

# **Case Study Analysis**

## **“How Social is Your Network”**

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## **0.0. Executive Summary**

*This paper explores the relevance of social networks in managing human resources. It further examines various legislative and ethical issues in HRM with respect to usage of social media within organizations' structures. The paper reveals that use of social media in HRM contributes to realization of greater efficiency in operations by providing a platform that enable greater interactions and cohesiveness between people. This paper discusses the Privacy Act (1988) and Fair Work Act (2009) as the main regulatory frameworks that guide social media use in Australia and reveals that both regulations prohibits employers from using information from social network to dismiss or refuse to employ an individual basing on such information gathered. The paper further borrows from amended Crimes Act (2011) and Employer Policies and Procedures that supplements both Privacy Act and Fair Work Act.*

*In addition, this paper analyses how organizations can realize win-win situation whereby employees are allowed to use social networks as to such an extent that these organizations' reputation is maintained. It draws arguments from ideas of strategic HRM, psychological contracts, human capital, knowledge management, pluralism and unitarism principles.*

*In conclusion, the paper recommends that organizations allow employees use social media and take necessary legal redress and precautions through established laws as a means of ensuring that their employees do not post disparaging comments about them on social media platforms.*

*These precautions include integrating employee friendlier social media policies.*

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## **1.0. Introduction**

The past decade has seen pervasive and tremendous changes in the manner in which organizations, people and communities communicate. Social media has emerged as most important platform for communication. Social networks technologies increasingly continue to embraced in modern day management of human resources. It has been observed that social media has the potential to bring greater efficiency and provide deep insights about employees' interests and motivations in the work place. Studies by Broughton et al. (2009) shows that the social networks present a platform that enable greater interactions between people and increases cohesiveness in organizational setups. Although social media offers immense opportunities for sharing knowledge and learning, opponents of this media argue that they are a major distraction thus reduces workers' productivity.

This essay explores the roles of social networks and looks into the various ethical and legislative issues that govern their use in HRM. The essay's main objective is to analyse social networks' impacts on the management of organizations' human resources. It further identifies various problems associated with use of social media and suggests probable HR solutions as well as looking into various ethical and legislative frameworks associated with its use in HRM. This essay argues that social media should be used in managing organizations' human resources to the extent that it enhances achievement of predetermined objectives within legal and institutional framework under which these organizations operate.

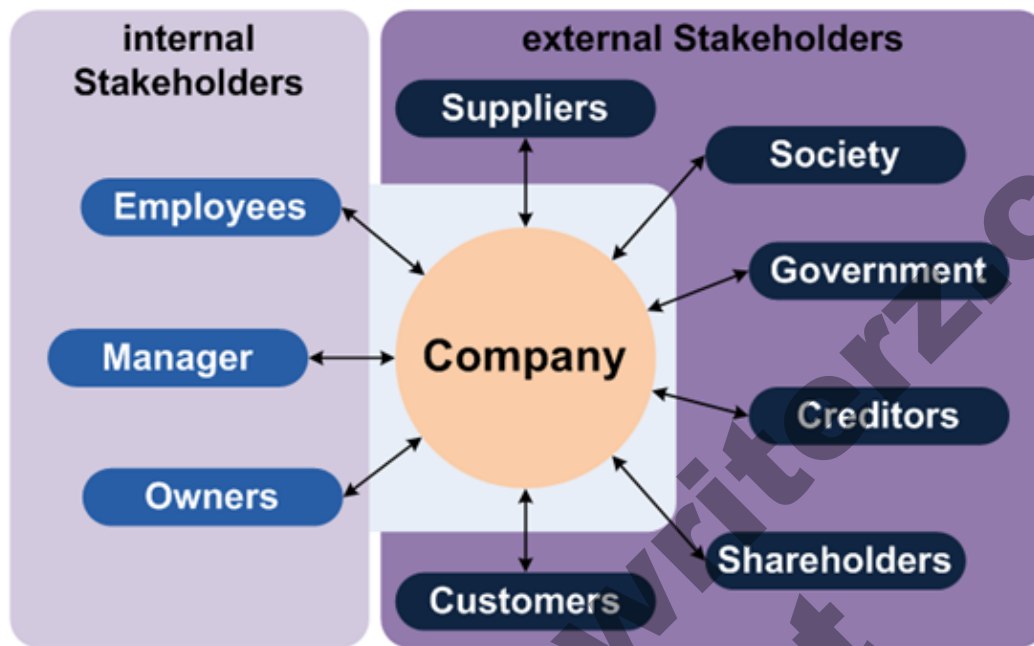
It is prudent that organizations find a balance between rights of employees to use social media at the work place and the subsequent effects on their productivity. Employees have obligations to preserve and protect reputation of organizations that they work for. The essay advises use of social media in organizations but is against using information gathered through to glean employees.

## **2.0. Discussion**

It must be understood that human beings have the fundamental need to belong. This need motivates establishments of outstanding interpersonal relationships and contacts with other people (Wang & Kanungo 2004). The emergence and use of social networks provides an

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*Figure 1: Stakeholder Theory (Freeman, 1984)*

However, it is evident from the case that employees are contempt on use of personal information in Facebook by third parties who include employers and recruiters as an act of invasion of privacy. Employees are the main stakeholders in any organizational setup since they have direct responsibility of driving such organizations' agenda. Continued use of such information by employers brings suspicion and tense working environment in the way their employees relate to them both in short and long term. This paper argues that cohesion in organizations that relate in such suspect and tense atmosphere cannot be achieved. The Stakeholder theory advises against use of information derived from social media to be used in evaluation of employees. Instead, organizations must endeavour to involve their employees in decision making processes as this lowers the level of resistance to organizational change (Brown & Cregan 2008).

Secondly, Stakeholder Theory calls for creation of purposeful relationships between employers and their employees. The Stakeholder Theory states that the aims of organizations does not matter, however, the management must take serious account on the interests of people it directly engages in their operations. The theory further proposes that organizations must consider legitimate interests of individuals and groups which are affected by their decisions (Freeman,

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morally justified to an extent that it minimizes harms. This theory advocates for greatest good consequences for all (Hinman 2010). The doctrines of Utilitarianism urges that any action by individual, whether employers or employees, must benefit all parties concerned. This paper finds it acceptable for employers to establish such codes of conduct to govern its operations and actions that have both short term and long term ramifications to their organizations. Utilitarianism aims to eliminate moral disagreement.

Another ethical theory, Rawlsian Ethics, premises on the concepts of justice and fairness. The theory promotes protection of individual rights and prevents instances of injustice. Rawlsian Ethics is against discrimination of individuals by suggesting equal treatment for all (Brown & Cregan 2008). From the case, it is revealed that Facebook profiles are been used by potential employers to find information that they find it uncomfortable to ask during interviews. In fact, the case states that over 43 percent of recruiters have cancelled candidate from the shortlist based on information gathered from their online profiles. As much as this paper agree that employers have a right to employ the best talents for filling positions in their organizations, I find it rather unjust to deny an individual that opportunity based on their online postings especially in social networks. Rawlsian Ethics suggest that in determination of what is just or fair, it is prudent that all points of view of all concerned parties are considered with rightness of such actions determined by nature and not by human preference (Brown & Cregan 2008). Dismissal of candidates based on their posts on online platforms contravenes Rawlsian concept of equality of opportunity that terms all forms of discrimination as unjust. The theory advocates that all individuals be accorded same opportunities.

From the above arguments, it is clear that both employees and employers have certain rights that need be upheld. Employees need to be accorded rights to express themselves in social networks but to an extent that exercise of such rights has positive consequences for the organizations that they work for.

Many employers are unaware of policies that govern use of social networks in their organizations despite increasing evidence that these employers continue to use information gathered from social networks in their employee vetting processes. Despite this, use of social media in Australia



has received tremendous interest and the country is currently ranked among the world's heaviest users of social networks (Muenster 2011). Youth remains the highest consumers in terms of frequency of use, usage and time spent on social media. There exist a variety of legal issues that are associated with social networking sites with many legislations expressly permitting use of social media for personal reasons and are against use of such information by interested third parties. However, the main issue remains the privacy of employee content on these social sites (Baker et al. 2010).

### Social Media Use in 2009

Country	Unique Audience (000)	Time per Person (hh:mm:ss)
United States	142,052	6:09:13
Japan	46,558	2:50:21
Brazil	31,345	4:33:10
United Kingdom	29,129	6:07:54
Germany	28,057	4:11:45
France	26,786	4:04:39
Spain	19,456	5:30:55
Italy	18,256	6:00:07
Australia	9,895	6:52:28
Switzerland	2,451	3:54:34

Source: The Nielsen Company

(Source: Nielson Company 2011)

From the table above, it is clearly evident that Australians spend on average 6 hours and 52 minutes in each month on social sites, making it the 9<sup>th</sup> top world's heaviest users of social media. Analysis by Sensis Report (2011) below reveals that older members of the society spend less time on social media as compared with the younger generation. For instance, the report shows that 70 percent of population aged 14-17 use social media with the number drastically decreasing to a mere 5 percent for the population aged over 65 years.

### Australia's Social Networking Site Usage by Age and Gender

Social networking site usage by age and gender

	Total (803)	Male (402)	Female (401)	14-19 (100)	20-29 (140)	30-39 (134)	40-49 (135)	50-64 (160)	65+ (134)
Everyday	30%	25%	36%	70%	52%	39%	14%	15%	5%
Most days	10%	9%	11%	15%	20%	9%	11%	5%	3%
A few times a week	8%	8%	8%	7%	12%	10%	7%	7%	5%
Once a week	5%	6%	5%	1%	6%	6%	5%	5%	8%
Less than weekly	9%	10%	7%	0%	4%	9%	22%	5%	10%
Never	38%	42%	34%	7%	7%	27%	41%	64%	69%
Average times per week	12.4	10.6	14.1	24.9	21.1	15.2	7.9	6.5	3.1

Base: All Internet users  
 Q. How often, if at all, do you use social networking sites such as Facebook, Twitter, MySpace or LinkedIn?

(Source: *Sensis Report 2011*)

Facebook remains the most popular social media in Australia. Companies are readily adopting numerous policies and steps to monitor use of social media in workplaces. Among the popular policies implemented by Australian organizations include complete ban social media use, formulation of social media policies, training employees on their legal obligations and inclusion of provisions that govern social media use in contracts of employment (Bloomberg Law Reports 2012).

The use of social media in Australia is regulated through the Employer Policies and Procedures on Occupational Health and Safety, Discrimination, Bullying and Harassment. The employer policies and procedures render employers liable for any form of discrimination resulting from an attribute disclosed by concerned persons in social media. The Fair Work Act (2009) prohibits employers from taking adverse actions that may include dismissal or refusal to employ against employees or prospective employees for any proscribed reason including use of social media (Australian Government 2012). Further, the amendments to the Crimes Act (1958) that were enacted in 2011 prohibit access of personal profiles. The Privacy Act (1988) further restricts employers from gaining access to their employees' personal online profiles and using such

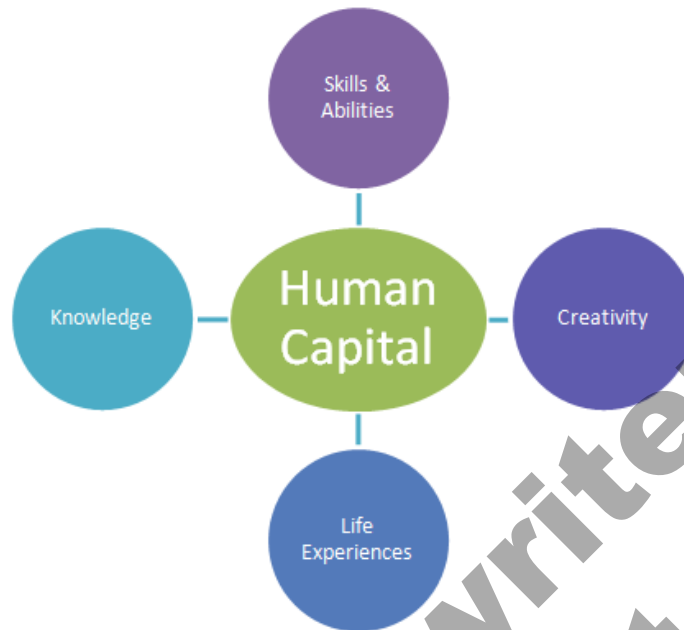
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Model is categorical on the issue of privacy- employers access to personal profiles of their workers is unethical and deprives the affected individuals their rights of choices as any form of surveillance takes away the right of choice. As much as companies may feel obligated to protect their image and reputation, monitoring employees' activities online is unethical way to control behaviour (Peslak 2005).

However, it is important to note that the right of employees to privacy, which in any democratic society is a fundamental right; it is never an absolute right. Also, employers have a right too: rights to enterprise and run their organizations in a manner that they deem serve their best interests (Wloters Kluwer 2011). Therefore, it is paramount that in dealing with such issue that involves conflict of rights and interests, an appropriate balancing act to draw boundaries is needed.

Employers are encouraged to use social networking sites in a way that it advances their interests as well as keeping employees content with the working environment. Human capital remains the only highest beneficial intangible potential asset as well as the highest potential liability for organizations. This is because it is a form of intangible asset that an organization can influence but this resource is uncontrollable as the organization cannot claim its ownership on employees and employees are free to take their own decisions (Weatherly 2003).



*Figure 2: Human Capital Characteristics*

Organizations' human capital asset comprises the sum of attributes, energy, inventiveness, enthusiasm and knowledge that the employees of the organisation select to invest for meeting their assigned responsibilities. Studies have shown that social networks have direct impact on employee productivity with Baker et al. (2010) concluding that since contact can be difficult for management, social networking provides the opportunity for management to enhance this contact with their employees. In this sense, social networking greatly influences human capital of organizations with organizations that allow their employees to use social platforms realizes win-win scenario.

The popularity of social networks and their enhanced use in workplace has presented some concerns for employers. It is undoubted fact that employers cannot hope to prevent their employees from using such social networks (Baker et al. 2010). The most viable alternative is for progressive employers are to use such social networks as a tool for communication to enhance productivity.

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prudent for any sound organization to manage such knowledge in a way that it proves beneficial to it in both short and long run. Through this, Malhotra (2000) opines that such organizations will have the ability to reassess its organizational routines in a manner that its decisions are in tandem with dynamically challenging business environments. For organizations to competitively compete in the current changing environment characterized by discontinuous change, they need to re-conceptualize their knowledge management by adopting frameworks that will help them achieve their objectives. In addition, social websites allows employees to share personal experiences and learn from each other thus contributing to knowledge management.

However, it is not just a matter of obtaining information through social networks that matters but better management of knowledge from such information. Organizations must be able to validate, present, distribute and apply the knowledge appropriately. Bhatt (2001) advises organizations to balance its knowledge management activities if it has to capitalize on it. This calls for interaction between technology, employees and techniques and requires changes in organizational culture to be successfully implemented (Bhatt 2001).

Through social networks, organizations are facilitated to actively leverage new business opportunities and find new sources of industry expertise and wisdom (Wilson 2009). Social networking in work place has been known to allow companies find and share information on different marketing strategies. The increase in global competition has intensified economic fluctuations that results to aura of uncertainty for employees and their employers (Rousseau 2011). To realize positive results in such business environments heralded by insecurity and transforming at exponential pace, it is important that employers develop effective and stable relations with their employees that underscores expectations of both employees and employers.

The changing dynamics of organizations complicates efforts to retain profitable workforce. A solid working relationship between employers and employees encourages efficient and productive employees who are committed to organization's welfare. When employers engage services of employees, both parties as pointed out by psychological contract, have certain expectations. The employees give out their efforts and contribution and are in return rewarded by wages and other benefits that may include promotions (Crossman 2002). The psychological

contract premises on the following concepts: relationship, trust and commitment. Acceptable use of social networks helps substantially in realizing these intentions. According to Taylor and Tekleab (2004), an implicit understanding between employees and management often leads to higher productivity and lower grievances.

As earlier discussed in this paper, social media is a useful tool in enhancing interactions in work places. This does not mean that it enables perfect smooth interactions. Conflicts will often resurface from such interactions. Conflicts may be occasioned by numerous factors that may include poor communication, deviance of dissidents or inappropriate recruitment practices (Abbott 2006). To avoid emergence of conflicts, unitarists suggest that both employers and employees seek common interests with the management encouraged to actively remove all sources of potential conflict (Abbott 2006). Such interventions will enhance a closer working relationship between employers and their employees. Pluralists, who believe that conflicts in work places cannot be avoided due to diverse values and objectives, suggest that ways in which such conflict can be used for benefit of both employees and employers should be sought. Pluralism argues that conflicts should spur managers to establish innovative methods that will produce better results in the long run for both employers and their employees (Abott 2006). Organizations who consider these ideas of unitarism and pluralism stand higher chances of achieving cohesiveness and better working relations at work place, a win-win situation for both parties.

### **3.0. Conclusion and Recommendation**

There is need for regulation in matters that involve organizations' employees' interacting with themselves through social media. This paper concludes that employees should not be denied the opportunity to interact through social networks but caution should be taken to ensure that thoughtless and disparaging comments that can damage organizations' reputation must be dealt with within the legal frameworks that govern such actions. This paper appreciates the challenges that are evident when formulating regulations on social media usage and responsibility.

In the face of these challenges, this paper recommends that organizations strictly adhere to established laws that provide guidance on ethical and legal regulation on social media usage.



Organizations are encouraged to integrate their social media policy in a manner that it gets support and commitment from their employee as a means of achieving win-win situations.

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