

FANS, FRIENDS, AND TALENT MANAGEMENT

RECRUITING EMPLOYEES IN THE AGE OF SOCIAL MEDIA – GRAEBEL UNIVERSITY

As the world becomes more connected through online social networking, businesses and individuals face a new threat – reputational risk. Bad news now travels faster than ever, and unflattering or untrue comments often appear front and center. This negative information can affect how human resources and hiring managers recruit new employees and whether or not current employees have opportunities to move up the ladder.

When images, posts, commentary, and status updates are placed online, this information is replicated by algorithms and search engines and spread throughout the Internet.¹ Unfortunately for many people, the Internet never forgets. A person's or company's digital reputation is now their reputation – and it's often viewed as the truth by others.²

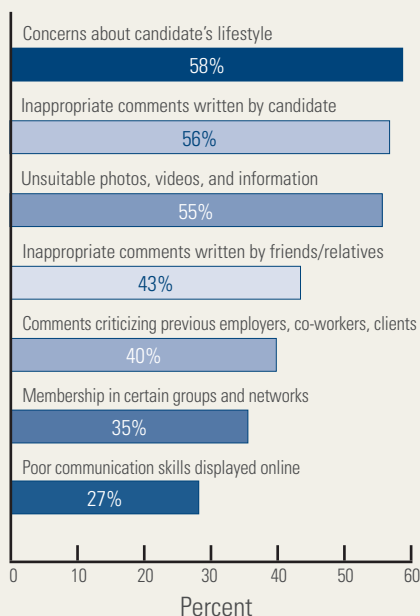
Graebel, the Fortune 500's trusted relocation partner, helps companies stay abreast of important topics, such as social media recruiting. This white paper continues this tradition by building upon previous issues of Graebel ReloTRENDSSM and white papers on social media and issues affecting talent management as the economy improves.

THE EFFECTS OF ONLINE REPUTATIONS ON HIRING

Graebel was the first company in the relocation and moving industry to perform extensive, national criminal background checks and substance testing on its employees and drivers. And Graebel is not alone. Companies around the world and across various industries rely on criminal background checks and credit reports as part of their hiring processes. Now, the increasing influence of social media provides hiring managers with new avenues for recruiting and evaluating candidates.

Companies are using sources, such as Facebook, LinkedIn, and Google, to learn more about potential candidates. In a recent survey commissioned by Microsoft[®], 79-percent of hiring managers used social media and online searches during their hiring processes, and 70-percent of them used that information to reject candidates.³ Figure 1 highlights some of the types of online reputational information that influenced candidate rejection decisions. It's clear that companies are rapidly viewing how potential employees behave online as a direct reflection of their character – and the likelihood of whether they may jeopardize or embarrass their employers and brands.

FIGURE 1. INFORMATION NEGATIVELY INFLUENCING HIRING DECISIONS⁴



ONLINE REPUTATION IN A CONNECTED WORLD

Microsoft commissioned online reputational research that was conducted by Cross-Tab between December 10 and 23, 2009 in France, Germany, the U.K., and the U.S. Results are based on responses from approximately 275 recruiters, human resource professionals, and hiring managers, as well as about 330 consumers in each country. Major news outlets including CNN, *The New York Times*, and Mashable.com, reported results. To download the research report, visit go.microsoft.com/?linkid=9709510

¹ Nick Bilton. "The Growing Business of Online Reputation Management." *The New York Times*, April 4, 2011.

² Fiona Graham. "Reputation is all: Could the internet kill your company?" *BBC News*, February 17, 2011.

³ Valeri Marks. "Avoiding risks when using social media in recruiting." *HR.com*, July 28, 2011.

⁴ Cross-Tab. "Online Reputation in a Connected World." January 2010. Survey commissioned by Microsoft.

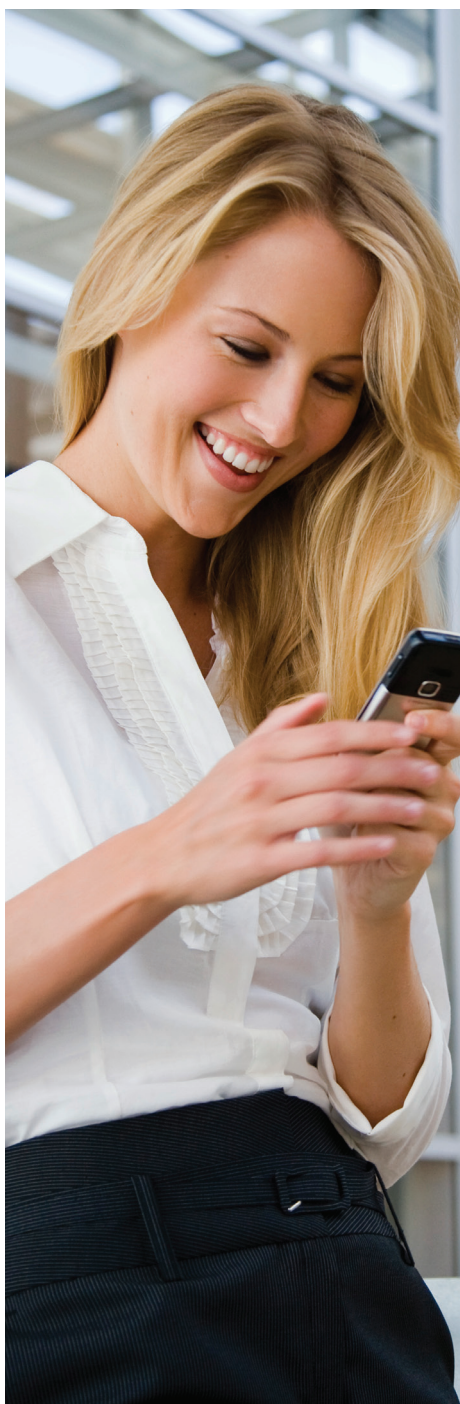
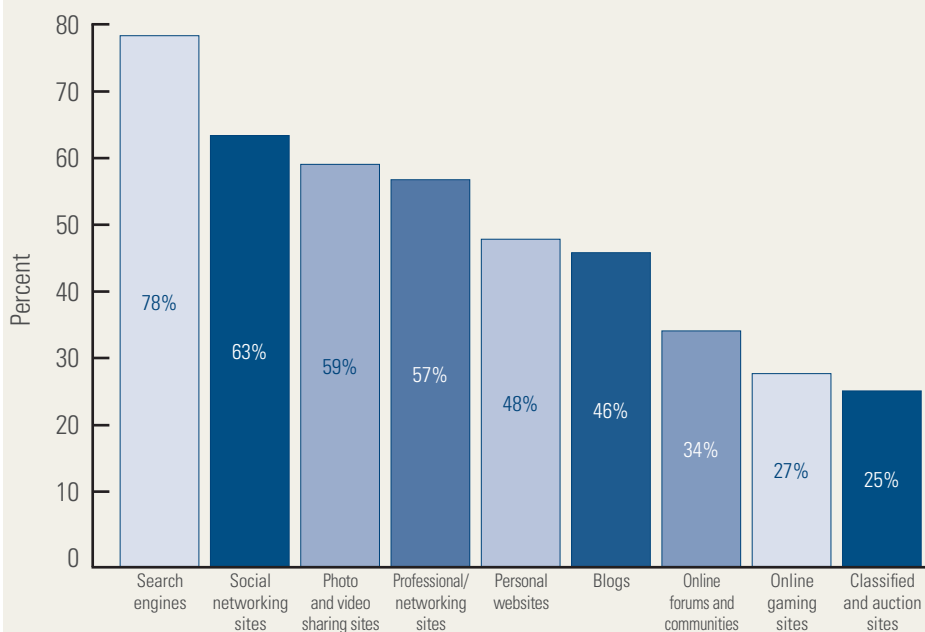


FIGURE 2. ONLINE REPUTATIONAL INFORMATION SOURCES⁶



These hiring managers are not limiting their searches to professional-related information. While 89-percent of the hiring managers surveyed believed it is appropriate to view professional information, 84-percent also think it is proper to review personal online data.⁵ Figure 2 identifies the most popular sources used by hiring managers to research applicants.

FORMALIZING THE USE OF ONLINE REPUTATIONAL DATA

While using these resources can provide new insight into candidates, they can also leave organizations vulnerable to discrimination lawsuits.⁷ Companies must pay close attention to ensure their searches remain relevant and nondiscriminatory.⁸

Companies should implement policies for social media recruiting and screening. According to the Microsoft-commissioned survey, 75-percent of companies that participated have formal policies requiring hiring managers to research applicants online.⁹

Establishing a policy will provide hiring managers with guidelines to ensure their actions comply with the Fair Credit Reporting Act, which requires companies to notify candidates of background checks and provide them the opportunity to correct misinformation before decisions are made,¹⁰ as well as laws created to prevent hiring discrimination, such as Title VII of the Civil Rights Act, the Americans with Disabilities Act, or the Age Discrimination in Employment Act.¹¹

⁵ Ibid.
⁶ Ibid.
⁷ "Heed new legal risk of recruiting via Facebook, LinkedIn." HR Specialist, January 12, 2010.
⁸ Valeri Marks. "Avoiding risks when using social media in recruiting." HR.com, July 28, 2011.

⁹ Cross-Tab. "Online Reputation in a Connected World." January 2010. Survey commissioned by Microsoft.
¹⁰ Federal Trade Commission
¹¹ Valeri Marks. "Avoiding risks when using social media in recruiting." HR.com, July 28, 2011.



ONLINE REPUTATION MANAGEMENT

Another new field of suppliers is cropping up to help individuals – and businesses – protect their digital reputations. Online reputation management firms, such as Reputation.com, Big Blue Robot, and Integrity Defenders, leverage their understanding of search engine optimization rankings and prevalence algorithms to create positive links that bury negative content.¹⁶ They can also contact webmasters and bloggers on behalf of their clients to request that negative content be removed.¹⁷ However, these services do not come cheap. According to Reputation.com, ReputationDefender packages cost between \$3,000 and \$10,000, depending on the amount of positive content that a client needs.

Points companies should consider when developing social media recruiting policies:

- > Identify which resources can be used for researching candidates.
- > Make sure the HR staff member who screens applicants is not directly involved in hiring decisions!¹²
- > Always use the same resources to screen candidates, as using social media to look into one candidate and not the others can open a company up to a lawsuit!¹³
- > Keep documentation of social media recruiting efforts and reference information to answer any questions.

Employers that monitor Internet and social media activity may violate laws that “protect against hacking, privacy violations, unauthorized access of electronically stored information and/or certain

state laws that may protect an employee’s use of social media applications as ‘off-duty’ conduct.”¹⁴

New to the marketplace are companies that conduct social media reporting for companies – such as Social Intelligence, a company that compiles dossiers on prospective employees from information found online. Reports will include professional honors and charitable work, as well as negative information, such as:¹⁵

- > Racist remarks
- > Sexually explicit photos or displays of violent activities
- > References to drugs

Certain information is protected under federal employment laws – the items companies are prohibited from asking about in interviews – which includes religion, race, disability, and marital status;

and therefore, reports from social media intelligence firms will not include this information. However, if a company chooses to include an outsourced company as part of their social media recruiting efforts, the company should be aware that these searches fall under the requirements of the Fair Credit Reporting Act and candidates must consent to the check.

PREPARING FOR CONTINUAL CHANGE

As technology is always changing, human resources departments must remain abreast of new rules and regulations for using technology for recruiting and hiring. Already some controversy concerning the use of online reputational data in hiring has emerged. The Electronic Privacy Information Center, a public interest research center dedicated to civil liberty and privacy issues, has expressed concern about employers judging employees and candidates based on what they do in their private lives.¹⁸

¹² “Heed new legal risk of recruiting via Facebook, LinkedIn.” HR Specialist, January 12, 2010.

¹³ Valeri Marks. “Avoiding risks when using social media in recruiting.” HR.com, July 28, 2011.

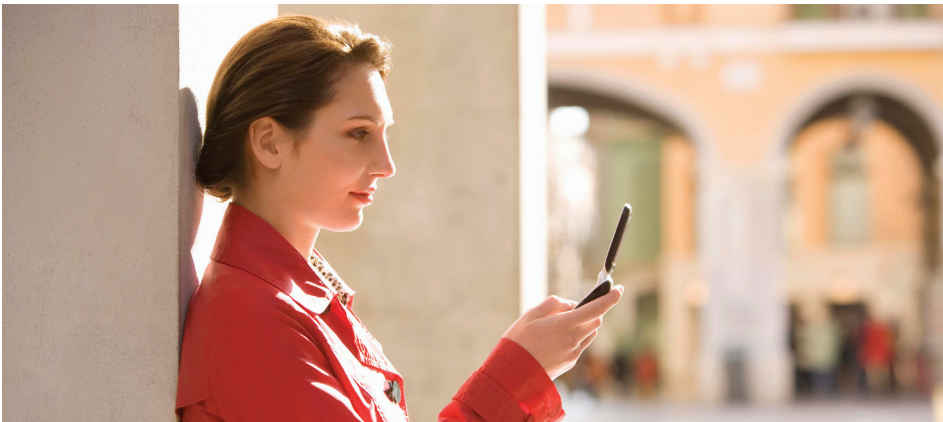
¹⁴ Paul Salvatore. “Know the Risks of Social Media.” Human Resource Executive, July/August 2011.

¹⁵ Jennifer Preston. “Social Media History Becomes a New Job Hurdle.” The New York Times, July 20, 2011.

¹⁶ Megan Gibson. “Repairing Your Damaged Online Reputation: When Is It Time to Call the Experts?” Time, April 19, 2011.

¹⁷ Nick Bilton. “Erasing the Digital Past.” The New York Times, April 1, 2011.

¹⁸ Ibid.



Furthermore, consumers have strong feelings about the appropriateness of HR professionals using online data. While many find it reasonable that professional information is researched, only 15-percent of those surveyed deem it appropriate for employers to review video and photo sharing sites.¹⁹

As the proliferation and ease of finding online reputational data continues to increase, the likelihood that this information will play an important role in hiring is high. According to Jim Bontke, outreach manager for the Equal Employment Opportunity Commission in Houston, companies should always remember that the “things you can’t ask in an interview (age, gender, religion, disability, and race) are the same things you cannot research.”²⁰

Employers face new risks with social media – and these risks are not going to go away. According to Paul Salvatore, legal columnist for *Human Resource Executive*, “every employer [should] develop Internet and social media policies that explicitly state it is not intended to interfere with protected activity or infringe upon employees’ rights. Secondly, employers need to develop guidelines regarding hiring and screening procedures when the company conducts searches and uses information obtained from social media applications. Lastly, employers might consider educating their employees on the use of social networking in an effort to minimize potential risks.”²¹

ADDRESSING REPUTATION BLEMISHES

To protect one’s reputation and avoid having a career negatively affected, one can take the following steps to improve an online reputation:

- > Manually delete photos from Flickr and use Google’s URL removal tool to eliminate cached copies.²²
- > Keep professional and personal profiles separate and consider using anonymous profiles for forums.²³
- > Ask web administrators and bloggers to remove untrue content.
- > Use strong privacy settings on social media sites.
- > Populate the web with useful, positive, and favorable content by creating blogs and websites or joining social media sites.²⁴



Ranked #1 in the “HRO Today” Full-Service Relocation Baker’s Dozen – two years running, 2010 and 2011.

For more information, contact your local Graebel service center or:

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¹⁹ Cross-Tab. “Online Reputation in a Connected World.” January 2010. Survey commissioned by Microsoft.

²⁰ Jennifer Preston. “Social Media History Becomes a New Job Hurdle.” *The New York Times*, July 20, 2011.

²¹ Paul Salvatore. “Know the Risks of Social Media.” *Human Resource Executive*, July/August 2011.

²² Sarah Kessler. “How to: Manage Your Online Reputation Using SEO.” *Mashable.com*, June 27, 2011.

²³ Cross-Tab. “Online Reputation in a Connected World.” January 2010. Survey commissioned by Microsoft.

²⁴ Nick Bilton. “Erasing the Digital Past.” *The New York Times*, April 1, 2011.