does not need to extract that data from different systems. HR would then be able to pursue a more efficient and effective policy and make decisions easier. Social media will change the way of working and finding work. Change presents new possibilities and opportunities to gain strategic benefits in relation to the competition. Let's see which organizations are bold enough to seize that opportunity.

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10 List of interviews

#	First name	Surname	Organization	Position	LinkedIn profile
1	Jeroen	Houtsma	ADP	Project Manager	http://www.linkedin.com/pub/jeroen-houtsma/3/41a/402
2	Mariette	Los	Allen Overy	HR directeur	http://www.linkedin.com/pub/mariette-los/5/28a/ab4
3	Diana	Paulissen	Boertiengroep	HR manager	http://www.linkedin.com/pub/diana-paulissen/10/554/813
4	Wil	Houtzager	Cherryt(h)reeCompany	Directeur	http://www.linkedin.com/in/wilhoutzager
5	Martine	Langerak	Content Executive	Consultant	http://www.linkedin.com/in/martinelangerak
6	Claudine	Verbiest	CPS onderwijsontwikkeling en advies	Senior consultant	http://www.linkedin.com/in/claudineverbiest
7	Harm	Voogt	CV-OK	Directeur	http://www.linkedin.com/in/harmvoogt
8	Roos	van Vugt	Deloitte	HR manager	http://www.linkedin.com/in/roosvanvugt
9	Jeroen	Kneppers	Detailresult	Manager Recruitment & Arbeidsmarktcommunicatie	http://www.linkedin.com/in/jeroenkneppers
10	Diana	Russo	Diana Russo HR BusinessPartner	Zelfstandig Consultant	http://www.linkedin.com/in/dianarussovanmaaren
11	Lidia	Schwab	Eneco	Interim HR Manager	http://www.linkedin.com/in/lidiaschwab
12	Anneke	Peters	Ernst & Young	Senior consultant Employer Branding	http://www.linkedin.com/in/annekepeters
13	Angelic	Vloemans	Exact	Corporate Recruiter	http://www.linkedin.com/in/angelicvloemans
14	Bart	Slottje	Florence	Beleidsadviseur HRM	http://www.linkedin.com/in/bartslottje
15	Bert	de Jong	Fourplus	HR manager	http://www.linkedin.com/in/bertdejong
16	Emanuelle	Mendonça	G4S	Online recruitment coordinator	http://www.linkedin.com/in/emanuellemendonca
17	Marcel	de Jong	Hebbes	Directeur	http://www.linkedin.com/in/marceldej
18	Loes	de Haan	Herballife	Human resource manager international	http://www.linkedin.com/pub/loes-de-haan/5/504/28b
19	Paul	Brouwers	Hogeschool Zuyd	Beleidsadviseur HRM	http://www.linkedin.com/pub/paul-brouwers/7/82a/b87
20	Jerome	van Ingen	Hoogheemraadschap van Rijnland	Adviseur P&O	http://www.linkedin.com/pub/jerome-van-ingen/7/339/745
21	Marco	Hendrikse	Interim Intelligence	Eigenaar	http://www.linkedin.com/in/marcohendrikse
22	Kitty	Platerink	Intertoys	Hoofd personeelszaken	http://www.linkedin.com/pub/kitty-platerink/6/29a/362
23	Kim	Castenmiller	KIMverandert	Adviseur	http://www.linkedin.com/in/castenmiller
24	Fiona	van Maanen	Kweekel BV	Directeur	http://www.linkedin.com/in/fionavanmaanen
25	Petra	Meijssen	Mens in Beeld	Adviseur	http://www.linkedin.com/in/petrameijssen
26	Markus	Kieren	Mercedes-Benz / Daimler AG	HR Manager	http://www.linkedin.com/pub/markus-kieren/10/2a3/259

#	First name	Surname	Organization	Position	LinkedIn profile
27	Peter	Pleunes	Merck	HR Director	http://www.linkedin.com/in/pleunes
28	Leon	Willemsens	Netwerven	Directeur	http://www.linkedin.com/in/netwerven
29	Ton	Westphal	No Nonsense Consultancy BV	Directeur	http://www.linkedin.com/in/netwerven
30	Simon	Evenblij	NUwerk.nl	Directeur	http://www.linkedin.com/in/simonevenblij
31	Robert	van Laren	OranjeMund	Eigenaar	http://www.linkedin.com/pub/robert-van-laren/0/2aa/a0a
32	Gijs	Oppenheimer	PostNL	Recruitment manager	http://www.linkedin.com/in/gijsoppenheimer
33	Erik	van Maanen	Qualified Professionals BV	Directeur / Consultant Werving & Selectie / Interim Manager	http://www.linkedin.com/in/erikvanmaanen
34	Burak	Öktem	R-INHOUSE	Interim Recruitment Manager	http://www.linkedin.com/in/burakoktem
35	Jacco	Valkenburg	Recruit2	Zelfstandig ondernemer	http://www.linkedin.com/in/jacco
36	Phil	Kleingeld	Rent a Pen	Zelfstandig ondernemer	http://www.linkedin.com/in/philkleingeld
37	Sylvia	Voorhout	Schoevers Professionals	Directeur	http://www.linkedin.com/in/sylviavorhout
38	Natasja	Freijer	Securitas	HR Consultant	http://www.linkedin.com/in/natasjafreijer
39	Guido	Nieuwkamp	Socialreferral	Directeur	http://www.linkedin.com/pub/guido-nieuwkamp/0/905/290
40	Cathelijne	Olderaan	SPIE Controlec Engineering BV	HR specialist	http://www.linkedin.com/pub/cathelijne-olderaan/11/967/8b0
41	Jan	Stehouwer	Stehouwer en Vink	DGA	http://www.linkedin.com/pub/jan-stehouwer/1/384/468
42	Bert	Goos	Talent8	Directeur	http://www.linkedin.com/in/bertgoos
43	Wesley	Hendriks	Tempo-Team	Adviseur werving & employer branding	http://www.linkedin.com/in/wesleyhendriks
44	Lily	Brand	Tempo-Team	Senior adviseur in-, door- en uitstroom	http://www.linkedin.com/pub/lily-brand/2/179/8b4
45	Harry	Nauta	Triceps	Directeur	http://www.linkedin.com/in/harrynauta
46	Robbert	van Schendel	Van Schendel Interim management & Organisatie advies	Directeur	http://www.linkedin.com/pub/robbert-van-schendel/0/758/3
47	Jan-Maarten	Rovers	Vitae	Sr. Managing consultant	http://www.linkedin.com/in/janmaartenrovers
48	Bert-Jan	van der Woude	Vuzz	Directeur	http://www.linkedin.com/pub/bert-jan-van-der-woude/1/78a/930
49	Ties	Guitsen de Vries	Zelfstandig HRM adviseur	Senior adviseur en oud landelijk voorzitter van de NVP	http://www.linkedin.com/in/tguitsendevries