SOCIAL IN HR: EMBEDDING SOCIAL INTO HR SYSTEMS AND PROCESSES

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Report Highlights

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51% of companies are using social technology to facilitate both internal and external communications

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Best-in-Class organizations are 2.5x more likely to say their HCM applications are social and collaborative

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Organizations that embed social into the work processes of their employees experience higher levels of operational efficiency

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The Best-in-Class are 40.8% less likely to have executives or managers who think social technology is the same as Facebook or Twitter

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This report represents the major findings in primary research conducted by Aberdeen Group on the use of social in organizations and is based on responses collected from 244 organizations between April and May, 2015. The purpose of the study was to take an in-depth look at the internal use of social technologies in organizations in an attempt to understand the maturity of its use, identify barriers to its adoption, and demonstrate the impact social can have on organizational outcomes such as engagement, retention, and customer satisfaction.
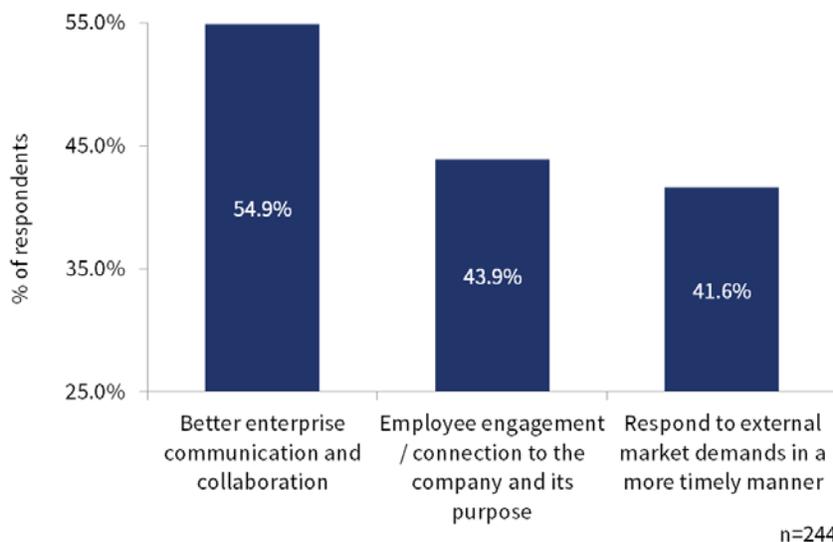
What's behind Social in HR?

The world of work as we know it has dramatically changed in the past 200 years. Technology has been the primary catalyst for these changes. From the invention of the steam engine, which marked the start of the Industrial Revolution, to the introduction of the microcomputer in 1977, which lead to the mass-market of personal electronic devices to consumers (i.e., personal computing), technology helped to automate labor-intensive processes and move us into the Information Age (also sometimes referred to as the, "Knowledge Age"). Up to this point, the focus of most organizations has been on finding ways to automate work; to become more efficient, and do more with less. However, most organizations have done so to the point that they have almost forgotten about the human part of work. The introduction of social applications into business processes has made it possible to accelerate work and increase productivity while also making it easier for people to work with others they don't know, and to help find people they haven't met before. The shift to social business (or the "Social Age") has helped to turn organizational focus back to the human side of work.

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Drivers Behind the Growing Adoption of Social

A 2012 McKinsey report showed that a majority of the estimated $1.3 trillion in untapped value from social technologies lies in "improved communications and collaboration within and across enterprises." Aberdeen research shows that many organizations have begun to try and capitalize on this value; obtaining better enterprise communication and collaboration was the top pressure driving organizations to adopt socially-enabled technology and tools (see Figure 1).

Figure 1: Top Pressures Driving Internal Adoption of Social Technology

n=244
Source: Aberdeen Group, July 2015

In Aberdeen's Social in HR study, the following key performance indicators (KPIs) were used to distinguish the Best-in-Class (top 20% of aggregate performers) from the Industry Average (middle 50%), and Laggard (bottom 30%) organizations, with mean-performance among the Best-in-Class as follows:

• 81.5% of employees rated as "highly" engaged
• 13.2% increase in revenue per time equivalent (FTE*)
• 9.5% increase in customer retention*

*changes in last 12 months

Combined with a significant secondary pressure to increase engagement and create a way for employees to feel more connected to the company and its purpose, social media tools can be effective in creating this sense of community (or "belongingness"). Particularly, social can connect people who might not otherwise be connected, allowing internal networks of

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Best-in-Class organizations are 29% more likely than All Others to be looking to leverage social and other technologies to improve employee engagement levels in 2015.

affiliation and reciprocity to flourish — all of which leads to increased levels of employee engagement.

In addition to these drivers, 36.4% of all organizations said they are directing efforts in 2015 toward creating stronger connections between and among their employees. The networks of relationships that are formed from these connections provide a very valuable source of competitive advantage that few have begun to capitalize on — this source of value is called "social capital." While 77% of organizations surveyed indicated that building social capital was very critical or critical to the success of their organization, on average, only 37% said they were actually effective at it. Best-in-Class, however, were 1.5 times more effective at building social capital than All Others (50.0% vs. 33.9%).

What Actions Are Organizations Taking to Embed Social into Their Business Strategy?

In the 2015 Aberdeen report, _Building the Business Case For Social_, 51% of all professionals in HR that were surveyed indicated they are using social technology to facilitate both internal and external communications. Another 51% are using social to source candidates. However, what seems to really differentiate Best-in-Class organizations is that they are using social for more than just communications and candidate sourcing. They are actually focused on utilizing social tools throughout the employee lifecycle (see Figure 2).

Best-in-Class organizations are 46.9% more likely than All Others to be addressing the pressures introduced in the prior section through strategic efforts to build or enhance social learning capabilities in their organizations. These top performers also aim to help subject matter experts share their expertise (a best

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practice described in further detail later on in this report) and enable employees to connect to these experts (45.0% vs. 30.1%). While more than half (56.1%) of all respondents indicated that they're focused on fostering a culture of innovation and creativity across the organization, more than 2/3 (67.5%) of all Best-in-Class organizations ranked this as their top priority in 2015.

Figure 2: Best-in-Class Use of Social: Beyond Communication and Collaboration

n=244
Source: Aberdeen Group, July 2015
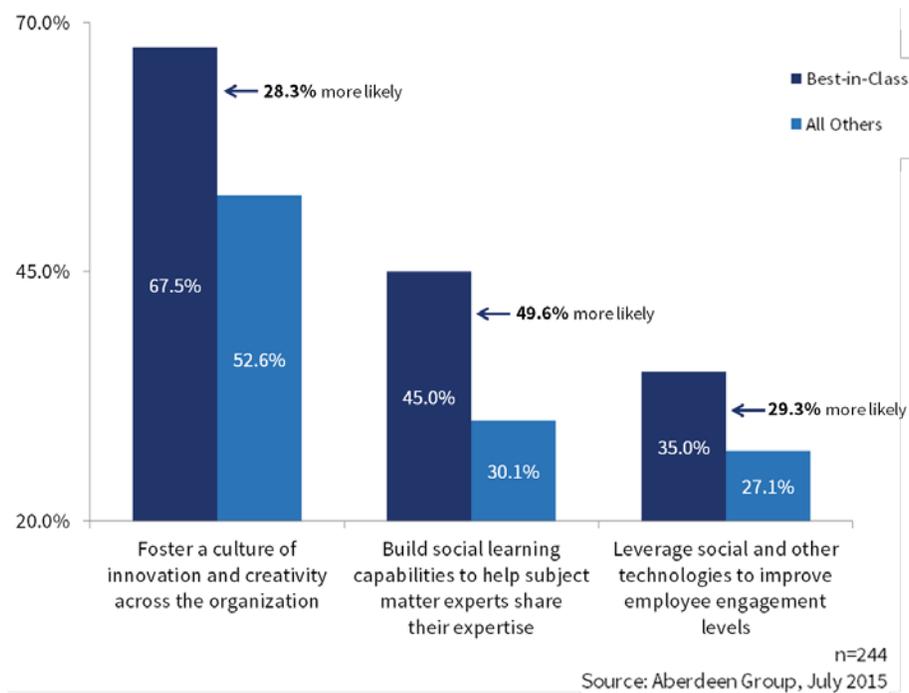
Social's Role in Innovation

Socially-enabled and connected technologies play a huge role in innovation as they allow for collaboration on a mass scale. For example, they can be used to facilitate crowdsourcing of ideas by pulling in different groups of people (internal or external). Through these types of tools, a business problem or challenge can be presented, and possible solutions can be put forward and
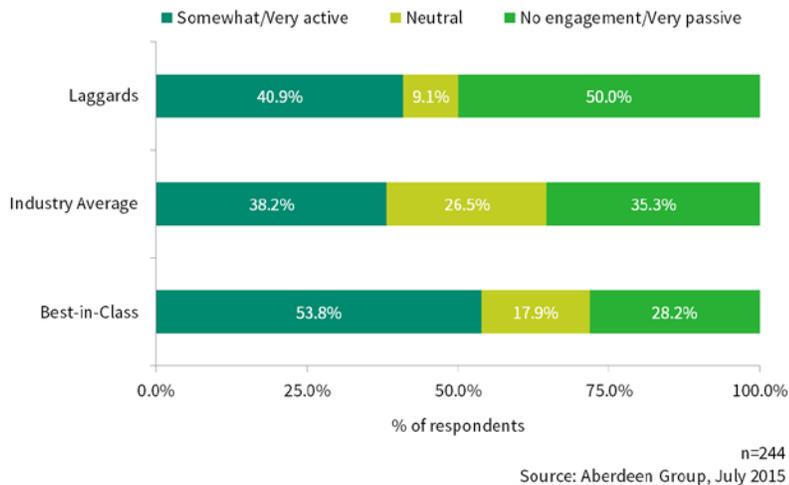
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evaluated by the community. Organizations can choose to have these discussions be exclusive to group members, open to all employees, or even available to their entire organizational ecosystem (i.e., employees, customers, vendors, strategic partners and competitors).

Another benefit of social is that brainstorming can be done on a continuous basis, instead of occurring as part of a planned session. This allows for individuals with different work styles or who work remotely to participate as well. Additionally, research shows that people are creative at different times of the day and some are most creative in particular environments (e.g., complete silence, surrounded by nature, in a bright open space). The asynchronous nature of social tools provides greater opportunities for creativity to thrive and for new and novel ideas to be generated ("innovation").

Technology as a Catalyst: Integration, Embeddedness, and Engagement Are the Key

Setting aside all the different ways that social can be utilized in an organization, simply deploying them does not make you Best-in-Class or magically solve all your innovation, collaboration, and communication challenges. What really differentiates Best-in-Class organizations is how actively engaged they are with these technologies, in addition to how and in what ways they are using them to solve real business and people problems. Naturally, that's why we see that the Best-in-Class are 39% more likely than All Others to describe their level of engagement with social technology as "very active" or "somewhat active" (see Figure 3).

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Figure 3: Level of Engagement with Social Technologies

■ Somewhat/Very active   ■ Neutral   ■ No engagement/Very passive

	Somewhat/Very active	Neutral	No engagement/Very passive
Laggards	40.9%	9.1%	50.0%
Industry Average	38.2%	26.5%	35.3%
Best-in-Class	53.8%	17.9%	28.2%

% of respondents

n=244
Source: Aberdeen Group, July 2015

A system of engagement supports the ongoing trend of moving away from technology-centric, rigid information repositories agnostic of the social context they operate in, and toward a more people-centric system, which is designed to naturally fit into the employees' work flow and social context.

This level of activity indicates that the Best-in-Class have reached a higher level of maturity in terms of their adoption and use of social technologies in the workplace. Maturity, in this sense, means that not only are they deploying social at a higher rate, but they formally encourage participation by their staff. Additionally, they have a formalized process in place to manage / guide all social communications within their organization and with their partners. They are also actively capturing and measuring the results of the use of these tools on the business. They have done this by integrating social with their HR systems (as opposed to deploying a stand-alone solution) and embedding social into the work processes of their employees.

Integration

The benefits of social can become transformative — particularly, in putting organizations on a path of optimal impact — when social networking and collaboration are integrated with an organization's enterprise-level talent or HR management system. Deploying standalone social technologies with little connection back to the enterprise offers significantly less value

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Organizations that embed social into the work processes of their employees experience higher levels of operational efficiency than those that do not.

than a solution which is connected to other systems. Best-in-Class organizations are nearly 3 times more likely to integrate their enterprise social networking platform with their HCM system(s) **and** 2.5 times more likely than All Others to say their HCM applications are social and collaborative (33.3% vs. 14.6%; 46.2% vs. 18.4%).

The ideal solution should offer seamless access to all aspects of these systems, be easy to navigate, be mobile optimized as well as mobile agnostic. By providing a deep level of integration between the social features of these tools and the functional components of your HR systems, social can begin to contribute to HR program effectiveness in areas such as onboarding, learning, succession planning, development, and even performance (think "crowdsourced" feedback).

Integration is a Start, but Embedding Social is the Key

As technology becomes more and more integral to the functioning of organizations as a whole, the ability for employees to integrate new technology into their workflow becomes an ever-larger determinant of success. Best-in-Class are 3 times more likely than All Others to embed social into the work processes of their employees (31.3% vs.10.3%). One of ways to begin to do this is through the deployment of an HCM platform that has social embedded throughout. At Aberdeen, we refer to this type of solution as a "system of engagement," a term first introduced by Geoffrey Moore in the context of the "Future of IT."

Embedding Social into HR Processes

If your organization considers it imperative to change workplace interactions, to enhance communications, foster greater levels of engagement, and improve the overall employee experience,

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then social tools and capabilities must be embedded in work process and be central to everything your organization does. In addition to these benefits, organizations that embed social into the work processes of their employees experience higher levels of operational efficiency almost 12% higher than those that do not (76.4% compared to 65.0%). Put plainly, their employees appear to be more productive. The following are some of the many ways that you can infuse social into vital HR and organizational processes:

Performance and Employee Recognition

Performance management, in many organizations, has moved away from providing feedback on an annual basis behind closed doors, to providing feedback on a continuous basis in an open forum. This paradigm shift is making organizations slowly acknowledge that static feedback mechanisms controlled by management are no longer in keeping with an increasingly socially-savvy workforce. HR and those responsible for managing talent in Best-in-Class organizations are 46.2% more likely than All Others to use socially-enabled technologies to gather feedback on employee performance (31.3% vs. 21.4%) (see Figure 4). Developments in social and digital technologies are at the forefront of this and have been the catalyst for enabling more efficient means of collaboration as well as generating feedback.

Best-in-Class organizations are 45.8% more likely than All Others to use socially-enabled technologies to gather feedback on employee performance.

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Figure 4: Social Performance Management
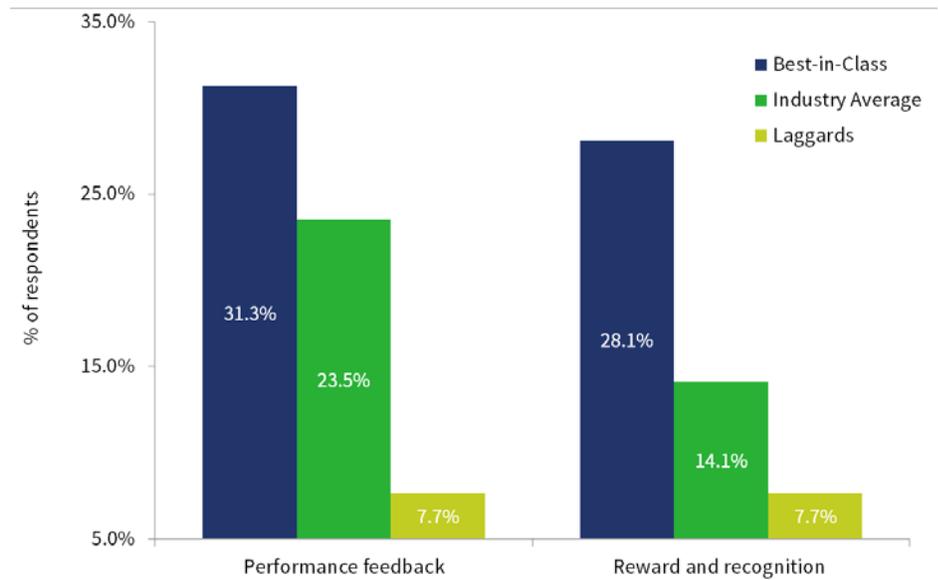
A good performance management process not only rewards employees for *what* they accomplish, but also for *how* they go about accomplishing their results. This means how the employee behaves is just as important, if not more important, than what they do. Managers with employees who work on teams or cross-functional projects aren't aware of every interaction their direct reports might be having. Best-in-Class organizations are 112% more likely than All Others to use social as one of their reward and recognition approaches (28.1% vs. 13.1%) to help change that. Within the social solution, employees can be recognized and rewarded for specific achievements, and/or people can be nominated for exhibiting certain behaviors or demonstrating the organization's values.

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Learning – Locating Expertise and Sharing Information

Today, many organizations have an outdated way of locating expertise — word-of-mouth or through email requests from colleagues asking, "Hey, do you know anyone who…?" How do people in highly complex and networked organizations obtain knowledge from others when they do not know whom to ask? Socially-enabled HCM applications that allow for the creation of a digital employee profile are among foundational requirements to enable employees to find subject matter experts when they need them. HR at Best-in-Class organizations are 104.2% more likely than All Others to use socially-enabled technology to help employees locate experts (18.8% vs. 9.2%). Additionally, Best-in-Class employers are 24.9% more likely than All Others to have online employee profiles incorporated within their social technology platform, including skills and areas of expertise (37.8% vs. 30.3%).

Social technologies enable employees to identify, locate, and receive information within and between communities inside of an organization. As a result of the social nature and how embedded each individual is within the communities, benefits are reaped by both the individual as well as the organization. In a way, these technologies are the answer to some of the knowledge management (specifically, as it pertains to tacit knowledge) challenges that organizations have been struggling with since it was first introduced in the early 90s. However, unlike traditional knowledge management repositories, user-generated content that may exist inside of these social tools is dynamic. Content and ideas are continually being revised, updated and added to — providing opportunities for a much more flexible and agile learning environment.

Best-in-Class organizations are:

➜ 112% more likely to use social as one of their reward and recognition approaches.

➜ 104.2% more likely to use socially-enabled technology to help employees to locate experts.

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To effectively utilize profiles in your learning strategy:

➔ Pull employee data from a variety of systems (e.g., learning, HRMS, ERP, performance) and sources (e.g., employees and even possibly sites such as LinkedIn).

➔ Employees should be encouraged and capable of editing their expertise, indicating both their personal and professional interests and aspirations, adding information about current projects they are working on, and posting photos that help others to identify them and to gain a small window into their human side.

The latter recommendation is especially important for leaders trying to build trust with their followers as it demonstrates a sense of openness and/or authenticity.

HR Service Delivery and Support

Imagine an HCM platform that would allow employees to ask HR-related questions (publicly and/or privately) that could automatically route those questions to the appropriate person within HR, and once answered, could be relayed to the employee via a direct message within that platform or shared publicly for all to benefit from. This type of functionality is possible through socially-enabled HCM and provides opportunities to create HR efficiencies, and a better (more engaging) employee experience. Additionally, they provide opportunities to promote transparency into HR policy and a greater understanding of HR processes, potentially reducing the amount of time HR has to spend answering these questions, allowing them more time to focus on the business.

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Figure 5: Access to HR Experts is Optimized Through Social
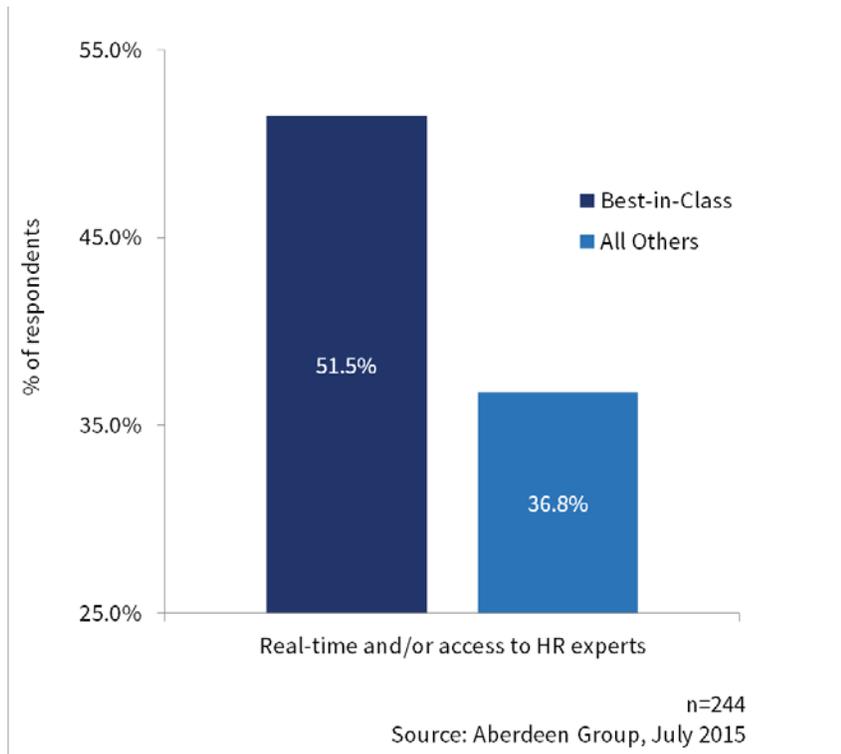
Just under 21% of all employers surveyed indicated that their adoption of social was specifically being used to help improve HR Service Delivery, however, the Best-in-Class are 28.6% more likely than All Others to already provide or plan to provide their employees with access to HR experts through social technology both synchronously, in real-time, and asynchronously via an online knowledge-base (51.5% vs. 36.8%) (see Figure 5 above). This access provides support to many HR Service Delivery components such as ESS, MSS, Compensation Management, Recruitment, and even Benefits.

Not Just Onboarding, But Pre-boarding Too

In Aberdeen's 2014 report, *Welcome to 21st Century Onboarding*, we found that Best-in-Class companies are 35% more likely than All Others to begin the onboarding process before day one (69%

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vs. 45%). In Aberdeen's 2015 study, *Social in HR*, we found that the Best-in-Class are 106% more likely than All Others to use socially-enabled technologies as a mechanism for pre-boarding new-hires (28.1% vs. 13.6%). These technologies can be used to connect the new-hire with colleagues, provide a virtual introduction to the company, and even facilitate a buddy program where new hires are paired with existing employees.
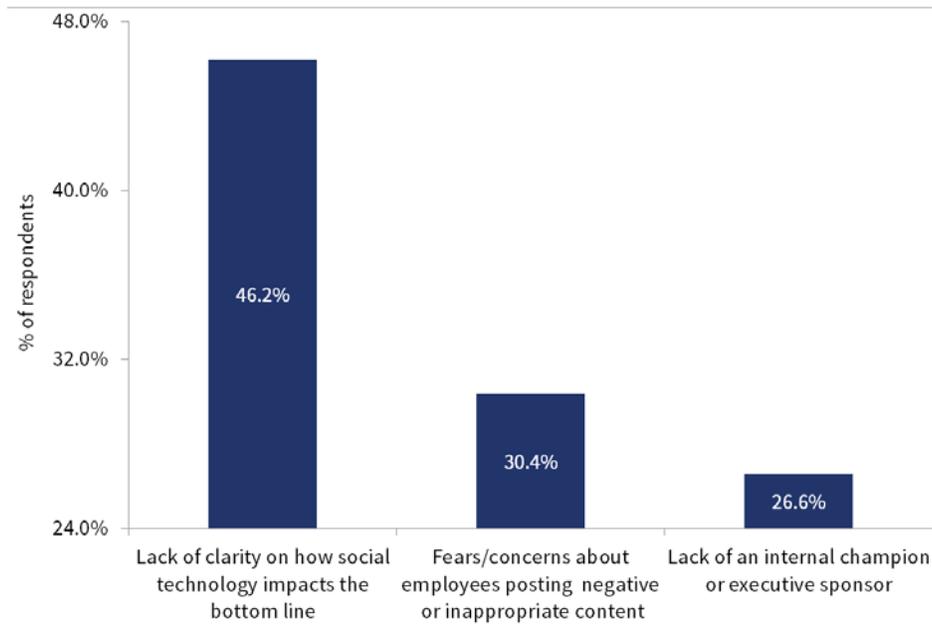
Barriers to the Adoption of Social

Aberdeen asked organizations about the barriers or concerns that stand in the way of their organization's adoption of the internal use of social technologies. The most common barrier cited by 46.2% of organizations was an inability to communicate or demonstrate the tangible impact that socially-enabled technologies can have on key business outcomes such as revenue, customer satisfaction, or employee engagement (see Figure 6).

In addition to a lack of clarity on how social impacts the business, a fear or concern that employees might say something inappropriate or negative, and a lack of an internal champion or sponsor both ranked high on the list as obstacles to the internal adoption of social technologies. While almost half of all organizations stated they were unclear how to make a link between the use of social and organizational performance, 1 in 10 organizations felt a lack of clarity _combined_ with the lack of an executive sponsor was the most significant barrier.

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Figure 6: Barriers to the Internal Adoption of Social Media

Source: Aberdeen Group, July 2015
n=244

Top Three Barriers to the Adoption of Social:

- Lack of clarity around the business impact of social
- Fear of employees posting inappropriate or negative content
- No executive or internal champion

Approximately 25% of all organizations are also concerned about the impact that social may have on their external reputation and legal liability that may result from possible leaks of confidential information or inappropriate content that might reflect negatively on their organization. Additionally, 17.1% of organizations share the universal concern of employees wasting time at work potentially resulting in losses to productivity. This perception may be closely tied to the fact that many leaders still think the use of internal social tools is the same as letting employees access and post to their personal Facebook and Twitter accounts. Our research confirms that lower performing organizations (which, coincidentally, also have significantly lower adoption levels of social tools) are 40.8% **more** likely than Best-in-Class organizations to say that their executives or managers think that social technology is the same as Facebook or Twitter (15.8% vs. 26.7%).

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System of Engagement:

"One of the keys to changing leader perception of social is a requirement for organizations to begin to move-away from a technology-centric view of systems (system of records), which are agnostic of the social context, toward a people-centric view (system of engagement) that is designed to naturally fit into the employees' workflow and social context."

For a more in depth look at barriers to the adoption of social and to learn how deploying a "system of engagement" can help you overcome these barriers, consider reading, _The Age of Social: Towards a System of Engagement_ (see sidebar).

Final Thoughts

The consumerization of technology is driving employee expectations in the workplace. To meet these expectations, organizations will need to deploy technology that is social, mobile, is enabled through software-as-a-service (SaaS), and provides more opportunities for employees to share and search for information. Socially-enabled technologies facilitate new ways to communicate, interact, and work with partners, customers/potential customers, and other individuals outside the organization, as well as facilitate collaboration and knowledge sharing within the organization.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

Building The Business Case for Social in HR; July 2015

Human Capital Trends – The Age of Transparency is Upon Us; May 2015

How To Get Your Social On; July 2015

The Age of Social: Toward a System of Engagement; July 2015

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About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Boston, MA.