

The New Networking

Advances in social-networking software have given recruiters the ability to greatly extend their reach.

By Grae Yohe

When Kimara Ellefson set out recently to recruit some Oracle developers for the Medical College of Wisconsin, she didn't go about it the way she would have in the past. Not that long ago, she might have taken out her Rolodex and picked up the phone to fish through her network of friends and business contacts, asking who knew someone who might be right for the job.

But this time Ellefson, who is director of employment at the Milwaukee-based college, did her networking online, through LinkedIn.com.

"I'd go to a former MCW employee on LinkedIn and say, 'I noticed that Sue Smith's in your network. I'd really like to talk to her about an Oracle developer position we have open. Would you be willing to introduce us?' " says Ellefson. "And a while after that, I had an individual approach someone in my network who wanted to be introduced to me because they were looking for an Oracle programmer job."

Technology's role as a business catalyst has seldom been clearer than in the case of online social networking. LinkedIn, its more casual counterpart Facebook, and a handful of private online networks have not created a new form of interaction so much as they've supercharged one that's been around as long as business itself. Recruiting through these Web sites has all the familiar components: There's who you know, and there's who they know. To meet new people, you ask them to be "friends" (Facebook) or ask someone you know for an introduction (LinkedIn).

In private networks, you're doing the same in a niche group -- surfing a college network as an analogue to shaking hands at an alumni dinner. The familiar feel of the process is a likely reason why 64 percent of recruiters are using online social networks, according to a 2008 recruitment survey by JobVite, and why participation in these networks is spreading like wildfire.

"Everyone Is Doing It"

"It's interesting that everyone is talking about social networks and their impact on recruiting when, in reality, people have been recruiting through social networks for 100-plus years," says Jason Blessing, general manager and group vice president at Dublin, Calif.-based talent-management vendor Taleo. "The unique thing now is that the Internet has made it much more effective, and much easier to do."

Taleo's talent-management suite offers two small software "widgets" that make use of online social networks, one for Facebook and one for LinkedIn. The Medical College of Wisconsin, which implemented a Taleo system earlier this year, uses both.

"Each of us on the recruitment team have created a profile on Facebook and have linked our job openings to that," says Ellefson. "It's a good way to get the word out to our friendship networks about the positions."

Taleo's Facebook widget runs directly on a recruiter's Facebook page, and draws from the Taleo database. When recruiters list jobs on Taleo, they can choose to display them simultaneously on their Facebook pages. Members of the recruiters' Facebook networks are automatically alerted to new job listings via

Facebook's "News Feed" feature, which keeps users apprised of any changes made by people in their network.

The LinkedIn widget, called "Company Insider," works differently. When prospects surf Taleo's job site, they can click a link in a posting to scan the company's LinkedIn network and find out whether they know anyone inside the company, in case they want to ask questions before or during the application process.

Ellefson says she and her team use Facebook casually, trying mainly to build awareness about MCW among friends and contacts. LinkedIn sees more direct recruiting use because it's a professional network, in which participants routinely include their expertise, title, location and field. A simple search will bring up a list of people who match any of those criteria.

"Recruiters have found that [online social networking] is another good way to find a population base, and have jumped on it," says Michael Rudnick, global intranet and portal practice leader for Bethesda, Md.-based Watson Wyatt. While hard to quantify -- and equally hard, for now, to find an ROI -- he sees use growing steadily. "Everybody I talk to is doing it. Every one of my clients [is] using these tools."

Big Pools, Little Pools

In addition to the public social-networking sites, many recruiters are also tapping into private networks, where membership is limited to company alumni, college grads or other select audiences, says Rudnick. The disadvantage for recruiters is that the pool of candidates is smaller than on Facebook and LinkedIn, but the advantage is that it's a far more targeted pool and usually generates a better response rate, percentage-wise.

"You should probably use both," says Rudnick, noting that they are just like different tools in a toolbox, each with its own best use. When recruiters want to cast a broad net or build brand awareness, they use Facebook. If they want to troll through professional networks, LinkedIn might be the way to go. And if they want to find specific kinds of college grads or recapture past company employees, then private networks are often the best bet.

New York-based Merrill Lynch uses all types of social-networking sites for recruiting, says head of global recruiting Tom Wilson. In addition to surfing the public sites for candidates, Merrill Lynch is a member of a group of private college networks hosted by Affinity Circles in Mountain View, Calif.

"[The private networks] are different, and they work in different ways," says Wilson. "LinkedIn is a big pool, which generates one-to-one connections and therefore can be very effective when the right precise match is found. Affinity Circles definitely has the depth of population, but is still maturing as a site where people go to pursue career opportunities. We're active in both, and both are generating significant candidate flow."

Affinity Circles hosts networking sites for the alumni of a handful of colleges and universities. While grads meet, greet, network and swap contacts among themselves, companies like Merrill Lynch can pay a fee to join the community as employers.

Employers can then push out jobs through targeted ad campaigns. Merrill Lynch can target its campaigns as specifically or as broadly as it wishes -- marketing majors at Santa Clara College who graduated in 1994, for example, or finance grads of all ages who attended any school within the network.

"We're combining professional networking with job searching," says Affinity Circles Vice President of Business Development Chuck Taylor. "It's the type of thing that alumni do anyway; they've just always used separate tools -- the alumni directory and a job board -- to do it."

Employers do not have access to members' personal information. They have to shake virtual hands to obtain it, just like anyone else. Normally, a prospect sees an ad, visits Merrill Lynch's profile page, and then chooses whether or not to "express interest" in the company. Only after doing so can a recruiter contact the prospect with specific information. Meanwhile, applicants can also see who from their college is currently working at the company they're interested in, and message them with questions.

Seeking Boomerangs

This sort of "who-knows-who-where" is information that tax-and-advisory firm KPMG, which has its U.S. headquarters in New York, works hard to maintain with past employees, regardless of recruiting activity. And the networks are great for keeping in touch with alumni who might want to return to the company -- people that National Alumni Relations Director Caren Scoropanos calls "boomerangs."

"Boomerang rehires are very important to the firm," says Scoropanos. "We're certainly interested in having our alumni return to KPMG to work in a different capacity or a similar capacity. Before, we were in touch with our alumni on a much more one-on-one basis.

"What corporate social networking has provided for us is the capability to talk to our alumni under one umbrella and ensure that our messaging is consistent," she says.

The network that KPMG uses to keep up with its 80,000-plus alums and current employees is provided by New York-based **SelectMinds**. The site allows KPMG to push out ad campaigns targeted by area, affinity, expertise or other demographics. KPMG's site may not see as much usage as LinkedIn, but members of the network all have some affiliation to KPMG and thus are a pre-screened audience for the communications that the firm sends out. The site sees a lot of activity; Scoropanos reports that members have generated more than 800,000 connections between them.

As is the case with most new technologies, employers using online social networks do not, for the most part, have firm return-on-investment numbers. It's one more way to attract people, one more way to spread the word, one more way to extend a company's reach and visibility. Anecdotally, the companies using it report that they get more inquiries and generate a lot of activity, but are reluctant to put a dollar figure on any of it . . . for now.

"We see this as a long-term project," says Medical College of Wisconsin's Ellefson. "We've answered questions and we've had inquiries, but I couldn't say today that it's resulted in X number of hires. But what I do know is that it's getting the word out about the Medical College of Wisconsin to an audience that we'd previously had trouble tapping into."

All in all, Ellefson says, social networking is just a different way of meeting people and passing out business cards.

"These are professionals I've already networked with, but now I'm able to connect with them in a different way," she says. "Really, I've just taken my old Rolodex and made it electronic."

October 2, 2008

Copyright 2008© LRP Publications