



Social Media Trends

With Silicon Valley Employers

Conducted for the NOVA Workforce Board
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EXECUTIVE SUMMARY

Recognizing the hype and confusion surrounding social media and its potential for assisting unemployed job seekers in identifying opportunities and securing new positions, the NOVA Workforce Board commissioned this research effort to understand the trends in how social media are being used in the recruiting and hiring process in Silicon Valley and which skills and fluency these companies expect prospective employees to possess in order to be hired.

Overall, 52 percent of firms use social media for either external communication, evaluating new job candidates, finding and recruiting new job candidates, or internal communication. Specifically regarding recruitment and screening of candidates, the relatively low use of social media (26% and 27% respectively) by firms in the region may suggest that regional workforce boards should invest their training dollars in core-skills training and re-education that can be supplemented by some social media seminars. Should NOVA or other regional workforce boards wish to provide social media training, our research suggests the following recommendations:

Recommendations to Job Seekers

Recommendation 1: Develop a Social Media Strategy, Particularly for Searches with Large Firms, Growing Firms, and Technology Firms

Our results indicate that job seekers targeting large firms (>100 employees), growing firms, or technology firms would particularly benefit from a social media presence. However, it is important to note that some of the most passionate users of and evangelists for social media may conceivably be in any size or sector, and only by having an appropriate presence can a job seeker capitalize on all opportunities.

In some roles, such as marketing and IT as well as public affairs and communications, the case for the application of social media is clear and job seekers interested in positions in those areas may want to invest additional time in developing social media fluency.

Recommendation 2: But Do Not Rely on Social Media Exclusively

Outside of very rare occurrences, candidates will not be hired because they have social media skills alone. A prospective job seeker's education and experience are just as important today as they were before social media existed, and highlighting the "meat" of a resume is critical. Rolling up one's sleeves and searching for opportunities is still the most likely way to find openings.

Recommendation 3: Build Networks, Online and Otherwise

By far the most prevalent method of external recruiting among employers is word-of-mouth, referrals, and networking. Job seekers should focus on cultivating both their offline and online networks to find opportunities regardless of sector or size, and bring social media technology to bear in helping them do this more effectively. In many ways, social media tools are just ways to more efficiently tap the networks one already has.

Job Search: Social Media for Evaluation

Recommendation 1: Develop an Online Profile, but do so with Caution

There is likely no downside to having an online presence on social and professional networking sites, assuming the job seeker maintains a professional appearance and demeanor and avoids posting offensive or inappropriate content. The converse is not true, as a lack of a social media presence could preclude a candidate from being discovered, screened, or hired if targeting one of the early adopter companies that uses social media extensively. In all cases, the least wise policy would be to have a social media presence that is offensive or inappropriate.

Recommendation 2: Share Profile Data Wisely and Stay Professional Online

Our results indicate that social media tools are used about as frequently for evaluating candidates as they are for recruiting them (27% vs. 26%). The top factors in making an individual more attractive to hire read like a checklist for evaluating a paper resume, including how well the profile is written, the candidate's experience, associations, references, and skills. Candidates should always remember that an inappropriate status update, a poor recommendation, or an embarrassing photo could be all it takes to turn off a potential employer, so maintain a professional image online and protect your personal (e.g., Facebook) profile by default.

Recommendation 3: Create and Maintain a LinkedIn Profile

For those firms that use social media for recruiting, 74 percent indicated that they used LinkedIn. Properly creating a LinkedIn profile may take an hour or two, and thanks to options to link one's profile to popular email tools, in one click a job seeker can send emails to matched addresses to add them as connections in the tool, thus building a professional, online network. At the very least, job seekers should consider creating a profile on LinkedIn, but would also benefit from fully leveraging the tool by exploring their networks for job opportunities and introductions to hiring managers for open positions through their connections.

INTRODUCTION

The unexpected and rapid rise of “social media” at the end of the last decade fundamentally transformed the Web and turned an age-old information hierarchy on its head. Almost overnight, consumers became producers, readers became authors, and the word “friend” became a verb as social networks challenged the notion that news and information spread only from the top down.

Though the movement undeniably began in the consumer and P2P world, it wasn't long before businesses jumped into the fray, with edgy companies leveraging Twitter and Facebook for marketing and IT vendors developing and marketing social software to the corporate world. The advent of corporate collaboration technology platforms has begun to bring many social media concepts – from enterprise wikis to microblogs, blogs, and social networks – inside company firewalls, while increasing numbers of companies embrace sites such as Facebook and Twitter as new marketing channels and turn to LinkedIn to find and recruit top talent.

These are, however, uncharted waters, and the pace of adoption varies across the corporate world, with risk-averse companies often taking a slower and more measured approach. The frenetic pace and ever-evolving nature of the social media revolution have made the task of simply defining social media extremely difficult, much less advising how a company can tap social media's potential for improving recruiting and marketing or what an individual job seeker needs to know to be marketable to forward-thinking employers.

Recognizing the hype and confusion surrounding social media and its potential for assisting unemployed job seekers in identifying opportunities and securing new positions, the NOVA Workforce Board commissioned this research effort to understand the trends in how social media are being used in the recruiting and hiring process in Silicon Valley and which skills and fluency these companies expect prospective employees to possess in order to be hired. Armed with this understanding, NOVA and its partners can develop tailored training and counseling to ensure its resident job seekers are well prepared to find and secure new opportunities.

WHAT ARE SOCIAL MEDIA?

Prior to discussing the study's methodology and results, it is important to agree on a common, basic definition of what social media are so the analysis and conclusions are clear and transparent, particularly with respect to the significance of the findings. While a simple Web search will provide a plethora of definitions for social media, for the purposes of this study we consider the term to be any manner of web-based social software that are characterized by the following general traits:

- Social media are just that – social – and are driven by interactions among individuals through networks.
- Low or no barriers to entry – free to sign up (high adoption), with no implicit hierarchy. Everyone is equal in the eyes of the platform.

- Community and network-based search through people – Networks form the core of the platform, with individuals linked to others to share information explicitly and via supporting technology (e.g., RSS).
- Open access to information, Consumer Driven – There are no barriers to accessing information and everyone can be an author or producer.
- Opt-In – Membership in a community is based on a preference to join due to perceived value. Because our research was not a general study on social media but rather was concerned with workforce implications, we focused on social media tools including, but not limited to:
 - LinkedIn – for its use in sourcing, recruiting, hiring, and opportunity identification.
 - Twitter – for its use in marketing and branding, recruiting, etc.
 - Facebook – for its use in marketing and branding, recruiting, etc.
 - SharePoint/Jive/Yammer et al. – for their importance in internal collaboration and thus the required fluency among job seekers.

HOW DO COMPANIES USE SOCIAL MEDIA?

Fully answering the question, “how do companies use social media?” would likely require writing a full-length treatise – but the real difficulty is that the publisher would have to print a new version every month due to the rapid pace of innovation and the changing nature of both social media tools and how they can be used to advance business goals. In general, though, it is evident that companies that have begun exploring how social media can drive shareholder value have generally exploited these technologies to enhance their interactions with external stakeholders and/or improve internal communication and collaboration. While there is no established blueprint for which tools a company should use nor defined best practices on how to use them, companies have begun to converge on common use cases for social media that can inform job seekers on where to focus their efforts. These include:

External Interaction with Stakeholders

Whether using Twitter to help expand the reach of a company press release or creating a Facebook page for a product brand, companies are taking advantage of the wide-scale adoption of social media platforms to expand the conversation with their most important audiences, such as investors, partners, and customers.

Recruiting Candidates for Openings

The advent of LinkedIn and, to a lesser extent, other social media tools has created an online database of resumes as well as brought the power of online networks and associated trusted connections to company searches for top talent. Whether used by hiring firms, corporate HR departments, or employees, these socially driven tools provide a heretofore-nonexistent opportunity to digitally locate candidates.

Evaluating Candidates for Hire

Once candidates have been selected for evaluation, whether through traditional means or via social media tools, increasing numbers of firms tap into online profiles to assess the professionalism, network, and reputation of prospective employees.

Internal Communication and Collaboration

Recognizing the increased and easier access to information social media provides on the Web, more companies are investing in enterprise collaboration and communication technologies in an attempt to boost productivity and improve information and knowledge management. While the experience inside a company's firewall will be different from the completely open nature of the Web, the skills required by job seekers are similar in the public and private domains.

Of course, the evolving nature of social media and the willingness of companies to invest in its use will ensure that a definitive answer to "how companies are using social media?" will remain a moving target. Nevertheless, job seekers who want to maximize their chances of landing an open position would do well to stay apprised and keep their social media skills sharp.

PROJECT SCOPE AND METHODOLOGY

Perhaps more important than any discussion about which specific social media tools were in use were our probing questions about how these tools were being used, to what extent they have been adopted, and of course, the perceived importance of the tools and practices they support among employers of various sizes across sectors. Using a two-phased approach, our research team began the information-gathering phase by conducting a series of executive interviews with leaders of a sample of companies in Silicon Valley. From their responses and the trends that emerged, we crafted a detailed survey and sent it to a broader audience of 301 companies with at least 10 employees¹.

The survey was completed by Web and phone from October 8 through 26, 2010, and averaged 15-minutes in length. The maximum margin of error for questions answered by all 301 respondents was +/- 5.60 percent (at the 95 percent level of confidence).

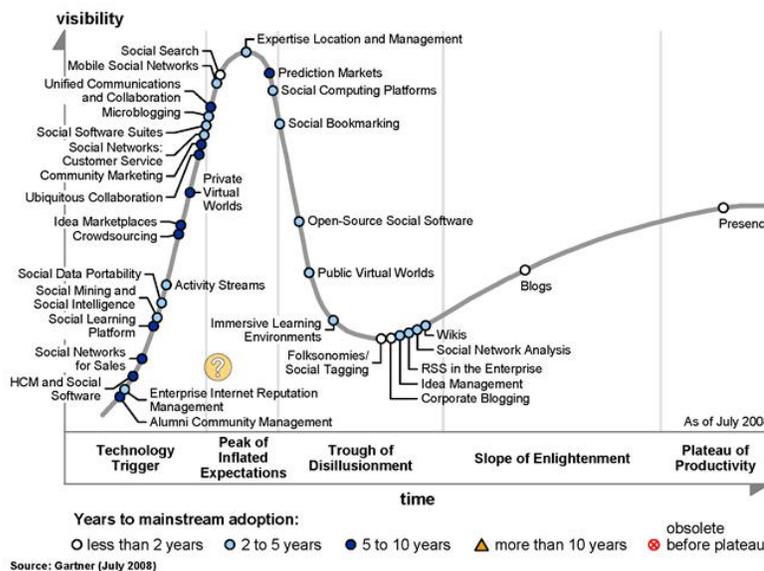
It is important to note that the survey results were not designed to be representative of the overall economy of firms in Silicon Valley, but rather firms most likely to utilize social media now or in the future. Specifically, the survey focused on firms with 10 or more employees and oversampled firms in technology, healthcare, social assistance, education, utilities, and the public sector. Please refer to Appendix A for a more complete description of the methodology.

¹ Firms were allowed to participate in the survey as long as they were listed in the database from InfoUSA as having at least 10 employees.

RECOMMENDATIONS TO JOB SEEKERS

Those familiar with the Gartner “Hype Curve” know that many new technologies may explode on the scene, but that after a peak of inflated expectations, there is often a sharp drop in expectations and enthusiasm before some technologies mature into offerings with a clearer value. As shown in the figure below, clearly the individual components of the “social media toolset” are at various stages in this cycle, so understanding which tools are simply the “flavor of the month” and which have the potential to help find, land, and succeed in new jobs can be difficult.

Figure 1 Gartner Social Media Hype Curve



The results of our survey largely support the hype cycle phenomenon for social media in the workplace. Beyond a few extremely active and evangelical individuals and companies and some mired in the “trough of disillusionment,” the majority of survey respondents seemed to recognize the growing potential of social media in external communication, internal collaboration, and recruiting but were still a long way from viewing the technology and social interaction model it supports as crucial to the success of their core businesses.

Though the use of social media within each category is still much lower than the “hype” might suggest (24% to 34% for each individual use), its use is predicted to grow in the future across all use cases (21% to 29%). Overall, 52 percent of firms use social media for one of the uses tested – either external communication, evaluating new job candidates, finding and recruiting new job candidates, or internal communication.

When examined individually, slightly more than one in four firms use social media in their business practice for finding and recruiting (26%) or evaluating (27%) new employees. When combined, 35 percent of firms use social media for hiring (either to evaluate new candidates or find and recruit new employees).

Figure 2 Use of Social Media Tools

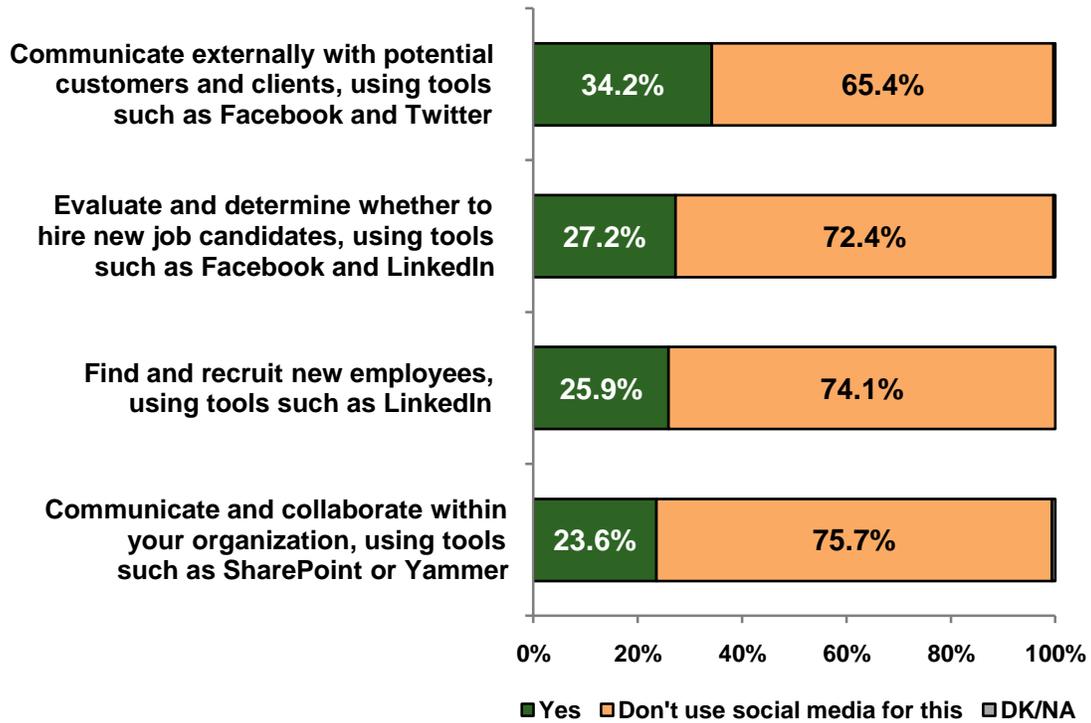
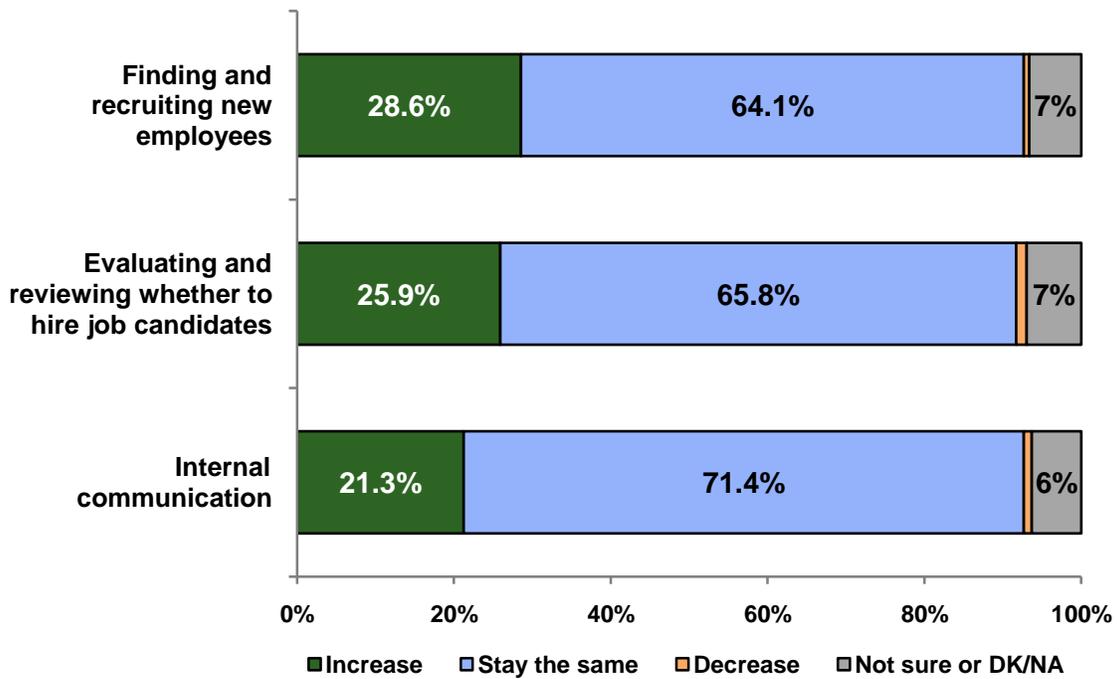


Figure 3 Expectations for Future Social Media Use



JOB SEARCH: SOCIAL MEDIA IN RECRUITING

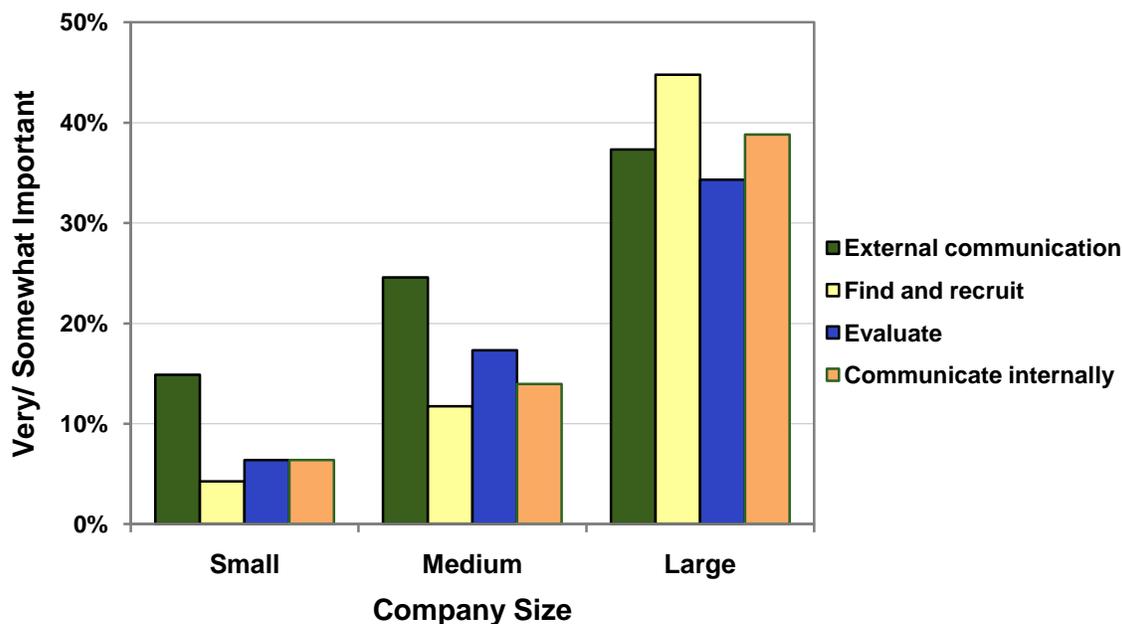
Recommendation 1: Develop a Social Media Strategy, Particularly for Searches with Large Firms, Growing Firms, and Technology Firms

Large Firms

Our results indicate that job seekers targeting large firms (>100 employees) would particularly benefit from a social media presence, with 34 to 45 percent of large firms indicating social media was at least somewhat important across the areas of external communication, recruiting, evaluating candidates, and internally communicating as well as collaborating. In fact, this research study suggests that the importance of social media increases as the size of the company increases. Because most companies in the region are small, the overall number of firms reporting importance reflects this finding.

It is important to note that while size may be a predictor of perceived importance among employers, it is not a perfect fit. Some of the most passionate users of and evangelists for social media may conceivably be in any size or sector, and only by having a (appropriate – see later commentary) presence can a job seeker capitalize on all opportunities.

Figure 4 Social Media Importance by Size



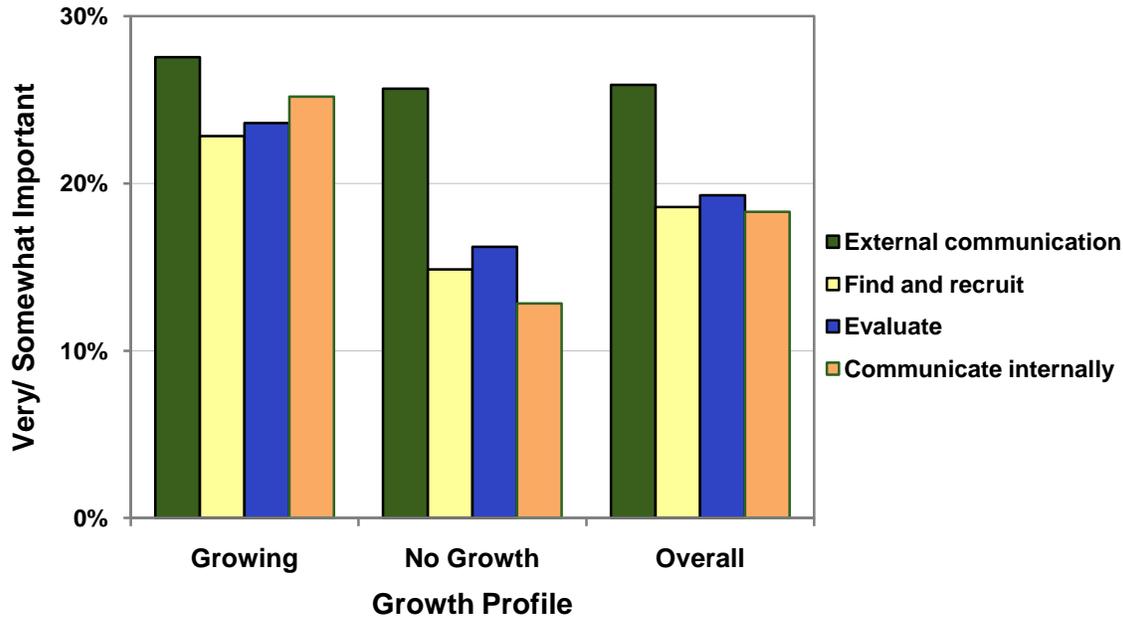
Surveyed firms were twice as likely to use social media tools for one of the three external uses (communication, evaluating, recruiting) than to communicate internally (50% vs. 24%). This may reflect the clearer value proposition for external uses that is an immediate impact at low to no cost (beyond employee time), over internal uses that can be satisfied in other ways (email, phone, file sharing, hallway conversations, etc.). Larger companies may be more aggressive adopters of these technologies. This may simply be due to their scale. With more formal processes in place related to recruiting and hiring, more stakeholders and shareholders with whom to communicate and having the need to

communicate and collaborate internally across many countries and time zones, larger firms may find social media more indispensable than would a 10-person startup where employees are working in one room. Larger companies also are likely to have bigger budgets to procure internal enterprise collaboration platforms for *secure* file sharing, microblogging, and video chatting that could be price prohibitive for smaller firms. This divide may also explain the differences in perceived importance of social media literacy in employees across company sizes. Larger companies indicate a relatively high importance, with declining numbers by company size.

Growing Firms

One of the interesting findings in our survey was the difference in importance of social media between the growing and non-growing firm categories. While the chart below shows that neither growing nor non-growing firms viewed social media as overwhelmingly important (no higher than 28% in any use category), growing firms did assign a higher importance to the tools, particularly in recruitment, evaluation, and internal collaboration. For both growing and non-growing firms, external communication was the most important use of social media, which may reflect the “free advertising” value proposition and the need to market products and services regardless of hiring activity.

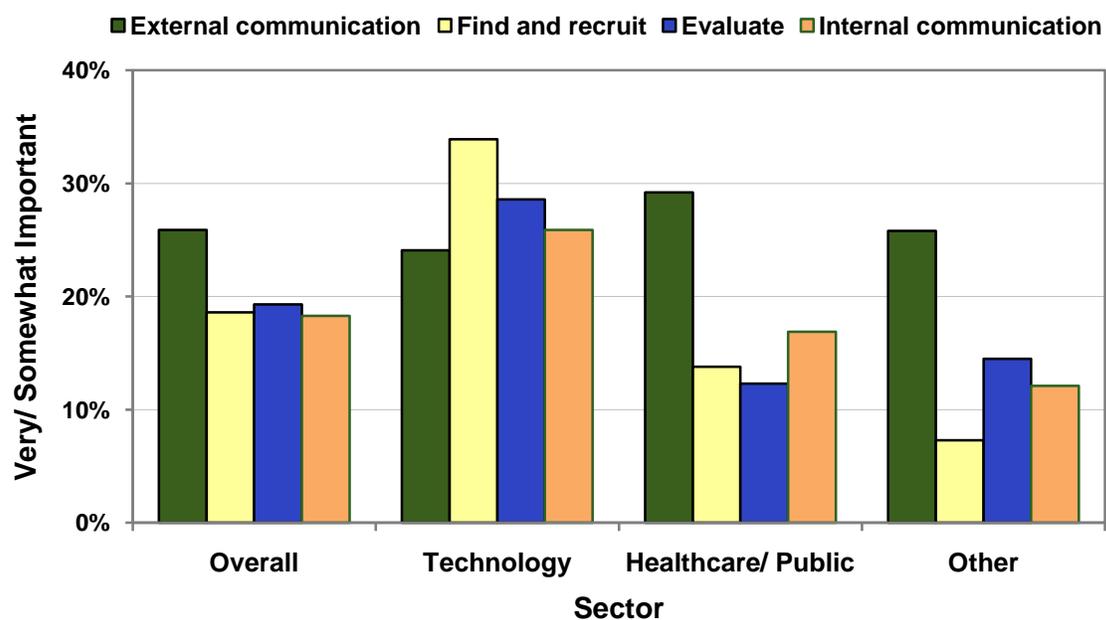
Figure 5 Social Media Importance by Growth



Technology Firms

As in growth and non-growth companies, when analyzing the results by sector it appears that all firms place a high importance on using social media for external communication. Interestingly, technology firms reported much higher importance of social media in recruiting, evaluating, and internal communication than other firms. Of most interest to job seekers: just over one-third of technology firms (34%) view social media's use in recruiting as very or somewhat important, which is 20 percentage points higher than the importance reported by healthcare and public sector firms (14%) and more than four times all other firms (7%). These results indicate that job seekers interested in the technology sector would be well served to have an online professional presence (e.g., LinkedIn) and to hone their social media skills to be used if hired, as shown by the 26 percent importance for internal communication and collaboration at tech firms.

Figure 6 Social Media Importance by Sector

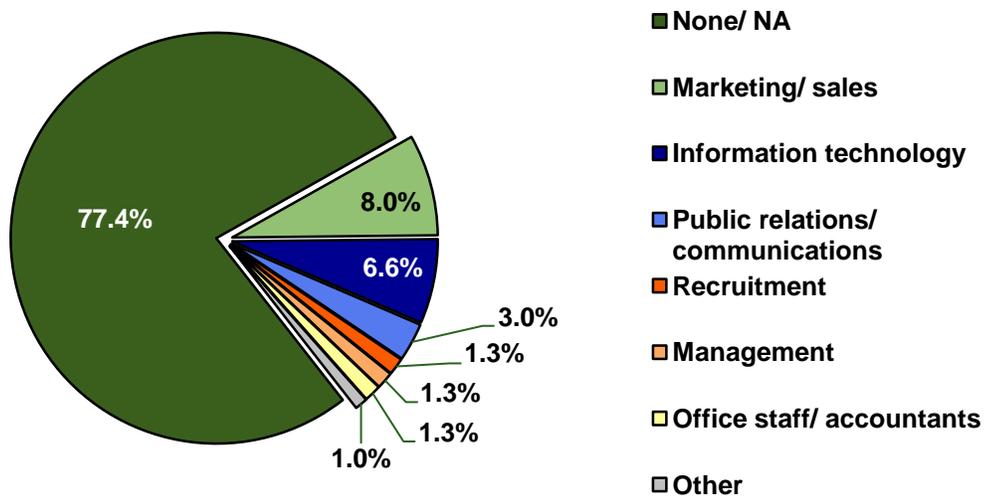


While it is probably safe to say from our results by sector and size that social media have not had a truly paradigm-changing impact on companies across the board, it is important to remember that, as with any new technology, adoption could accelerate at any time. Twenty-one to 29 percent (Figure 3 Expectations for Future Social Media Use) of firms reported that their use of social media would increase in the future.

Job Function Variation

In some roles, such as marketing (8%) and IT (7%) as well as public affairs and communications (3%), the case for the application of social media is clearer and job seekers interested in positions in those areas may want to invest additional time in developing social media fluency.

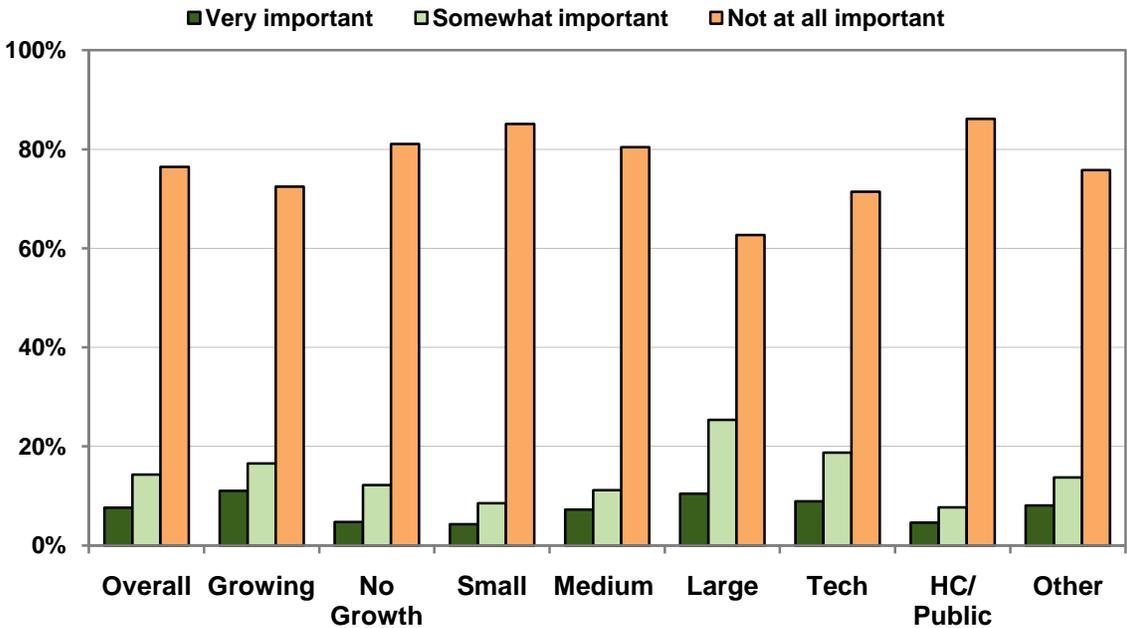
Figure 7 Occupations or Job Functions that Require Expertise in Social Media



Importance of Social Media Fluency in Candidates

Besides a greater perceived importance for social media in technology firms and in specific roles, the importance of social media fluency in employees generally increases with the size of firms, as shown in the table below. It is critical to remember, however, that these are *general* rules, and in many cases the exceptions may be the firms that place the most value on social media. In one interview with an executive for a small IT startup in Silicon Valley, for example, the CEO commented that the company expects employees to live and breathe social media and that it is a prerequisite for joining the firm. The CEO added, “Every job in the company uses some form of social media. Some jobs use it more than others, like in marketing, but everyone needs to have it. ‘Social media’ does not represent a standalone job anymore; it is a requirement for every position.” Thus, job seekers should do their research on target companies as well as evaluate their online presence and quotes from trade websites and the blogosphere so they can be prepared to be asked about social media regardless of size or sector.

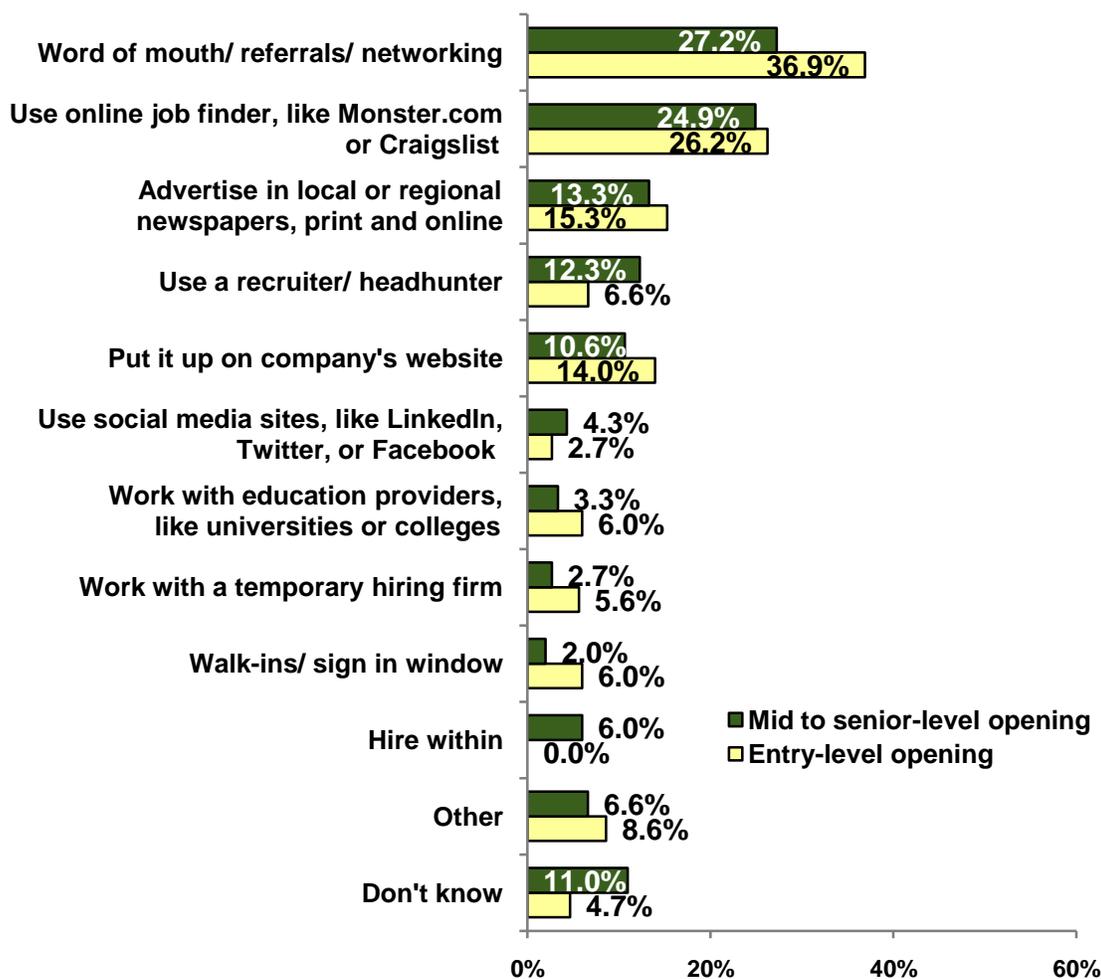
Figure 8 Social Media Fluency Importance



Recommendation 2: But Do Not Rely on Social Media Exclusively

Outside of very rare occurrences, candidates will not be hired because they have social media skills alone. A prospective job seeker’s education and experience are just as important today as they were before social media existed, and highlighting the “meat” of a resume is critical. Rolling up one’s sleeves and searching for opportunities is still the most likely way to find openings. As shown in Figure 9 below, less than five percent of firms reported social media sites as the most effective tools for recruiting. Preferred instead were word of mouth, posting to jobs sites and company websites as well as working with traditional media, universities, and recruiting firms. Two important caveats to these results: the use of sites such as LinkedIn are probably higher at recruiting firms and are likely to grow in importance (Figure 3 Expectations for Future Social Media Use) and that LinkedIn and Facebook are excellent ways to tap into the most prevalent method – word of mouth/ referrals/ networking – by building and exploiting a large network of trusted connections. This is discussed in more detail in Recommendation 3.

Figure 9 Most Effective Recruitment Strategies



Recommendation 3: Build Networks, Online and Otherwise

Use of social media sites such as LinkedIn and Facebook for external recruiting was not reported as the most effective means of finding candidates by nearly any companies (3% for entry level, 4% for experienced), but this is in some ways a red herring. By far the most prevalent method of external recruiting was word-of-mouth, referrals, and networking (37% for entry level, 27% for experienced). While some companies may not think social media tools are the most effective means to search for candidates, savvy job seekers who know how to use LinkedIn and Facebook to tap their own networks (not to try to build artificially large ones) may be able to actively discover these word-of-mouth opportunities even if their resumes are not found passively by employers. In many ways, social media tools are just ways to more efficiently tap the networks one already has. The gap in survey results may simply reflect a missed or under-leveraged opportunity to use these tools. Job seekers should focus on cultivating their networks to find opportunities regardless of sector or size, and bring social media technology to bear in helping them do this more effectively.

It is also important to note that a larger number of firms report that using headhunters or recruiters is the most effective means of sourcing candidates (12% for experienced, 7% for entry level). Our executive interviews with recruiting firms identified strong use of social media tools to link candidates to openings. Therefore, the actual use and effectiveness of social media sites such as LinkedIn and Facebook may be higher than reported, with obvious implications for job seekers.

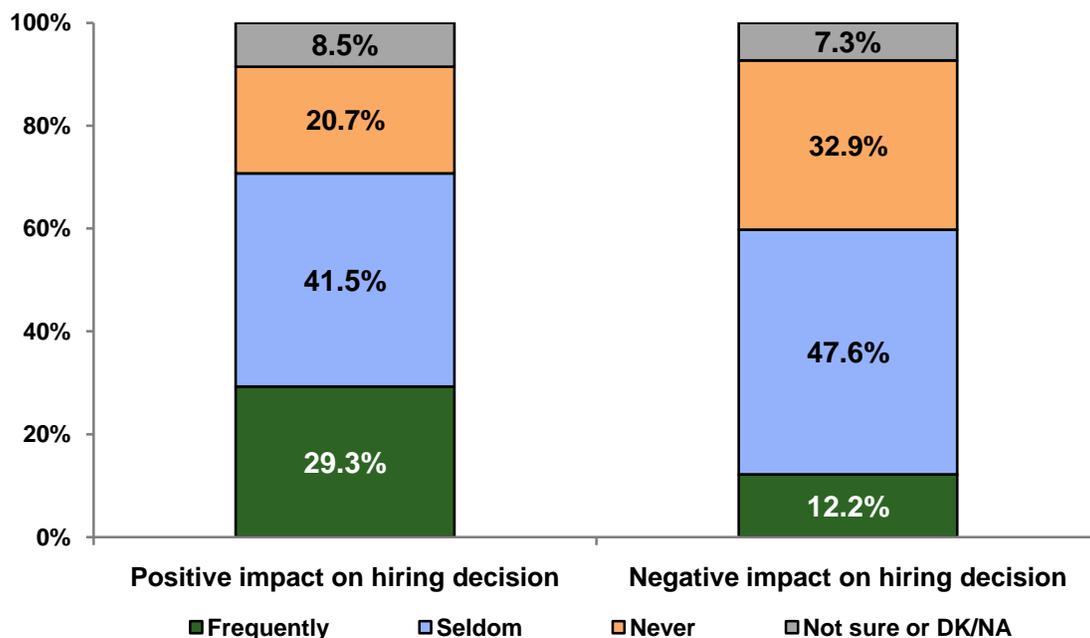
For those companies (and their headhunters and recruiters) that do use social media tools for external recruiting, LinkedIn is far and away the most prevalent (74%) tool used and should thus receive the most attention and time from job seekers in creating and maintaining their profiles.

JOB SEARCH: SOCIAL MEDIA FOR EVALUATION

Recommendation 1: Develop an Online Profile, but do so with Caution

Many consider LinkedIn an “online resume,” with the added benefit of having a network of one’s connections available on demand, electronically. LinkedIn is indeed a “professional network” vs. a classic “social network,” and job seekers would be wise to keep this in mind when creating a profile and interacting on the site. Facebook, in contrast, is a pure social network, with a user experience geared toward frequent interaction, sharing news, photos, updates, and gaming. Users of Facebook and LinkedIn should remember that this perceived distinction between professional and social lives may not be respected by employers evaluating them as potential hires; almost 60 percent of respondents indicated at least the potential for a seeker’s online presence, which could include both LinkedIn *and* Facebook, to have a negative impact on a hiring decision. Conversely, more than 70 percent reported a review of online presence could have a positive impact on the hiring decision, so if a job seeker is going to join the social media fray, he/she should do so carefully and properly. There is likely no downside to having an online presence on social and professional networking sites, assuming the job seeker maintains a professional appearance and demeanor and avoids posting offensive or inappropriate content. The converse is not true, as a lack of a social media presence could preclude a candidate from being discovered, screened, or hired if targeting one of the early adopter companies that uses social media extensively. In all cases, the least wise policy would be to have a social media presence that is offensive or inappropriate.

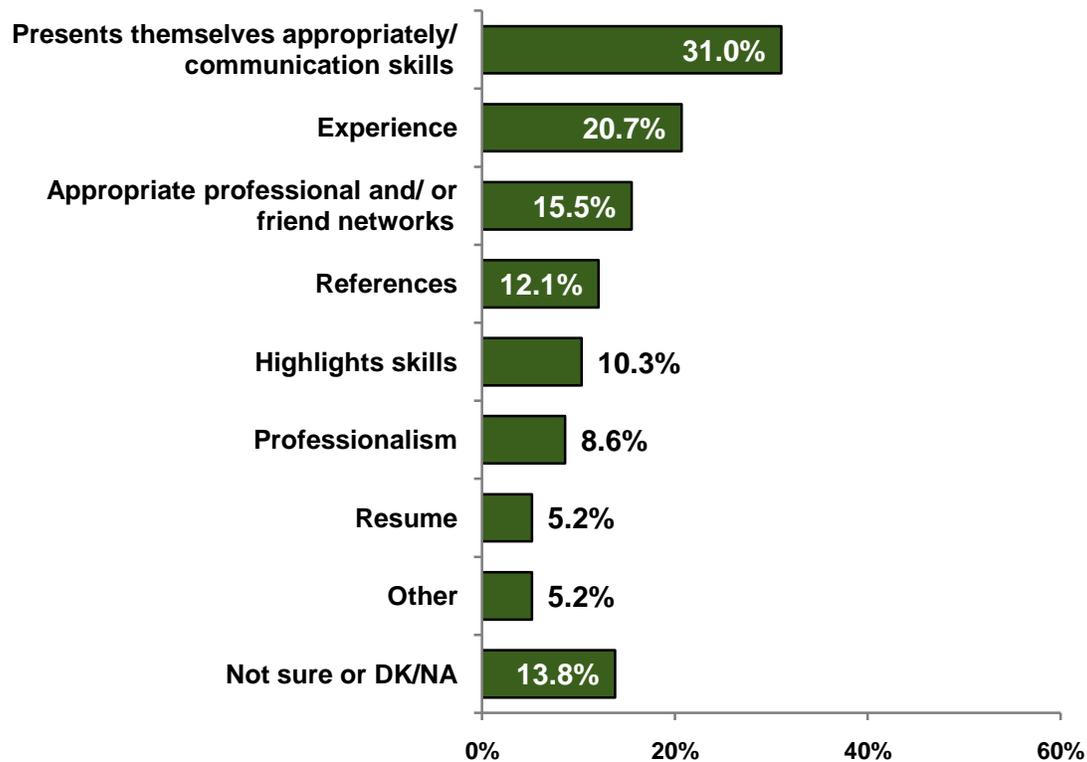
Figure 10 Impact of Job Candidate’s Social Media Presence (Percentages among Firms that Use Social Media Tools to Evaluate and Determine Whether to Hire New Job Candidates)



Recommendation 2: Share Profile Data Wisely and Stay Professional Online

Our results indicate that social media tools are used about as frequently for evaluating candidates as they are for recruiting them (27% vs. 26%). This could be due to recruiting and evaluation being grouped together in the minds of some hiring managers, with responses showing that an online profile is viewed in much the same way as a traditional paper resume. The survey responses read like a checklist for evaluating a paper resume, including (in descending order) how well the profile is written, the candidate’s experience, associations, references, and skills. Note the mere nine percent “professionalism” response, which seems to support that while employers may not *look* for this, they will *notice* unprofessional appearance or behavior. Candidates should always remember that an inappropriate status update, a poor recommendation, or an embarrassing photo could be all it takes to turn off a potential employer, so maintain a professional image online and protect your personal (e.g., Facebook) profile by default.

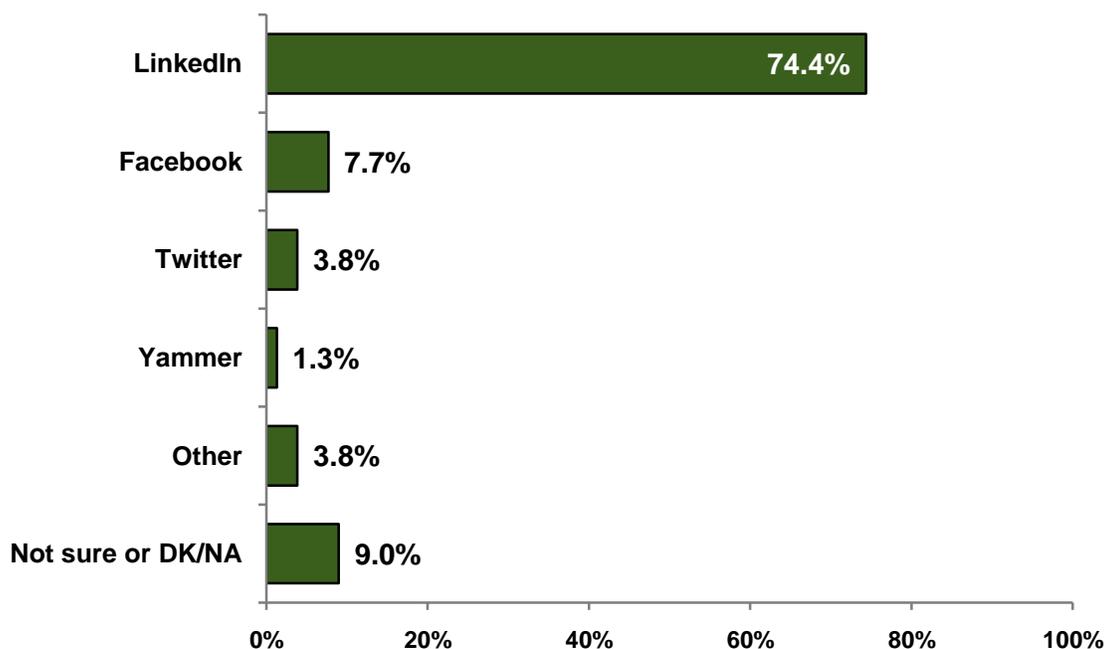
Figure 11 Social Media Presence – Factors that Make an Individual More Attractive to Hire (Percentages among Firms that Use Social Media for Hiring and Indicated that Social Media Can Have a Positive Impact on the Hiring Decision)



Recommendation 3: Create and Maintain a LinkedIn Profile

There is a saying that goes, “you can cast your line in the water a thousand times and not catch a fish, but you will never catch a fish if you don’t cast your line in the water.” When it comes to a LinkedIn profile, this same spirit holds true. For those firms that use social media for recruiting, 74 percent indicated that they used LinkedIn for this purpose. Properly creating a profile in the tool may take an hour or two, and thanks to options to link one’s profile to popular email tools, in one click a job seeker can send emails to matched addresses to add them as connections in the tool, thus building a professional, online network. At the very least, job seekers should consider creating a profile on LinkedIn, but would also benefit from fully leveraging the tool by exploring their networks for job opportunities and introductions to hiring managers for open positions through their connections.

Figure 12 Social Media Tools Most Heavily Relied on for Recruiting (Percentages among Firms that Use Social Media Tools to Find and Recruit New Employees)



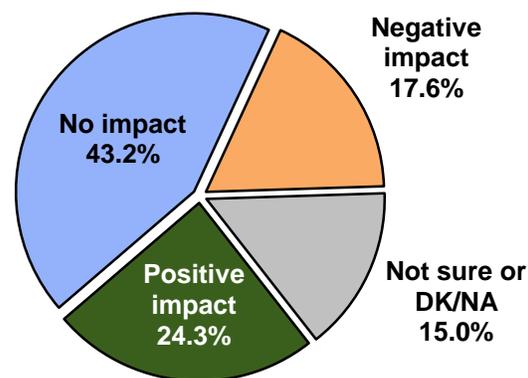
The relatively low use of social media tools in external recruiting (26%) and evaluation (27%) may not represent a lack of potential and may belie increased future use as the technologies evolve and gain increased followings. As Eric Lefkofsky, the multi-millionaire founder of Groupon, [recently noted](#), “[LinkedIn] is missing some of the key social features that make Facebook so compelling. The ability to quickly understand someone based on whom they know, what they share and what others think of them, for example. *To me, no one has fully cracked the code on social recruiting yet.*” If and when the code is cracked, it would pay for job seekers to be prepared.

There is no way to predict definitively by size or sector which individual firm will require a social media presence and fluency, though as discussed it is more likely that large firms will look for this more than small and medium-sized firms.

JOB SEARCH: SOCIAL MEDIA SKILLS

Besides creating a presence so that you can be passively discovered online, job seekers adept at using social media tools may be able to actively find opportunities using their networks, smart searches, and more. Marketing oneself to a large technology firm that places a high value on social media skills may require job seekers to demonstrate more than a presence on LinkedIn; rather they may need to show they are active bloggers who understand and use wikis and file sharing systems and are proficient in social bookmarking and data discovery and more. It appears, however, to be far more important for job seekers to lead with their core skills, highlight their social media prowess as an added plus, and use social media as a vehicle for showcasing their talents. Be careful, however, because firms still report some concern about negative impacts to productivity.

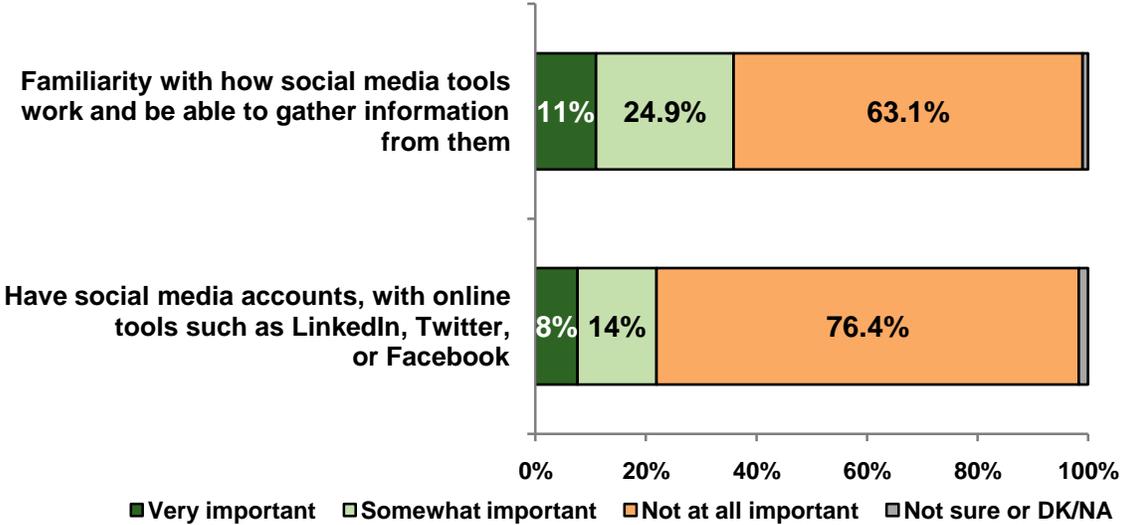
Figure 13 Impact of Social Media on Worker Productivity



For instance, a Java programmer with Oracle database skills would ultimately be hired for her ability to use these talents in developing software for a Silicon Valley firm. Having a LinkedIn profile may help her be discovered by the hiring firm or she may hear of the opening via a connection at the company. Showing some familiarity and interest in working collaboratively using blogs and wikis and interacting in online professional groups may help separate her from other candidates with similar skills but no proclivity for social media. Likewise, a civil engineer will rely on his body of past projects and education to land a major hydroelectric project, but may be able to better showcase his skills and experience via LinkedIn and a personal blog of his interests and past successes. Clearly then, job seekers should view social media in 2010 as a free medium for being discovered and actively seeking new opportunities, with no downside to participation but potential upside. Despite the buzz around social media, core skills are still the key.

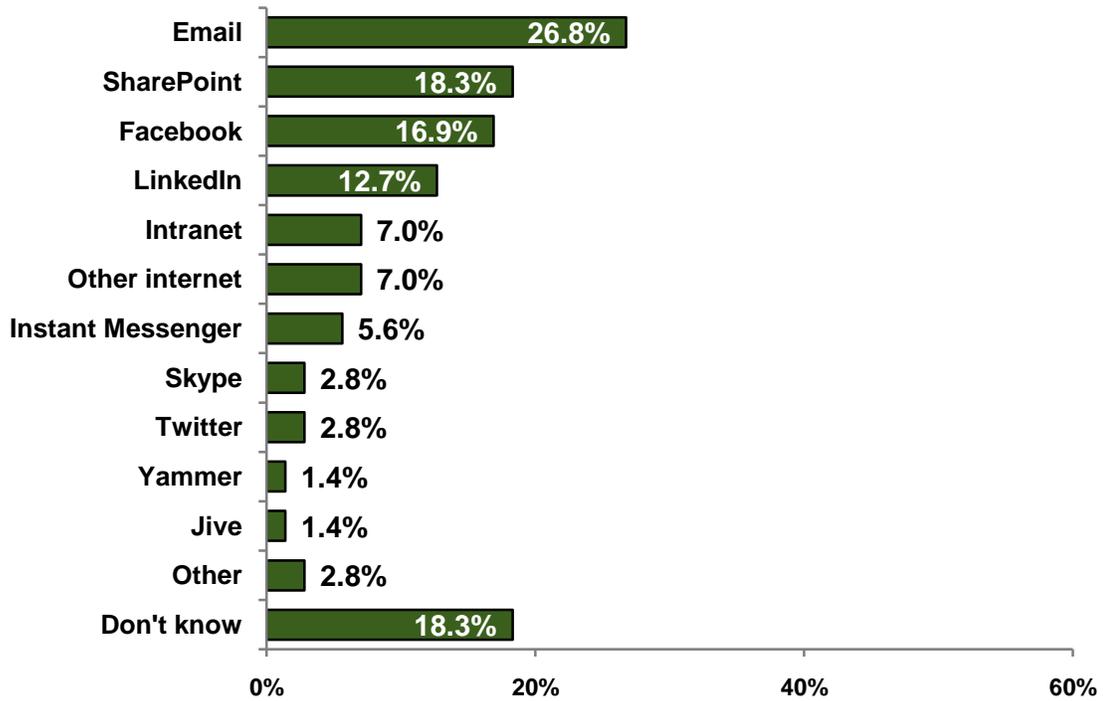
Once hired by a company, social media skills are still seen as not important by a majority of firms, but over one-third of companies indicated that familiarity with how to use social media tools is at least somewhat important.

Figure 14 Importance of Social Media Tools for Job Candidates



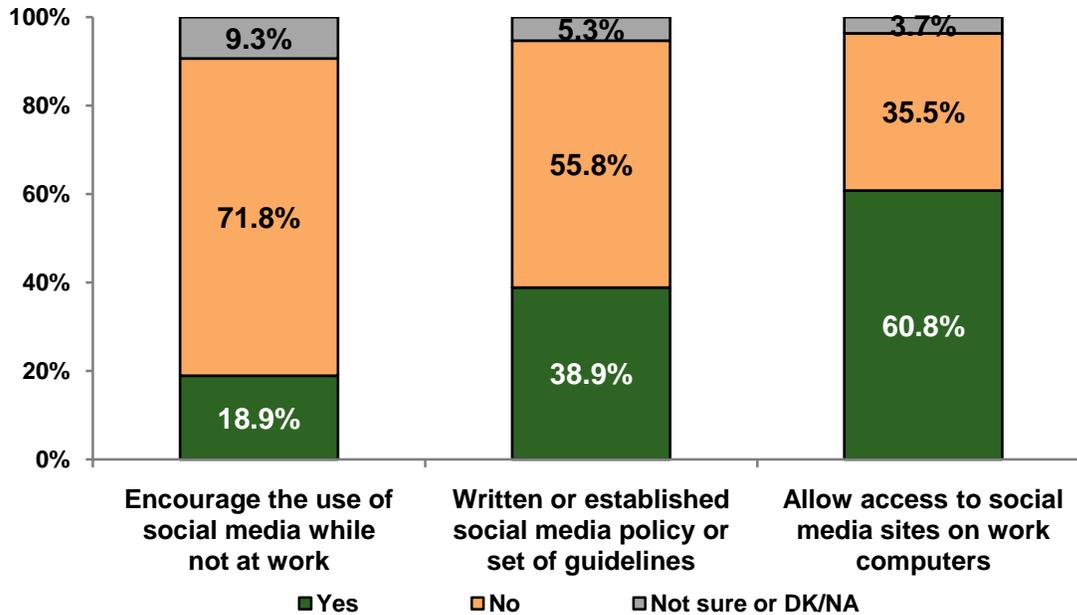
Within firms that use social media tools to communicate and collaborate within their organizations, traditional tools like email, file sharing, and person-to-person communication still dominate.

Figure 15 Online Applications or Social Media Tools Firm Uses to Communicate Internally or Plan Events Collaboratively (Percentages among Firms that Use Social Media Tools for Internal Communication and Collaboration)



The majority of firms allow access to social media sites at work and increasing numbers are developing social media policies to guide employee conduct online. As a standalone statistic this is not all that informative, but when viewed in the historical context that in the past no policies existed and the vast majority of companies blocked access to social media sites at work, we might predict that the access to and importance of social media in the workplace will increase in the future.

Figure 16 Social Media Guidelines and Policies



CONCLUSIONS

Social media are gaining a foothold in Silicon Valley and are growing in importance but, like many new technologies, have not yet had the transformational effect predicted or already assigned by bloggers and social media evangelists. Our results seem to indicate that larger firms and technology companies have been the first to embrace social media's potential, with uptake falling off in other sectors and as company size decreases. The 21 to 29 percent response that use of social media will increase in the future indicates that this is indeed an area to watch and suggests that this survey, if conducted again one to two years from now, may reveal drastically different results. In interpreting these results, it is informative to remember that there was a time when the majority of companies were hesitant to embrace email inside their organizations due to a questionable return on investment!

It is safe to say that every job seeker could benefit from having a LinkedIn profile and an associated professional network, which in effect digitizes the traditional resume and provides multiple channels to both be discovered and actively seek employment opportunities through trusted connections. Appearance, conduct, and professionalism are even more important online than they were in the paper world, with firms using these same beneficial tools to vet candidates during hiring evaluations.

Core skills are still the most important aspects of any resume, and social media should be viewed as free mechanisms for highlighting those skills and getting visibility in the eyes of employers. It is possible that for large and technology firms, having advanced experience with social media may be a differentiator in hiring decisions in cases where core skills may be equal.

Perhaps more than anything else, our results indicate that there appears to be no downside to developing social media skills and crafting, carefully maintaining, and using tools such as LinkedIn and Facebook to interact online and identify employment opportunities. The upside, while variable across sectors and company sizes, in many cases can be huge and in all cases appears likely to grow.

APPENDIX A: METHODOLOGY AND DATA LIMITATIONS

The table below provides a brief overview of the methodology utilized for the project.

Table 1 Overview of Project Methodology

| | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Method | Executive Interviews Telephone and Web Survey |
| Number of Participants | 12 Participants Completed an Executive Interview 301 Firms Completed a Survey (255 by Phone; 46 Online) |
| Field Dates | Executive Interviews: July 7 – September 20, 2010 Survey: October 8 – 26, 2010 |
| Survey Universe | 19,062 Firms in San Mateo, Santa Clara, and Southern Alameda ² Counties with 10 or more Employees |
| Margin of Error | The <i>maximum</i> margin of error for questions answered by all 301 respondents is +/-5.60% at the 95% level of confidence. |

SURVEY AND DISCUSSION GUIDE DESIGN

Through an iterative process, the project team worked closely with NOVA to develop an executive interview discussion guide and survey instrument that met all the research objectives of the study. In developing the survey instrument, BW Research utilized techniques to overcome known biases in survey research and minimize potential sources of measurement error within the survey.

EXECUTIVE INTERVIEWS

Twelve executive interviews were conducted by telephone as part of the project from July 7 through September 20, 2010. The executive interviews were designed to understand general trends, discover use of social media tools with recruiters and inform the survey instrument. NOVA identified individuals in the technology sector and Green LMI identified super-users of social media tools. Twelve individuals from the original list of 17 participated in an interview. Participants included industry leaders, prominent employers, human resource directors, and technology managers in the Silicon Valley.

TELEPHONE SURVEY

Sampling Method

A mixed-method approach (telephone and Web) was utilized to interview Silicon Valley firms with 10 or more employees. Records were purchased for all firms with telephone numbers in San Mateo, Santa Clara, and southern Alameda counties and at least 10

² Southern Alameda County includes the following zip codes: 94536 Fremont, 94537 Fremont, 94538 Fremont, 94539 Fremont, 94555 Fremont, 94560 Newark, and 94587 Union City.

employees at their location. Firms were allowed to participate in the survey as long as they were listed in the database from InfoUSA as having at least 10 employees. At the time of the survey, 30 of the 301 firms had less than 10 employees.

The list of firms was stratified based on industry tier (see below), size, and county within each tier. Efforts were made to gather data from a representative sampling of firms by size and county within each tier. It is important to note that the survey results were not designed to be representative of the overall economy of firms in Silicon Valley, but rather firms most likely to utilize social media now or in the future. Specifically, the survey was focused on firms with 10 or more employees and oversampled firms in technology (tier one) and utilities, healthcare, education, and government (tier two).

Below are the NAICS codes and industry descriptions that comprised each tier.

Tier One - Technology Firms: n=112 (by NAICS)

- 3254 Pharmaceutical and Medicine Manufacturing
- 3341 Computer and Peripheral Equipment Manufacturing
- 3342 Communications Equipment Manufacturing
- 3343 Audio and Video Equipment Manufacturing
- 3344 Semiconductor and Other Manufacturing
- 3345 Navigational, Measuring, Electromedical, and Control Instrument Manufacturing
- 3346 Reproducing Magnetic and Optical Media
- 5112 Software Publishers
- 517 Telecommunications
- 518 Data Processing, Hosting, and Related Services
- 5415 Computer Systems Design and Related Services
- 5417 Scientific Research and Development Services

Tier Two - Healthcare, Education, Utilities, and Public Sector: n=65 (by NAICS)

- 221 Utilities
- 62 Healthcare and Social Assistance
- 61 Educational Services
- 92 Public Sector

Tier Three - All Others Except NAICS 11, 21, 813: n=124 (by NAICS)

Tier Three included all other NAICS except:

- 11 Agriculture, Forestry, Fishing, and Hunting
- 21 Mining, Quarrying, and Oil and Gas Extraction
- 813 Religious, Grantmaking, Civic, Professional, and Similar Organizations

Data Collection

Prior to beginning data collection, BW Research conducted interviewer training and pre-tested the survey instrument (Web and phone versions) to ensure that all the words and questions were easily understood by respondents. Telephone interviews were generally conducted from 9:00 am to 4:30 pm Monday through Friday. Callbacks were scheduled at respondents' convenience. The Web version of the survey was distributed through a Web panel and care was taken to exclude employers that participated in the Web portion from being called as part of the telephone survey effort.

The data collection period for the survey was October 8 through 26, 2010.

A Note about Margin of Error and Analysis of Sub-Groups

The overall margin of error for the survey, at the 95 percent level of confidence, is between +/- 3.36 percent and +/- 5.60 percent (depending on the distribution of each question) for questions answered by all 301 respondents.

It is important to note that questions asked of smaller sub-groups (such as questions only asked of firms that use social media) or analysis of sub-groups (such as differences by firm size) will have a margin of error greater than +/-5.60 percent, with the exact margin of error dependent on the number of respondents within each sub-group as well as the distribution of responses.

APPENDIX B: SURVEY TOPLINES



Silicon Valley
Employers (n=301)
November 2010
Preliminary Toplines

Social Media - Employer Survey

.....

Introduction:

Hello, my name is _____. May I please speak to someone involved with staffing or recruiting at [organization]?

Hello, my name is _____ and I'm calling on behalf of **NOVA Workforce Investment Board**, a non-profit workforce and economic development agency in Sunnyvale, CA. NOVA would value your participation in a brief survey that will help address your future organization needs for trained and educated employees.

(If needed): The survey should take approximately 10 minutes of your time. By answering this survey, you can help the regional workforce investment system develop the appropriate type of training that will prepare the employees you will be looking for in the future.

(If needed): This survey has been commissioned by the NOVA Workforce Investment Board, which is committed to developing the regional workforce. The survey is being conducted by BW Research, an independent research organization.

(If needed): Your individual responses will **not** be published; only aggregate information will be used in the reporting of the survey results.

.....

**PLEASE NOTE: TRADITIONAL ROUNDING RULES APPLIED
NOT ALL PERCENTAGES WILL EQUAL EXACTLY 100%**

County:

| | |
|-----|-------------|
| 10% | Alameda |
| 27% | San Mateo |
| 63% | Santa Clara |

Tier:

| | |
|-----|-------------------------------------------------------------------------------|
| 37% | Tier One - Technology Firms |
| 22% | Tier Two - Healthcare, Social Assistance, Education, Utilities, Public Sector |
| 41% | Tier Three - All Others Except NAICS 11, 21, and 813 |

SECTION 1 – Organizational Growth Assessment

I'd like to begin by asking you a few general questions about your location. Please answer for your physical location and not your corporate headquarters or any other location.

1. Including all full-time and part-time employees, how many **permanent and temporary** employees work at your location?

| <u>Total permanent and temporary employees</u> | <u>Mean</u> | <u>More Conservative Mean</u> ³ | <u>Median</u> |
|------------------------------------------------|-------------|--------------------------------------------|---------------|
| 86,896 | 296.57 | 197.92 | 25.00 |

Breakdown:

- 0% No permanent or temporary employees
- 4% 5 or less permanent and temporary employees
- 12% 6 to 10 permanent and temporary employees
- 32% 11 to 24 permanent and temporary employees
- 16% 25 to 49 permanent and temporary employees
- 11% 50 to 99 permanent and temporary employees
- 7% 100 to 249 permanent and temporary employees
- 5% 250 to 499 permanent and temporary employees
- 3% 500 to 999 permanent and temporary employees
- 8% 1,000 or more permanent and temporary employees
- 3% (DON'T READ) DK/NA

2. If you currently have [TAKE Q1 #] full-time and part-time **permanent and temporary** employees at your location, how many more or less employees do you expect to have at your location 12 months from now?

[If amount differs by 10% or more in either direction, ask:]

Just to confirm, you currently have _____ employees and you expect to have _____ (more/less) employees, for a total of _____ employees 12 months from now.

- 42% More [record # _____]
- 5% Less [record # _____]
- 45% (DON'T READ) Same number of employees
- 9% (DON'T READ) DK/NA

³ With outliers (i.e. largest employers) removed: 3 firms with 7,500 or more employees

**Expected Full-Time and Part-Time Permanent and Temporary Employment in 12 months
(Calculated by only examining employers with both current and projected data)**

| | <u>Current</u> | <u>12 months</u> |
|----------------------|----------------|------------------|
| n | 271 | 271 |
| Mean | 305.44 | 323.50 |
| Median | 25.00 | 25.00 |
| Total Employees | 82,774 | 87,669 |
| New Employees | | 4,895 |
| % Growth | | 5.9% |

More Conservative – With Three Firms Removed (Adding 200 or more employees with growth of 50% or more)

**Expected Full-Time and Part-Time Permanent and Temporary Employment in 12 months
(Calculated by only examining employers with both current and projected data)**

| | <u>Current</u> | <u>12 months</u> |
|----------------------|----------------|------------------|
| n | 268 | 268 |
| Mean | 300.28 | 311.83 |
| Median | 24.00 | 25.00 |
| Total Employees | 80,475 | 83,570 |
| New Employees | | 3,095 |
| % Growth | | 3.8% |

SECTION 2 – Recruiting Assessment

Next, I would like to ask about how your firm typically looks for and recruits new employees.

3. What are the most effective ways your firm will recruit or look for someone from outside your company to fill a new entry-level job opening? [DO NOT READ, ACCEPT TWO RESPONSES] (Multiple responses permitted, percentages will add to more than 100%)

| | |
|-----|--------------------------------------------------------------|
| 37% | Word of mouth/ referrals/ networking |
| 26% | Use online job finder, like Monster.com or Craigslist |
| 15% | Advertise in local or regional newspapers, print and online |
| 14% | Put it up on company's website |
| 7% | Use a recruiter/ headhunter |
| 6% | Work with education providers, like universities or colleges |
| 6% | Walk-ins/ sign in window |
| 6% | Work with a temporary hiring firm |
| 3% | Use social media sites, like LinkedIn, Twitter, or Facebook |
| 1% | Job fairs |
| 1% | Interns |
| 1% | Unions |
| 5% | Other _____please specify |
| 5% | Don't know |

4. What are the most effective ways your firm will recruit or look for someone from outside your company to fill a new mid-to senior level job opening? [DO NOT READ, ACCEPT TWO RESPONSES] (Multiple responses permitted, percentages will add to more than 100%)

| | |
|-----|--------------------------------------------------------------|
| 27% | Word of mouth/ referrals/ networking |
| 25% | Use online job finder, like Monster.com or Craigslist |
| 13% | Advertise in local or regional newspapers, print and online |
| 12% | Use a recruiter/ headhunter |
| 11% | Put it up on company's website |
| 6% | Hire within |
| 4% | Use social media sites, like LinkedIn, Twitter, or Facebook |
| 3% | Work with education providers, like universities or colleges |
| 3% | Work with a temporary hiring firm |
| 2% | Walk-ins |
| 1% | Job fairs |
| 2% | Other internet |
| 4% | Other _____please specify |
| 11% | Don't know |

SECTION 3 – Social Media Assessment & Recruiting

Now, I would like to ask about your firm’s use of social media tools such as Facebook, LinkedIn or SharePoint.

- 5. Does your firm use social media tools for the following uses and if so, how important are they in meeting these objectives?

Here’s the (first/next) one, does your firm use social media to: _____. (READ ITEM AND ASK:) [IF YES ASK] Are social media tools very important, somewhat important or not too important in your firm’s overall strategy to [REREAD BOLD COMPONENT FROM EACH ITEM]?

| RANDOMIZE | <u>Very Important</u> | <u>Somewhat Important</u> | <u>Not too Important</u> | <u>Do NOT Use with Social Media</u> | <u>(DON'T READ) DK/NA</u> |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------|--------------------------|-------------------------------------|---------------------------|
| A. Communicate externally with potential customers and clients, using tools such as Facebook and Twitter | 11% | 15% | 8% | 65% | 0% |
| B. Find and recruit new employees, using tools such as LinkedIn | 7% | 12% | 7% | 74% | 0% |
| C. Evaluate and determine whether to hire new job candidates using tools such as Facebook and LinkedIn | 6% | 14% | 8% | 72% | 0% |
| D. Communicate and collaborate within your organization using tools such as SharePoint or Yammer | 9% | 10% | 5% | 76% | 1% |

[IF Q5B = 4 OR 5 SKIP TO Q7]

6. Which of the social media tools (IF NEEDED: such as LinkedIn or Twitter) do you rely on most heavily when looking for new employees?

Percentages among firms that use social media tools to find and recruit new employees (n=78)

| | |
|-----|--------------------------------|
| 74% | LinkedIn |
| 8% | Facebook |
| 4% | Twitter |
| 1% | Yammer |
| 4% | Other, please specify _____ |
| 9% | (DON'T READ) Not sure or DK/NA |

7. Do you expect your firm's use of social media tools to increase, decrease or stay the same as it relates to finding and recruiting new employees?

| | |
|-----|--------------------------------|
| 29% | Increase |
| 64% | Stay the same |
| 1% | Decrease |
| 7% | (DON'T READ) Not sure or DK/NA |

SECTION 4 – Social Media Evaluation

[IF Q5C = 4 OR 5 SKIP TO Q11]

Next, I would like to ask more about your firm's use of social media tools to evaluate and consider current job candidates.

8. How often does an evaluation of a job candidate's social media presence have a **negative** impact on the hiring decision of that individual?

Percentages among firms that use social media tools to evaluate and determine whether to hire new job candidates (n=82)

| | |
|-----|--------------------------------|
| 12% | Frequently |
| 48% | Seldom |
| 33% | Never |
| 7% | (DON'T READ) Not sure or DK/NA |

9. How often does an evaluation of a job candidate's social media presence have a **positive** impact on the hiring decision of that individual?

Percentages among firms that use social media tools to evaluate and determine whether to hire new job candidates (n=82)

| | |
|-----|--------------------------------|
| 29% | Frequently |
| 41% | Seldom |
| 21% | Never |
| 9% | (DON'T READ) Not sure or DK/NA |

[IF Q9=1 OR 2 ASK Q10 OTHERWISE SKIP TO Q11]

10. When evaluating a job candidate's social media presences, what factors would make that individual more attractive to hire? (Verbatim responses recorded in data file) (Multiple responses permitted, percentages will add to more than 100%)

Percentages among firms that use social media tools to evaluate and determine whether to hire new job candidates and the evaluation of a job candidate's social media presence can have a positive impact on the hiring decision of that individual (n=58)

| | |
|-----|---------------------------------------------------------|
| 31% | Presents themselves appropriately/ communication skills |
| 21% | Experience |
| 16% | Appropriate professional and/ or friend networks |
| 12% | References |
| 10% | Highlights skills |
| 9% | Professionalism |
| 5% | Resume |
| 5% | Other |
| 14% | Not sure or DK/NA |

11. Do you expect your firm's use of social media and online tools to increase, decrease or stay the same as it relates to evaluating and reviewing whether to hire job candidates?

(Asked of everyone, n=301)

| | |
|-----|--------------------------------|
| 26% | Increase |
| 66% | Stay the same |
| 1% | Decrease |
| 7% | (DON'T READ) Not Sure or DK/NA |

SECTION 5 – Internal Communication

[IF Q5D = 4 OR 5 SKIP TO Q13]

Next, I would like to ask about different tools your firm uses to communicate internally, from employee to employee.

12. What are the online applications or social media tools that your firm uses to communicate internally or plan events collaboratively? [DO NOT READ, ACCEPT TWO RESPONSES] (Multiple responses permitted, percentages will add to more than 100%)

Percentages among firms that use social media tools to communicate and collaborate within their organization (n=71)

| | |
|-----|---------------------------|
| 27% | Email |
| 18% | SharePoint |
| 17% | Facebook |
| 13% | LinkedIn |
| 7% | Other internet |
| 7% | Intranet |
| 6% | Instant Messenger |
| 3% | Twitter |
| 3% | Skype |
| 1% | Jive |
| 1% | Yammer |
| 3% | Other _____please specify |
| 18% | Don't know |

Remaining Questions Asked of Everyone (n=301)

13. Do you expect your firm's use of social media and online tools to increase, decrease or stay the same as it relates to internal communication?

| | |
|-----|--------------------------------|
| 21% | Increase |
| 71% | Stay the same |
| 1% | Decrease |
| 6% | (DON'T READ) Not Sure or DK/NA |

14. Has social media had a positive or negative impact on the productivity of workers at your company?

| | |
|-----|--------------------------------|
| 24% | Positive impact |
| 18% | Negative impact |
| 43% | No impact |
| 15% | (DON'T READ) Not Sure or DK/NA |

15. Does your company have a written or established social media policy or set of guidelines?

| | |
|-----|--------------------------------|
| 39% | Yes |
| 56% | No |
| 5% | (DON'T READ) Not Sure or DK/NA |

SECTION 6 –Social Media Skills (n=301)

Lastly, I would like to ask a few questions about the skills associated with the use of social media tools.

16. Does your firm allow access to social media sites on work computers?

61% Yes
36% No
4% (DON'T READ) Not Sure or DK/NA

17. Does your firm encourage the use of social media by its employees while not at work?

19% Yes
72% No
9% (DON'T READ) Not Sure or DK/NA

18. How important is it for job candidates at your firm to have social media accounts, with online tools such as LinkedIn, Twitter, or Facebook?

8% Very important
14% Somewhat important
76% Not at all important
2% (DON'T READ) Not Sure or DK/NA

19. How important is it for job candidates at your firm to have familiarity with how social media tools work and be able to gather information from these different applications?

11% Very important
25% Somewhat important
63% Not at all important
1% (DON'T READ) Not Sure or DK/NA

20. Are there any skills or abilities that job candidates should have relating to online or social media tools that we have not discussed today? If so, could you please describe them?
(Verbatim responses recorded in data file)

84% No
6% General computer skills
3% Ability to use social media
4% Other
3% Not Sure or DK/NA

21. Are there any occupations or job functions at your firm that require expertise in the use of social media tools? If so, could you please describe them? (Verbatim responses recorded in data file)

- 73% No
- 8% Marketing/ sales
- 7% Information technology
- 3% Public relations/ communications
- 1% Recruitment
- 1% Management
- 1% Office staff/ accountants
- 1% Other
- 4% Not sure or DK/NA

Before we finish, I'd like to ask you a general question and verify your contact information.

NOVA is a nonprofit, federally funded employment and training agency that provides customer-focused workforce development services.

22. Are you interested in receiving information from the NOVA Workforce Investment Board, including the findings of this research and how to stay engaged with the social media research project?

- 25% Yes
- 73% No
- 2% (DON'T READ) DK/NA

You can join NOVA's social media dialogue by going to: www.socialmediafaq.org

Thank you for completing the survey. Since it sometimes becomes necessary for the project manager to call back and confirm responses to certain questions, I would like to verify your contact information.

- A. First and Last Name of Respondent _____
- B. Position of Respondent _____
- C. Phone of Respondent _____
- D. Email of Respondent _____
- E. Name of Organization _____
- F. Address of Organization (including City) _____

**Those are all the questions I have.
Thank you very much for your time.**

- G. Date of Interview _____
- H. Time of Interview _____
- I. Name of Interviewer _____
- J. County _____
- K. Primary NAICS _____

Survey Type:

| | |
|-----|---------------|
| 85% | Phone (n=255) |
| 15% | Web (n=46) |