



# Human Capital Leadership Excellence eJournal

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1. Tapping the Power of Social Networking to Manage Talent

**HCI White Papers & Case Studies** reflect the issues, ideas and business priorities of crucial importance to forward looking Executives and Talent Management professionals, about the one remaining lever for sustainable competitive advantage: Strategic Human Capital & Talent Management

**1. Integrated Talent Management:** [Tapping the Power of Social Networking to Manage Talent](#)

**The SNA Study:** The Human Capital Institute and Saba partnered with the world's foremost expert in SNA, Dr. Rob Cross of The University of Virginia's McIntyre School of Commerce, who has worked with more than 200 leading organizations to show how network ideas can lead to *actionable insights and measurable business impact*

**Executive Summary:** Perhaps once in a generation, an idea emerges with the power to profoundly impact human performance in organizations, and indeed, entire economies. The actions and innovations that organizations initiate after conducting SNA hold tremendous potential for transformation, particularly in driving performance through better talent management. The exciting fact is that we appear to be on the cusp of an explosion of network thinking and applications: one in which SNA can be the driver to vastly improving organizational performance. [To read more click here >>>>](#)



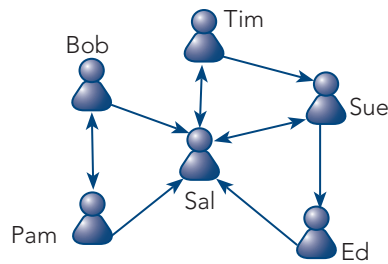
Tapping The Power of  
**Social Networking**  
to Manage Talent



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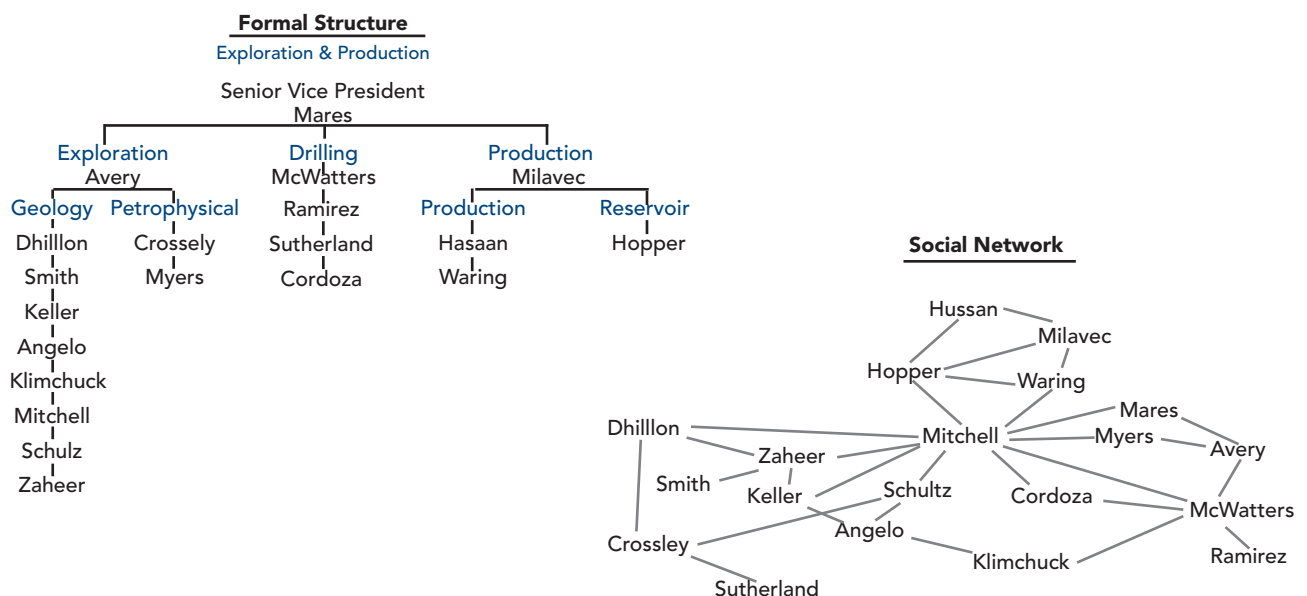
# What is Social Network Analysis?



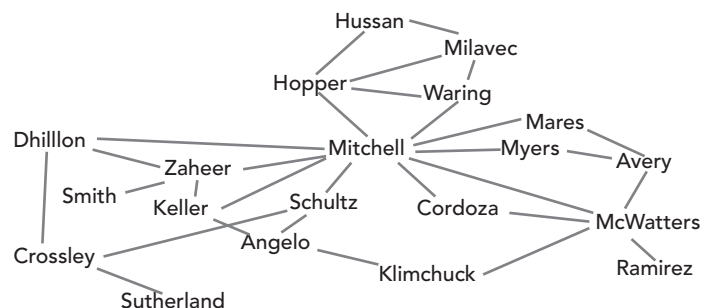
Social Network Analysis (SNA) is the mapping and measuring of flows of knowledge between people, groups, organizations, or other components (for example, computers linked on the web). As the diagram highlights, SNA is concerned with identifying the roles that individuals play in various social networks — that is, are they people who connect many others to the network (like Sal above) or are they on the periphery of the network, connected to only one or two other individuals (such as Bob and Pam)? In addition, SNA is concerned with measuring the factors that improve, or discourage, the flow of knowledge through a network. For example, are some of the major connectors “high energy” people who stimulate the flow of information, or are they energy drains, sapping a network (and its people) of vitality and slowing, if not stopping, the flow of knowledge?

Today, some business organizations are using SNA to improve talent management and worker performance through:

- Managing their formal and informal networks to increase efficiency of work groups
- Managing personal networks to optimize performance of individuals by linking them with those who can better help them do their jobs
- Developing energy in networks to increase overall organizational performance
- Using SNA as the foundation for Corporate Social Networking (CSN) initiatives.



## Social Network



# Tapping the Power of Social Networking to Manage Talent

*"I would recommend that every CEO and HR Executive should learn to use social networks to communicate with expert groups and top performers and to know who their top networkers are. Knowing which employees are the nodes and connectors in the corporate network will enable it to leverage those individuals for communications and avoid inadvertently downsizing key nodes during layoffs."*

Tim Ringo, Global Head of Talent Management, IBM

## Executive Summary

### Social Network Analysis: A Potential Revolution for Talent Management

Perhaps once in a generation, an idea emerges with the power to profoundly impact human performance in organizations, and indeed, entire economies. Rarely does that idea emerge from a science that is based on concepts at least a century old. Social Network Analysis (SNA)<sup>1</sup> promises to be among the breakthrough innovations of our time in driving organizations to new heights of performance and productivity. More accurately, the actions and innovations that organizations initiate *after* conducting SNA hold tremendous potential for transformation, particularly in driving performance through better talent management. In this report, we discuss our findings of the current state of SNA among a broad cross-section of leading organizations and, most importantly, the exciting fact that we appear to be on the cusp of an explosion of network thinking and applications: one in which SNA can be the driver to vastly improving organizational performance.

The best news from our study is that, while relatively few organizations are presently implementing a full-featured SNA program, most have the clear potential to put an SNA process in place: one that, for comparatively little effort, can deliver a substantial multiplier effect on talent. These organizations have

network practices in place that give rise to what we term an **Emergent SNA process**. All that these organizations are missing are the analytical tools necessary to measure their social networks and take more targeted and effective action in helping the whole of the employee base be more effective than the sum of its parts — the critical step in maximizing their effectiveness. Our key recommendation for these organizations is to begin using the technology currently available for measuring social networks. By doing this, organizations will obtain the knowledge of which networks (and people) are most important to effective performance, as well as how to improve them. Our opening case study, *Capturing the Value of Social Networks*, shows how one organization is well on the way to doing this.

## The SNA Study: Goals

To better understand the current use and future potential of Social Network Analysis (SNA) in talent management, The Human Capital Institute and Saba partnered with the world's foremost expert in SNA, Dr. Rob Cross of The University of Virginia's McIntyre School of Commerce, who has worked with more than 200 leading organizations to show how network ideas can lead to *actionable insights and measurable business impact* (see About the Authors, Appendix \_\_). The primary

<sup>1</sup> Social network analysis [SNA] is the mapping and measuring of relationships and flows between people, groups, organizations, computers or other information/knowledge processing entities. The nodes in the network are the people and groups, while the links show relationships or flows between the nodes. SNA provides both a visual and a mathematical analysis of complex human systems. In terms of people, or workgroups, social network analysis may measure the depth, quality, scope, strength and complexity of communications. See *Social Network Analysis, A Brief Introduction*, orgnet.com.

goal of this study was to discover how SNA is (or can be) integrated into organizational talent management processes to achieve breakthrough results. Specifically, the first part of our study was designed:

1. To gauge the level of organizational awareness of the to improve organizations' talent management processes
2. To determine how many (and what type) of SNA approaches organizations are using, if any
3. To identify the range of Corporate Social Networking (CSN) practices used by organizations to improve talent management processes.<sup>2</sup>

However, SNA is a relatively new analytical tool for most business organizations. Therefore, the second part of our research is focused on discovering the “best practices” used by organizations today that are examples of an **Emergent SNA process** — practices that, in the future, can be leveraged into a more formal SNA program.

## Key Findings

- Only 10 percent of organizations believe that they use SNA.
- However, approximately 22 percent of organizations are actually doing some part of a formal SNA – without realizing it.
- Users of SNA tools can be divided into two distinct groups – those that focus on analyzing social network structures and those that focus on the people within networks so as to improve overall performance and talent management.
- Despite SNA's enormous potential across talent management (deployment, learning and development, knowledge management, leadership identification and performance management), recruiting and onboarding are the two talent

management areas where networking practices that may indicate an **Emergent SNA** are most prevalent.

- However, many organizations are using aspects of SNA in onboarding and other talent management processes without necessarily knowing the concepts of SNA.

## Recommendations

Our first recommendation is for organizations to gain an appreciation of what SNA can do for them, by giving serious thought to the following questions:

- What could your organization do if it more systematically replicated networks of the high performers deeper into the workforce?
- How effective could your leadership succession plans be if you picked better?

Organizations should then gain an understanding of how to implement SNA by reading or reviewing reports such as this one and the books, articles and case studies listed in the bibliography of this paper.

- Organizations larger than 500 people should conduct an initial SNA to better understand the depth and strength of their corporate network and to determine which individuals in the organization are the most important to its vitality.
- Organizations of 500 or more employees should consider implementing a private CSN tool to facilitate and strengthen socialization and networking among employees (and potentially, suppliers, customers and other stakeholders).
- Organizations should select networking initiatives (including some of the practices and examples in this paper) to initiate social networking in talent management.

<sup>2</sup> Corporate Social Networks are the collection of sub-networks or affinity-based networks designed to link and engage professionals; these professionals are employees and alumni within a company, as well as affinity groups such as women, retirees, new hires, interns, associated vendors, clients, and contractors. See Vanessa Hsu, *The Executive's Guide to Corporate Social Networking*, HCI White Paper, September 26, 2007, available at <<http://www.hci.org>>.

- Organizations should measure and monitor their progress by conducting annual SNA to gauge the depth and strength of their networks over time
- Organizations should use SNA to measure the characteristics (strengths, depth and so on) of their networks to get maximum value and success from their corporate social networking programs (See the sidebar, *SNA is the Diagnostic; CSN is the Remedy*).

Prior to launching our study, we plotted our best estimate of the potential benefits of SNA and CSN against HCI's "Talent Lifecycle" illustration. The figure below highlights how

SNA can be used to improve all aspects of talent management — from recruiting through leadership development, retention, and evaluation.

Our study shows that SNA practices are a critical part of many organizations' recruiting and onboarding processes. However, we expected that organizations, in North America particularly, would also be further ahead in their use of SNA in other talent management processes than they apparently are. The good news is that low adoption rates thus far represent opportunities for organizations to become early movers in a science that promises to greatly improve human performance at work.

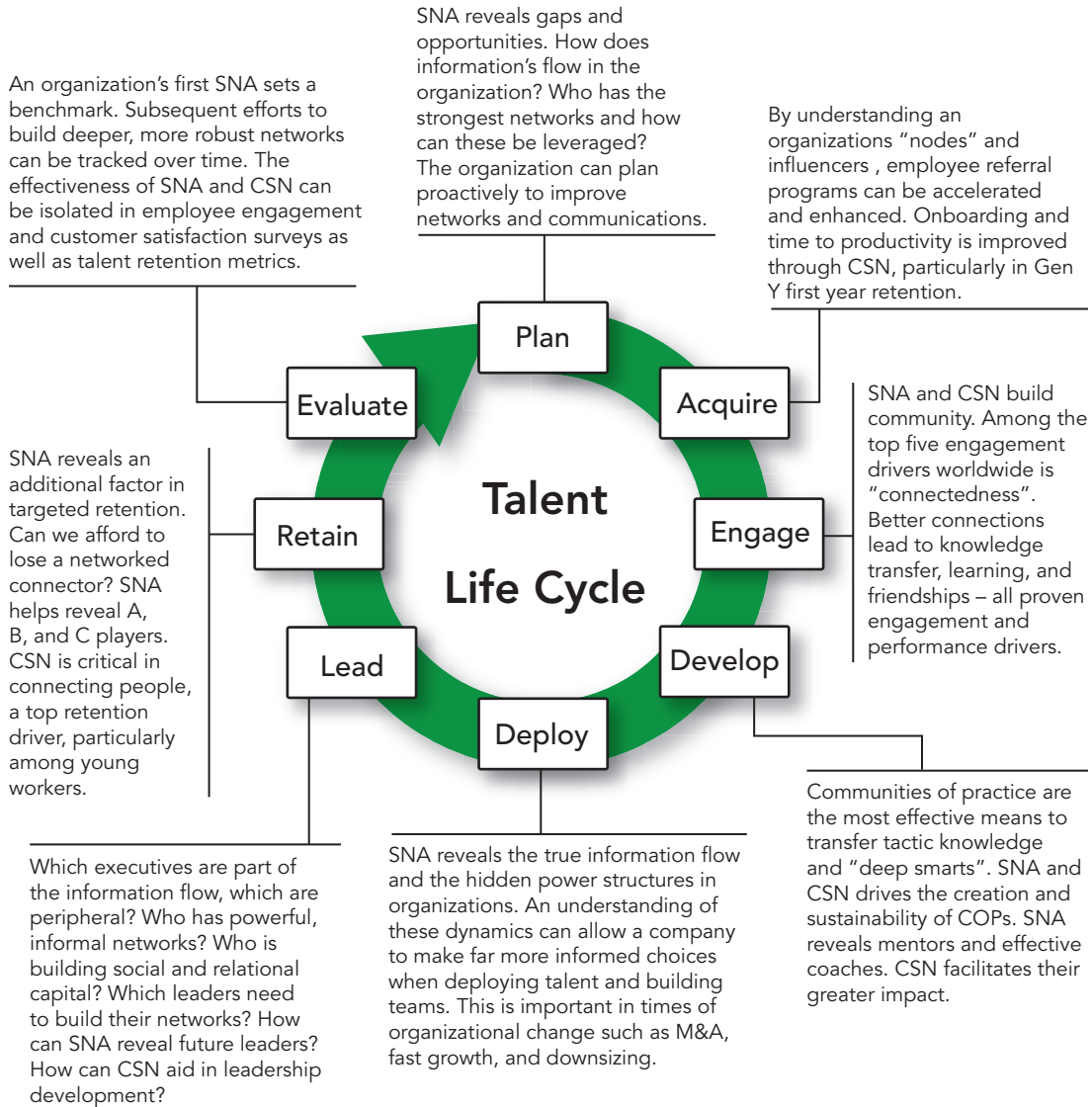
### **SNA is the diagnostic; CSN is the remedy**

Social Network Analysis (SNA) is an organization's most effective tool for understanding how information flows in the organization and who are its most active and most valuable hubs and connectors. Without action, however, this knowledge is only interesting at best. The main objective of SNA must be to provide a roadmap for action. In terms of talent management, SNA offers a window (Figure One) across the Talent Lifecycle. Corporate Social Networking (CSN) follows SNA as an actionable means for organizations to both improve their networks and knowledge flow, and to drive better performance around the Talent Lifecycle.

While CSN cannot change a culture on its own, organizations can utilize it to improve employee referral programs, to add a better "socialization" pillar to their onboarding practices, to better select top performers and potential leaders, to drive faster innovation, and to increase transparency and promote collaboration and knowledge sharing.

Just as SNA is possible without CSN, CSN initiatives can be implemented without SNA. However, doing so is akin to traveling to a foreign place without a map — I may get there, and it might have been an interesting trip, but it will certainly have taken longer and cost me more than necessary. Traveling off the trail can be fun on holiday but few organizations will want to "adventure" with so vital an aspect of their business as its networks of information.

Figure One: *The Impact of Social Network Analysis (SNA) and Corporate Social Networking (CSN) on the Talent Life Cycle*



## The Research: Quantitative and Qualitative Approaches

We combined quantitative and qualitative research approaches to explore various aspects of Social Network Analysis.

*Quantitative Analysis:* 319 HR and non-HR senior leaders, directors, and managers completed an online survey that quantified their level of understanding and use of Social Network Analysis. This information was captured through two multiple-choice questions that allowed respondents to choose between various levels of understanding and various uses of SNA. A large subset of these respondents (n=234) also completed a range of demographic questions dealing with their organization's size, industry type, and geographic location, as well as their own job title and function (for example, HR versus non-HR). This information allowed us to estimate the variation in the understanding and use of SNA across a wide range of individual and organizational indices.

*Qualitative Analysis:* The subset of 234 respondents also answered 12 questions in which they provided examples of how their organization uses networking practices during various stages of the talent management process: recruiting, onboarding, career planning, leadership development, collaboration and group support, and performance management. We analyzed these responses to estimate whether particular social networking practices were more likely to be used — both by organizations using a formal SNA process and those who are applying social networking tools in a more informal process. We also analyzed the responses to determine the range of practice types, and the satisfaction with them, among our respondents. Finally, we conducted in-depth follow-up interviews with selected respondents that allowed us to explore in more detail their organization's formalized SNA program or the set of "emerging" networking practices they are applying that may, in the future, be leveraged into a more comprehensive SNA program.

Figure 2: How aware are you of the concepts and methods of Social Networking Analysis (SNA) — the mapping and measuring of relationships, connections and flows between people, groups and organizations?

	25%	50%	75%	n	percent	
I've never heard of it				73	23%	
Moderately familiar (I have heard the term)				120	38%	68% are familiar or moderately familiar with the term
Familiar (I know about the basic concepts and methods)				95	30%	
Knowledgeable (I have used SNA techniques and tools in the workplace)				24	7%	9% believe they have used SNA tools
Very knowledgeable (my current organization uses Social Networking Analysis techniques and tools and I am involved in these projects)				6	2%	

n=319

## Awareness and Use of a Formal Social Network Analysis Process

Figure 2 shows the results when we asked respondents about their level of awareness of SNA. Only 9.5 percent of respondents consider themselves to be either knowledgeable or very knowledgeable about SNA and have, in fact, actually used SNA in their own work. Another 67.5 percent have either heard the term or know the basic concepts and methods, but do not think that they have used it themselves. In contrast, 23 percent of our survey respondents admit to never having heard of SNA. Overall, these results show that while familiarity with the term, “Social Network Analysis,” is fairly high, far fewer of our respondents believe they have first-hand experience with its implementation.

Awareness of the “Social Network Analysis” concept is but the first step in its integration into the talent management process. The more important factor is whether, and how often, the components of SNA are actually used. While Figure 2 does provide some preliminary findings on that topic — 9.5 percent of our respondents report that they have used SNA — it does not tell us *how they have used SNA*.

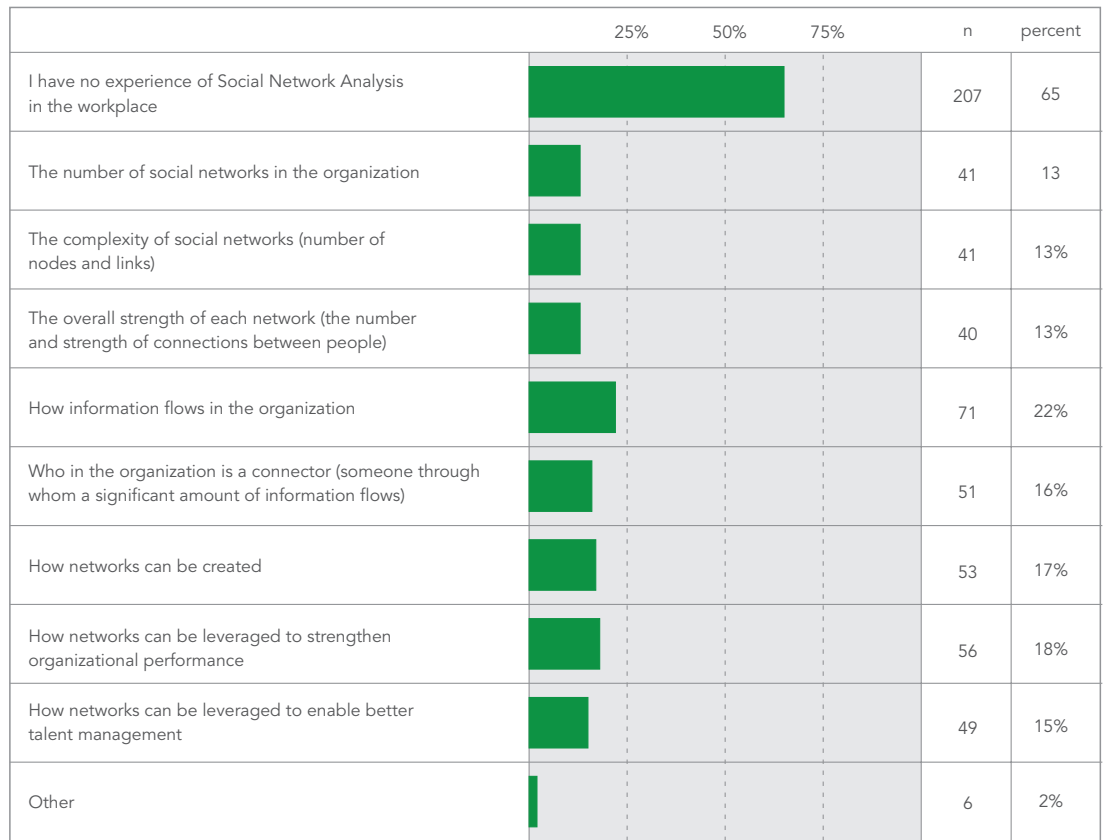
Figure 3 highlights our findings on both the degree of use, as well as the type of use, of SNA among our respondents. The results confirm what we discovered above — there is a low level of actual experience with the use of SNA. 65 percent of our respondents replied that they have no experience using (or observing the use of) SNA in the workplace. Among the people (and organizations) with more familiarity of SNA, there is a range of ways that SNA is being used, with the five leaders being:

1. Determining how information flows in the organization — 22 percent of organizations
2. Determining how networks can be leveraged to strengthen organizational performance — 18 percent of organizations

3. Determining how networks can be created — 17 percent of organizations
4. Who in the organization is a connector (someone through whom a significant amount of information flows) — 16 percent of organizations
5. How networks can be leveraged to enable better talent management — 15 percent of organizations.

However, the results also point to a very important discrepancy in our findings – that more people measure or analyze components of their organization’s social networks than can identify the term, “Social Network Analysis.” This is clear from the fact that, when presented with a list of several key network components that comprise a SNA, between 13 percent and 22 percent of people say they have measured one or more of them (see Figure 3), compared to only 9.5 percent who believe they have ever used SNA (see Figure 2). In fact, when we consider the range of SNA approaches being using by individuals and organizations, the results are even more interesting. As Figure 4 describes, 14 percent of our respondents are using SNA to measure a single network component, while 29 percent are using SNA to measure from two to eight (or more) different network components. This latter group includes one respondent who claimed to never have heard of SNA but who, in fact, has measured more than eight different network components in the organization — an example of what experts would say is an extremely extensive SNA! Bottom line: There are significantly more people actually doing SNA activities than think that they are. This means that the potential growth of SNA among organizations in the near future is great: All that is needed is an awareness by organizations of the value that SNA can provide (see case studies and Appendix I), coupled with the use of readily available technology tools for conducting a formal SNA.

**Figure 3: My experience with Social Networking Analysis (SNA) in the workplace involves determining:**



n=319

**Types of SNA Methods:**

- Estimating the number of social networks in the organization
- Estimating the complexity of social networks (number of nodes and links)
- Estimating the overall strength of each network (the number and strength of connections between people)
- Determining how information flows in the organization
- Determining who in the organization is a connector (someone through whom a significant amount of information flows)
- Determining how networks can be created

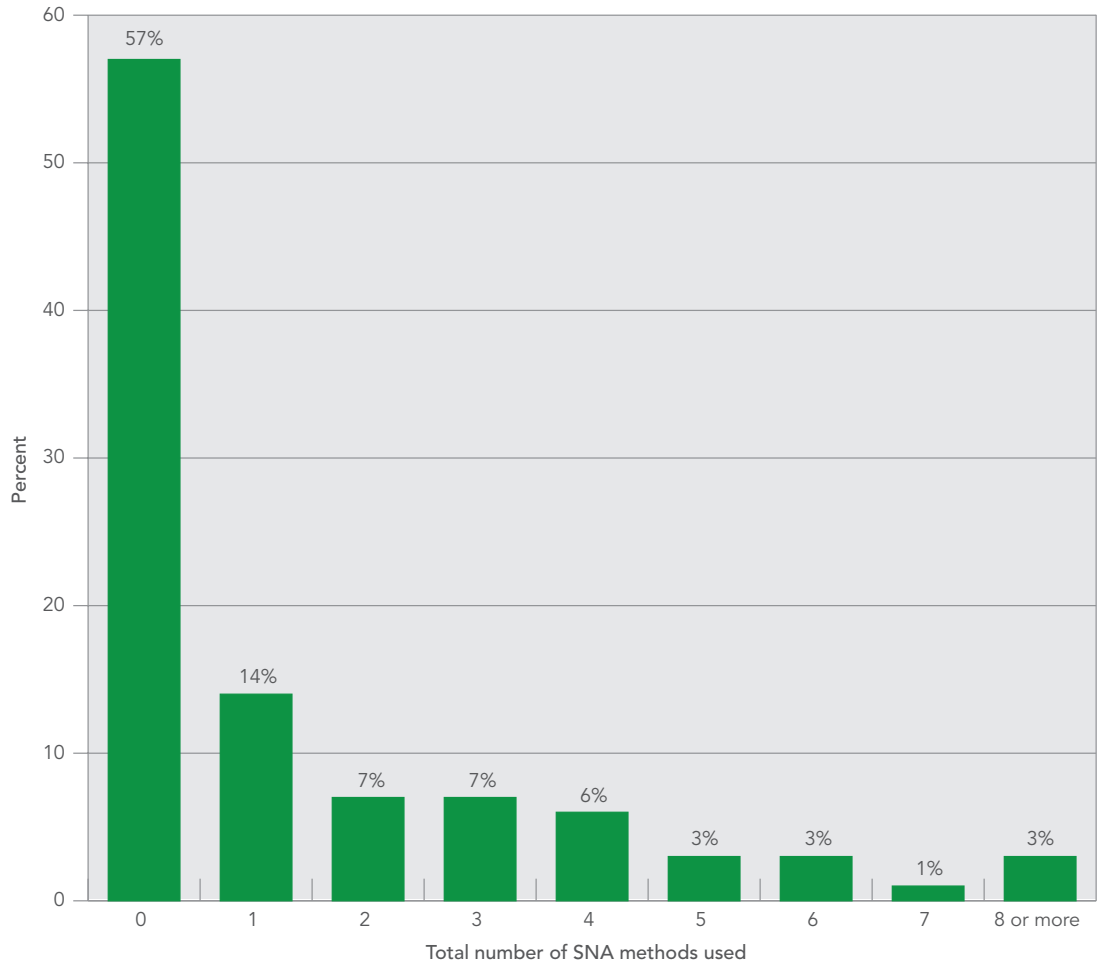
- Determining how networks can be leveraged to strengthen organizational performance
- Determining how networks can be leveraged to enable better talent management

To further explore the differences among respondents and their organizations in how (or whether) they use SNA, we conducted a cluster analysis designed to discover if the respondents' answers to the survey questions divided them into groups.<sup>3</sup> In fact, the results of that analysis provide us with one of our key findings.

Table 1 shows how the 319 total respondents can be divided into three distinct groups — based on

<sup>3</sup> Cluster Analysis is a statistical method used to group cases (for example, our respondents) by the similarity of measurements. In our case, we used the responses to the question asking people to describe which, if any, SNA tools they used.

**Figure 4: Number of Network Components Analyzed by Respondents.**  
 Percent = % of respondents out of 319.



whether they use SNA and, if they do, on which network components they focus. **Figure 5** shows how these clusters can be identified: The size of each circle represents the number of individuals within each cluster. It is clear that, while the biggest cluster is the group of people who are not knowingly using SNA<sup>4</sup>, there are two other distinct clusters of respondents that do knowingly use SNA. While both of these groups are concerned about how information flows in networks, one group (the “Empiricists”) focuses on analyzing existing social networks and the other group

(the “Social Engineers”) focuses on people and leveraging networks to improve performance and talent management. As the use of SNA in business organizations matures, we expect that more people and companies will combine these two aspects into a more complete SNA.

**Demographic Variation in Awareness and Use of SNA**

In addition to the above analysis, we also wanted to know how the awareness and use of SNA varied across several key demographic variables

<sup>4</sup> As we will see in the next section, there are many people and organizations using SNA concepts and tools without knowing it.

**Table 1: The three clusters of respondents and the SNA practices they are most likely to use — X = do not use √ = use**

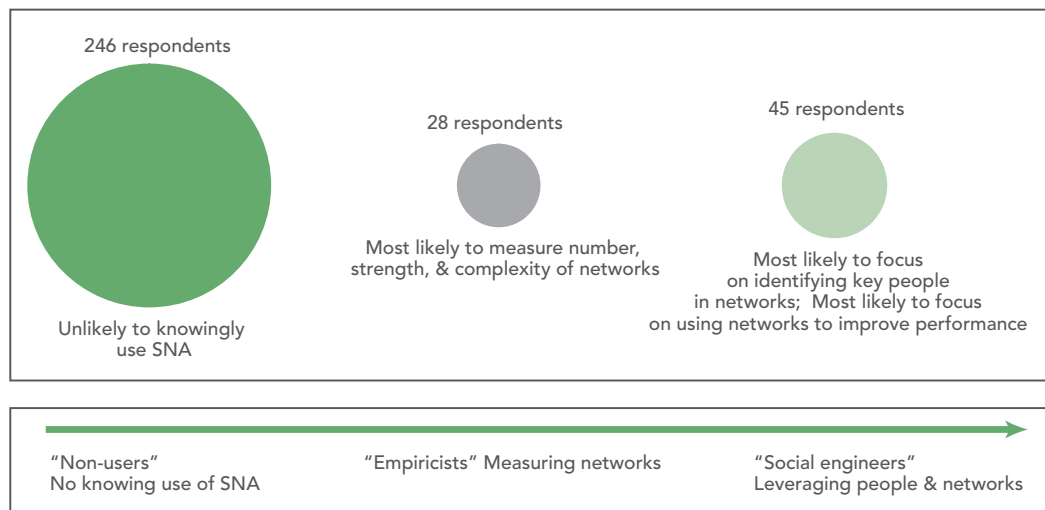
	Cluster		
	Non-Users (n = 246)	Empiricists (n = 28)	Social Engineers (n = 45)
Number Of Social Networks	X	√	X
Complexity Of Social Networks	X	√	X
Overall Strength Of Each Network	X	√	X
How Information Flows	X	√	√
Identifying Connectors	X	X	√
How Networks are Created	X	X	√
How Networks are Leveraged for Organizational Performance	X	X	√
How Networks are Leveraged for Talent Management	X	X	√

— the organization’s country, size, and type, as well the respondent’s job title and function. While most of our analysis showed no significant differences among the demographic variables, there were two striking exceptions (see **Figure 6**).

First, as the figure clearly shows, people working in non-HR functions have a much higher level of understanding of SNA than most people

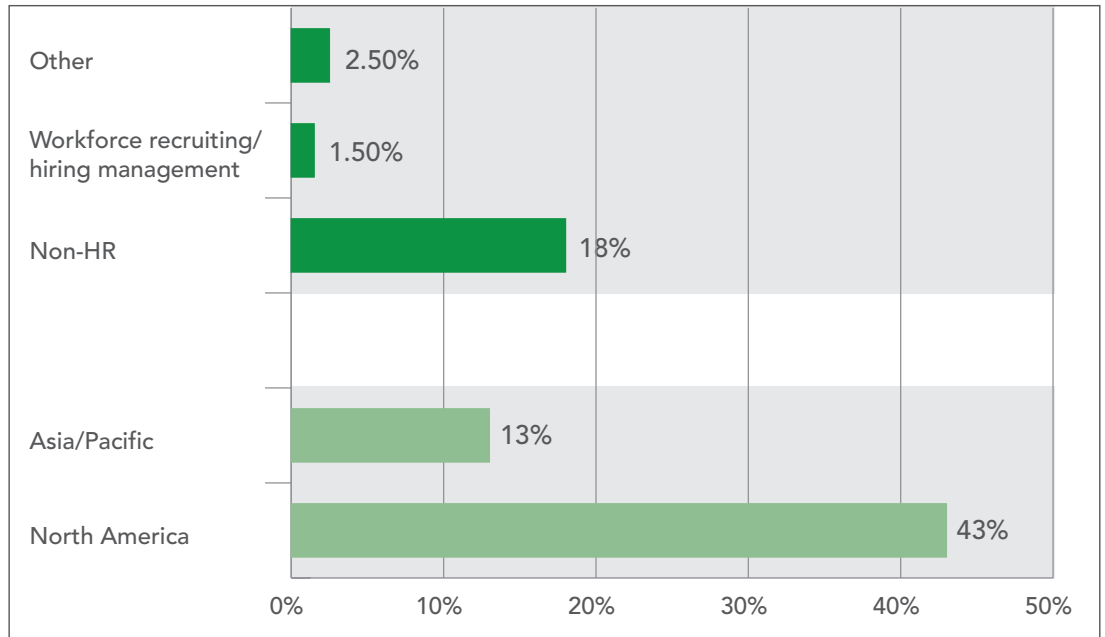
working in many areas of HR.<sup>5</sup> Clearly, this is a problem needing a solution — particularly if a prime goal of SNA advocates is to see it integrated into the talent management process. Second, we found that organizations in North America have a significantly greater familiarity and knowledge of SNA than do their counterparts in Asia and Pacific countries (for example, Australia and New Zealand).

**Figure 5: The Three Clusters in the SNA Universe**



<sup>5</sup> Respondents identified as working in "Training & Development" were not significantly different than non-HR respondents in their level of awareness of SNA.

Figure 6: Significant Demographic variation in awareness of SNA



**Top:** 18 percent of non-HR respondents (14 out of 78 total non-HR respondents) were knowledgeable or very knowledgeable about SNA, compared to only 1.5 percent (1 out of 70) of people in Workforce Recruiting/Hiring Management and only 2.4 percent (1 out of 41) in other HR functions.

**Bottom:** 43 percent of North American respondents (80 out of 188) were familiar, knowledgeable or very knowledgeable about SNA, compared to only 13 percent of respondents from Asia/Pacific (3 out of 23).

### The Emergence of a Social Network Analysis Process from within Talent Management

Table 2 shows the results from our initial analysis of the survey results on the practices that make up an Emergent Social Network Analysis process. The key findings are that organizations are significantly more likely to use some type of networking tool to improve *onboarding* than any other part of the talent management process, with 71 percent of our subset of complete surveys (n=234) indicating that their organization uses networking tools in the onboarding process. In addition, more than 60 percent of respondents report that their organizations use one or more networking tools in their *recruiting* and *leadership development* processes. In contrast, less than half of the organizations in our survey use networking tools to support groups for performance management.

Respondents discussed various ways to build or use networking practices for various talent management processes with the most important ones being (percent of total subset of 234):

**Recruiting** — LinkedIn, 23 percent; Employee Referrals, 15 percent; Facebook, 7 percent

**Onboarding** — Mentoring, 25 percent; Job Rotation, 4 percent

**Leadership Development** — Mentoring, 27 percent

**Career Planning** — Mentoring, 15 percent

Clearly, some form of a mentoring program is the most often used method to build networks or to integrate people into already existing networks. Also, it should be no surprise that onboarding is the talent management process most linked to social networking in general and, perhaps, may be the area where an Emergent SNA is most

**Table 2: The Percentage of Survey Respondents Identifying Specific Networking Processes that They Know are Used for Different Talent Management Processes in Their or Other Organizations**

Talent Management Process:	Their Organization	Knowledge of Other Organizations' Practices
Onboarding	71%	21%
Recruiting	62%	24%
Leadership Development	61%	14%
Career Planning	54%	10%
Group Support/Collaboration	47%	15%
Performance Management	38%	10%

likely to arise. Many organizations already use onboarding as the method of choice to help new employees build the social and professional networks they need to better do their jobs (and to become productive more rapidly). Some of these organizations also have metrics in place to measure how well their onboarding process is building networks and improving performance. These are both key components of a formal SNA. This provides more evidence that many more organizations than realize it may actually be doing some part of SNA.

The case study, *An Emerging Social Network Analysis*, shows how one organization's Emergent SNA is beginning to branch out from the onboarding process into other critical parts of talent management. Finally, **Appendix I** shows the range of networking activities that our respondents— including organizations both familiar and unfamiliar with SNA — are using across the talent management process, from recruiting through performance management. The various activities being used show that most organizations realize the importance of building and strengthening networks to improve both individual and group performance, regardless of whether they call what they are doing "Social Network Analysis."

# Integrating Networks into the Talent Management Process

## A Case Study

It probably should not be surprising that one of the organizations in our survey with the deepest understanding and broadest use of Social Network Analysis is a sub-agency of the U.S. Department of Defense. Military organizations have a long history of being concerned with, and trying to improve, the connections between their members. The activities of this specific military support agency are particularly instructive for any organization trying to implement or improve their own SNA program.

### *Talent Management Planning*

More than most organizations in our survey, this agency is in the process of integrating social networks into their talent management planning process – albeit still in the early stages. Workforce planning among HR and division heads is carried out based on the needs of all parts of the agency. In addition, their system is set up in a way that allows them to formulate strategies that will be applicable three to five years out – with the focus on the kind of workforce they will need to meet their objectives in that period. Then they develop a workforce strategy for a year or two out that feeds their talent management system. Most importantly, this process allows them to begin determining which people are critical to crossing divisional lines and who has the knowledge they need for specific positions, leading to more optimal networks within the agency.

### *Talent Deployment*

Nothing can disrupt a social network quicker than inserting a square peg into a round hole — that is, connecting the wrong people. Considering the effects of talent deployment on creating or disrupting social networks is a critical part of a mature SNA program. The agency realizes and considers the implications of placing someone within a team, and the disruption that may occur. They try to make sure that employees have the skills that best suit where they are being deployed to minimize any interference that can be caused by their entering a new network. They also try to place people in teams where they can best share knowledge and help create more established networks. To accomplish this, they have developed a Corporate Research Planning Team (CRPT) to make sure that people are utilized in the best possible way or, as they told us, “For instance, Joe was a key asset to Team Y and has now been placed with Team X, which used to be a fairly isolated node. Joe has since opened connections to Team X through his experience with Team Y.”

### *Evaluating Social Networks*

Finally, no SNA program is complete without a method of analyzing the effectiveness of the organization’s social networks – the “Analysis” part of SNA. The agency does this by measuring engagement through their Corporate Research Planning Team. They use surveys and exit interviews to gauge retention and additional surveys to assess onboarding effectiveness. “Customer” satisfaction (for example, that of military commanders) is also surveyed to determine how well the agency’s networks are serving their clients.

## An Emerging Social Network Analysis: From Onboarding through Leadership Training

### A Case Study

Many organizations have come to realize that creating networks of employees is critical to enhancing the performance of both individuals and groups. Creating networks can start when new employees are first brought onboard. However, network creation is a dynamic process that should continue throughout the lifecycle of an employee.

A large professional services company from our survey is one example of an organization that actively creates networks through the many stages of an employee's career.

#### *Onboarding*

During onboarding, all new hires are assigned both a coach and a peer mentor. On Day 1, the peer mentor meets the individual and helps him/her throughout the first few days. This process includes introducing the individual to others in the office, taking the individual to lunch with others in the office, and helping to complete a checklist of some of the basic administrative tasks. The formal coach also meets with the individual as soon as possible and this person helps the individual throughout their career. The coach helps the individual to get introduced to various internal networks and communities of interest aligned with his/her area of expertise and work practice, as well as manages the individual's development process. All personnel, from the newest associate through the most seasoned partners, have coaches. Additionally, some offices have assigned senior mentors, in addition to coaches and peer mentors, for some of this organization's diverse staff.

#### *Career Planning*

As noted above, the coach assigned during onboarding follows the new hire throughout his or her career and is responsible for helping the person to manage the company's performance coaching and development process, which includes establishment of annual and aspirational (long-term) goals, periodic review of progress against the goals, review of performance feedback, and advice on next steps and career options. Most teams in the organization have a central function to staff individuals on projects. However, some teams have taken on that responsibility themselves, holding the directors responsible for ensuring that younger staff members are effectively utilized. Some areas within the firm have established career paths, with clearly defined steps individuals must take in order to progress in their area of expertise. But across the firm, the basic career path and requirements for advancement are defined and consistent, regardless of geographic area or job function. Throughout this process, the coach remains the most important person in guiding the individual into the proper networks and helping to ensure that they remain connected.

#### *Leadership Development*

As an employee moves from "staff" to "leader" their role within the organization's networks also changes. At this company, leaders and potential leaders develop by themselves becoming both formal and informal coaches. These new leaders receive feedback on their ability to connect with the person they are coaching, including the standard "start, stop, continue." Additionally, becoming a "thought leader" is part of the leadership development process. Individuals are expected to contribute thought leadership to the firm's knowledge network, either through written work or the delivery of learning and education programs. While all of these activities are focused on assessing and improving a person's leadership ability, they also have the extra benefit of rewarding those people who serve both to create and optimize the organization's networks.

## Conclusions and Recommendations

Organizational networks, and the people who knowingly or unknowingly promote them, are critically important to short and long-term organizational success. This was made very clear by one of our interviewees, who told us:

“When I worked at one company, we figured out that when a manager was promoted and moved, the store would lose about 25 percent of its revenue. We finally realized that the manager was such an integral part of the network within these stores that when they left, it would almost totally dissolve all connections within the network. It would generally take about three to four months for the new manager to bring everyone back in. We definitely began planning ahead for manager promotions and thinking of new ways to mitigate the problems arising when they did finally leave.”

Obviously, the company above would have benefited from prior knowledge of the manager’s critical role in their most important networks so that actions could have been taken before the manager left to mitigate the negative effects of the departure. A manager’s importance to the network is relatively obvious, though one can only imagine the “black hole” that most organizations peer into when trying to determine whom its other “connectors” and “nodes” are. As our study shows, however, most organizations have yet to embrace the concept of SNA, or Social Network Analysis – the very set of conceptual and empirical tools that would permit organizations to gain visibility into their organizations and then deal with these problems while they are still manageable.

On a positive note, among the good news from our study is that many organizations are using networking tools and concepts that, even though they may not realize it, are parts of an effective SNA program. Our study has identified an “Emergent Social Network Analysis” that is centered in most organizations’

onboarding and recruiting processes and, for some organizations, is beginning to migrate to other talent management processes. To fully capture the benefits of the network building and improvement activities now occurring, organizations need to become aware of the importance of looking at their networks analytically: both the structure of the networks and the key components (the people) that make them operate effectively. In other words, by knowingly applying SNA to their own social networking, organizations can begin to improve existing networks and build new ones that will improve both talent management and overall organizational performance.

Once an organization has conducted SNA, it should consider implementing tools for Corporate Social Networking (CSN) to facilitate socialization and the flow of information throughout the organization. It should then choose networking initiatives, such as the ones described in this report, to accelerate networking and socialization through mentoring, communities of practice, formalized coaching programs, and so on. As stated, there would appear to be very little gained by SNA without subsequent action. The implementation of CSN tools after SNA is one such logical action. A CSN initiative, informed by the insights from SNA, would allow the organization to target areas of the network (and individuals) to exploit strong connections and improve areas of network vulnerability, where too much may rest on just one or two people.

Finally, annual SNA will measure the organization’s progress by comparing year-over-year progress in deepening and strengthening the connections between people in the organization, and against retaining the vital connectors and nodes that are so often overlooked in traditional performance management and review processes.



## About Saba

Founded in 1997, Saba (NASDAQ: SABA) is the premier global provider of strategic Human Capital Management (HCM) software and services. Saba's people management solutions are used by more than 1,300 organizations and over 17 million end-users worldwide. Saba's solutions increase organizational performance by aligning workforce goals with organizational strategy; developing, managing, and rewarding their people; and improving collaboration.

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Headquartered in Redwood Shores, California, Saba has offices on five continents. For more information, please visit [www.saba.com](http://www.saba.com) or call +1-877-SABA-101 or +1-650-779-2791.



## About the Human Capital Institute

The Human Capital Institute (HCI) is a catalyst for innovative new thinking in talent acquisition, development, deployment and new economy leadership. Through research and collaboration, our global network of more than 138,000 members develops and promotes creativity, best and next practices, and actionable solutions in strategic talent management. Executives, practitioners, and thought leaders representing organizations of all sizes, across public, charitable and government sectors, utilize HCI communities, education, events and research to foster talent advantages to ensure organizational change for competitive results. In tandem with these initiatives, HCI's Human Capital Strategist professional certifications and designations set the bar for expertise in talent strategy, acquisition, development and measurement. [www.hci.org](http://www.hci.org)

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**Allan Schwyer**  
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Directly prior to joining HCI, Allan was a senior researcher, analyst and consultant with a global professional services firm. Allan's articles and white papers appear in dozens of popular media and industry specific publications worldwide. He is a past editor of *Leadership Excellence: The Journal of Human Capital Management*, author of *Talent Management Systems* (Wiley, 2004) and co-author of *Talent Management Systems* (forthcoming, 2009).

## Advisor



**Dr. Rob Cross**  
Professor of Management, University of Virginia  
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Rob Cross is a professor of management at the University of Virginia and Research Director of The Network Roundtable, a consortium of 75 organizations sponsoring research on network applications to critical management issues. His research focuses on how relationships and informal networks in organizations can be analyzed and improved to promote competitive advantage, innovation, customer retention and profitability, leadership effectiveness, talent management and quality of work life. Dr. Ross Jones

# Appendix I: Interview Questions

## Recruitment & Social Networking

*Do you use social networks to find potential candidates? Do you assess new recruits' collaborative and networking abilities and behaviors?*

- One mid-size Asian professional services company expects their new hires to bring their existing social networks with them, thereby increasing the size of the company's network. They have not yet reached the stage in SNA to assess these networks through the analysis of the network's structure. However, competency-based interviews are used in recruitment processes at all levels to determine whether potential hires possess the behavioral competencies that lead to effective networking capabilities.
- At a large financial services organization, effort is made to maintain "alumni," top people who have resigned, in the company's network to leverage their growing networks in the recruiting process. In addition, they actively network within functional areas of practice externally, as well as internal networking across divisions within Communities of Practice. Finally, recruiters use social networking sites (such as LinkedIn and Facebook) to search for potential candidates.
- For another large financial services company, it is talent acquisition that is driving the creation and improvement of networks throughout the organization. They are doing this primarily by educating other parts of the organization about how to link their different networks together through talent acquisition. Within talent acquisition itself, they leverage social networking tools like LinkedIn, as well as their commitment to their community, by participating in a variety of networking events. The key is to meet people and find out how they may fit into the organization — whether today or in the future.
- A mid-size freight company is currently in the early stages of an "emerging" SNA program. While they do not yet assess the social networks of potential candidates, they are beginning to look into using social networking tools (such as Myspace and Facebook) as part of their recruiting process. In addition, while they do not yet assess collaborative behaviors through competencies, they are beginning to use competencies as part of their performance evaluation process.
- One large high-tech company is using its own employees to conduct an informal social network analysis. They have established an employee referral scheme in which the associate provides details of potential candidates, including job skills and collaborative and network behaviors, attitudes, and knowledge. This process is selling the concept of using and building social networks as part of the organization's talent acquisition endeavor.

## Onboarding & Social Networking

*How do you integrate new employees into existing networks or build new networks through your onboarding process?*

- One mid-size retail company may only be “moderately familiar” with the concept of SNA, but they are still implementing processes during onboarding that are likely to result in more efficient networks. This includes developing a recommended list of people for new hires to meet based on the new employee’s job role and that of the established employee they are meeting. Most importantly, these people are brought together with a view toward the skills/experience that the new hire needs to be successful at their job, as well as the relationships they need to do it well.
- A relatively small high-tech company is currently in the process of developing a robust onboarding program that will include mentorship, leadership luncheons, cross-functional peer gatherings and one-on-one sessions between new hires and experienced employees. All of the activities are focused on internal relationship building and knowledge sharing — components in the creation of highly effective social networks.
- In fact, as we discuss in this report, the use of mentoring programs is the most common method used to leverage network-building into the onboarding process. This is seen clearly in the activities of a medical technology company that assigns mentors (from different departments) to new hires during onboarding to help them with their adjustment to the organization. The mentors are required to have three lunches with their mentee over the first two months of employment. One of these lunches should include someone from a different department, for the express purpose of integrating the new employee into a larger network.
- Other companies leverage onboarding to build networks for levels of employees they consider most critical. For instance, one large office furniture designer and manufacturer targets newly hired leaders and determines the critical internal and external networks that these new leaders need to connect to — and purposefully crafts the first few weeks of onboarding to connecting them to everyone in the network.
- Instead of linking new hires to already existing networks, some organizations use onboarding as a time to create new networks. For instance, one large federal government agency divides onboarding into two parts: a one-week indoctrination, followed by a five-week orientation and assimilation. During the second part, cohorts are formed that, together, learn collaboration and networking while becoming assimilated to the organization. This agency takes justifiable pride in the fact that their program is being benchmarked and emulated by other government agencies.

## Career Planning & Social Networking

*Does your organization focus on helping employees create organizational networks that will make them successful in their current and future roles?*

- At a mid-size professional services company, career planning has been turned into an active, collaborative process by building cross-regional functional teams. The goal is to provide breadth of knowledge through collaboration. For higher level employees, they use cross-enterprise leadership programs with action learning.
- A small professional service company that consults with larger organizations on the career planning process uses, as a core element of their coaching practice, personal network analysis — a key component of social network analysis — and relationship mapping to build trust, extend influence, leverage interdependence and share knowledge.
- For a mid-size energy company, career planning is linked closely to mentoring — a tool that we found is the single most-used method to build and strengthen networks. This is particularly true for high potentials who are encouraged to establish informal mentor relationships across the company. They are also beginning a job shadowing program that will help employees build relationships, and networks, across departments.
- Not surprisingly, the survey respondents with some of the most extensive knowledge of linking social networking and career planning are from professional service companies that work in this area. For example, one such company, actively involved in helping other organizations with their recruiting, has learned that optimal career planning is linked to the type of people with whom other employees are networked. Specifically, it is connectors that have the ability to connect the “those who need” with “those who have” within the organization. According to them, high performers are more focused on individual results and mentors might deal with only one or two other people at a time. The key is finding a person empathetic enough to know just how to help other employees with their career — a real rarity.
- Like many of our examples, a small financial services company we interviewed uses team building as a key part of their career planning. In particular, project teams are used as developmental experiences for members. Membership on these teams is made part of individuals’ development outlines and reported in their talent management updates.

## Leadership Development & Social Networking

*Have you made the development of personal networks a specific component of your leadership training programs?*

- As with the other aspects of talent management that we have discussed, mentors and mentoring programs (both formal and informal) are the most prevalent method that organizations use to link employees, regardless of their levels. For one government agency, the realization of the importance of mentoring has led them to partner with another agency that has already established a strong program of pairing senior mentors with aspiring leaders. This arrangement allowed them to quickly establish their program, utilize a much broader group of mentors, and share the costs of the program. As with other aspects of talent management, the ideal mentor is the one that knows who to link their mentee with — thereby both integrating them into existing networks and strengthening the network at the same time.
- Other organizations take a different approach: Instead of focusing on linking aspiring leaders with mentors, they make them mentors themselves. In fact, one large professional service organization expects all managers and leaders to be formal coaches. They are also expected to be informal coaches to members of their teams and others with whom they interact. All managers and more senior leaders receive upward feedback, which is an integral part of the annual performance review process — which is then incorporated into their leadership development plans.
- A more informal approach is found in a large government agency that uses informal knowledge “cohorts.” These have developed in the organization where employees with like interests and/or professional responsibilities can share their knowledge and experiences: Communities of Practice, in other words.
- An HR consulting company, with experience in leadership training, views their best practice as creating and developing cross-functional teams to make presentations to senior leaders. The key is to have a senior level mentor that directs and guides the thinking of the work. This way, leaders become more connected to their employees and vice versa.
- Leadership development through social networking is not just for mid-sized or large organizations. One small business in our survey is part of a “Small Business Network” through which a board of small business owners provides one another advice in the leadership and strategic planning for their organizations.

## Performance Management & Social Networking

*How do you encourage your employees to develop networks through their performance management system?*

- One large professional services company has gone the extra mile in linking their performance management process with network building. Their performance management process is based on four core behaviors linked to ten competencies, which define success for the firm. The competencies that align with three of these behaviors are team-focused: for example, sharing and collaborating, communicating, building relationships and developing others through coaching. While everyone is assessed on their individual contributions, how well they network with others has a huge effect on their overall ratings and compensation.
- A large manufacturing company takes a similar approach. One of the behaviors they assess through their corporate performance management process is "Pursue and Reinforce Collaboration." In addition, they have a competency model with behavioral anchors addressing "connectivity:" making building and reinforcing networks a critical part of the performance management assessment.
- At a small professional services company, a "Coaching and Development" performance management system has been implemented in which all staff are expected to pick leaders who act as their mentors. With the help of the mentor, the mentee is expected to ensure that they build significant relationships across all levels of the company. The degree of relationship building is an aspect that is rated when performance is evaluated.
- Other organizations, such as a small financial service company from our survey, do not explicitly link networking behavior to their performance management system. However, they do solicit input on employee performance from internal business partners. This tends to reward networking behavior (for example, being a connector) and establishing relationships in many parts of the company.
- As this report shows, many organizations are using SNA tools without knowing about the concept. Another example of this is the large government agency that uses several job performance competencies that are aimed at promoting the development of both formal and informal partnerships and relationships. These networks include people in the same function, as well as people outside of one's routine sphere of operation and functioning.

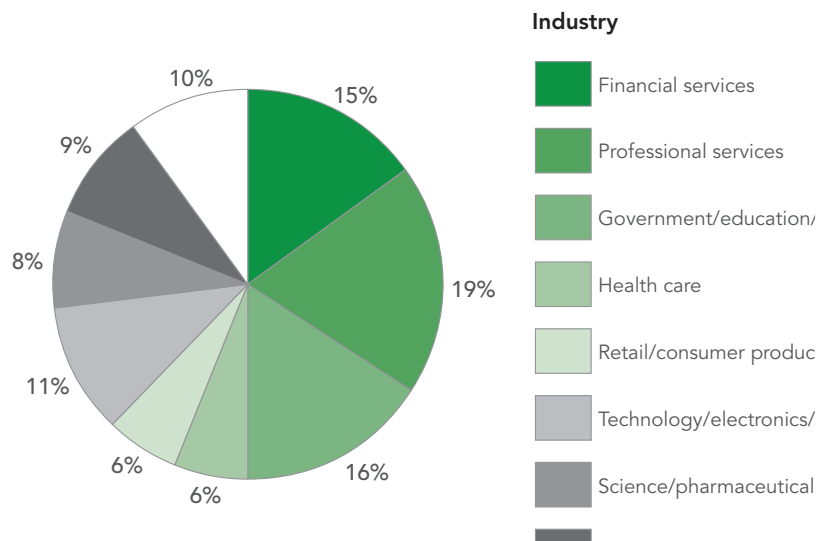
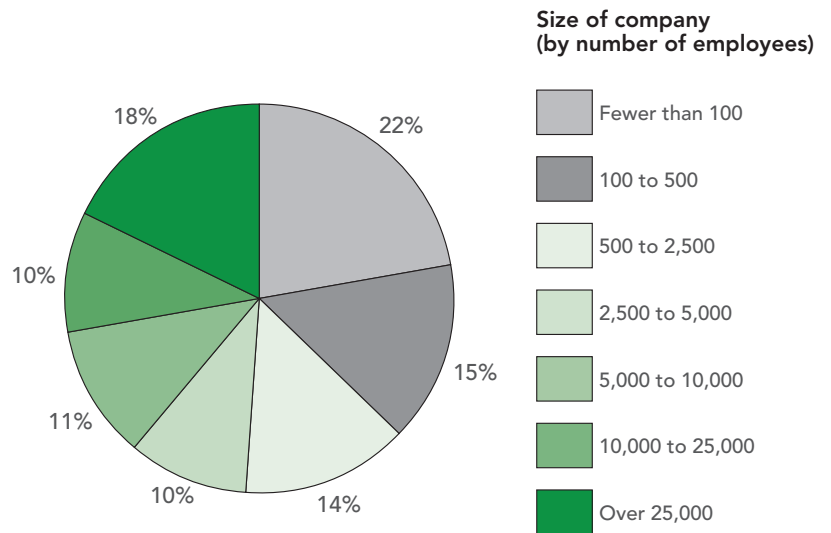
## Supporting Employee Groups and Social Networking:

*How does your organization support specific workforce segments via networking practices?*

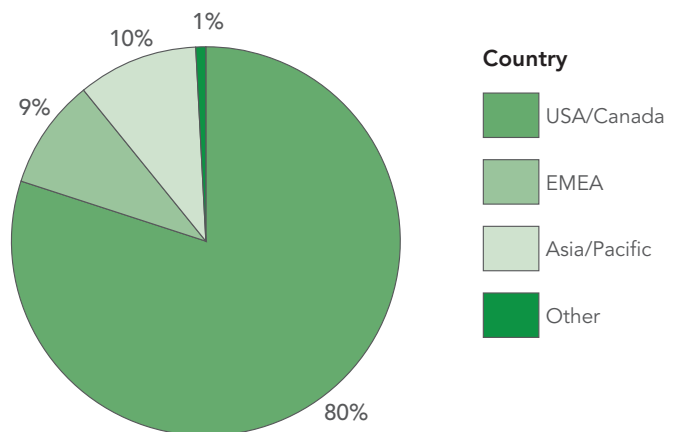
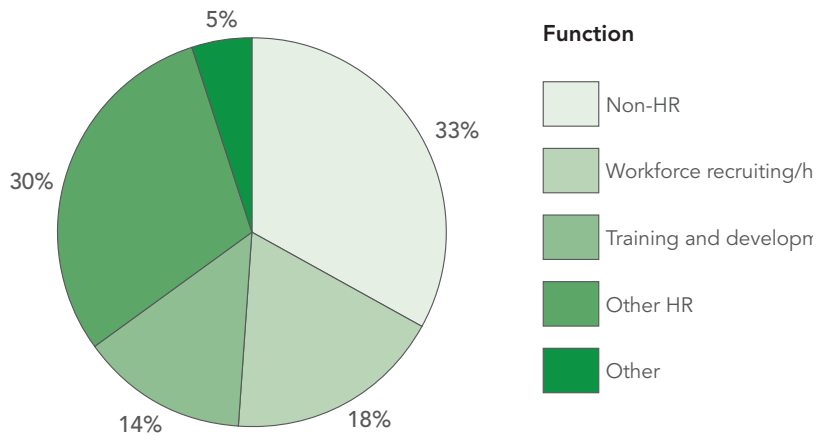
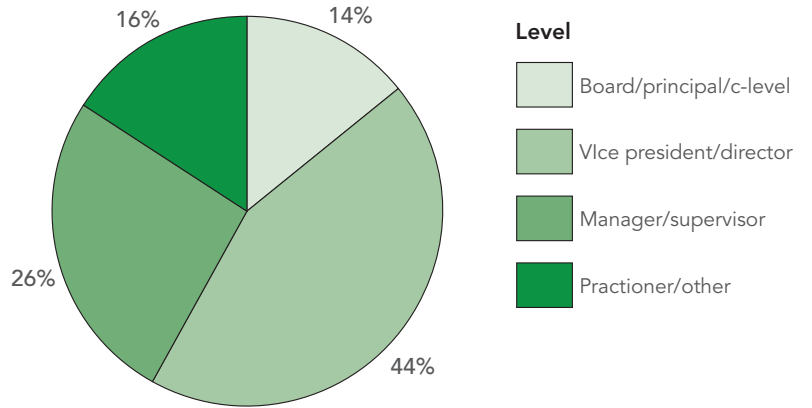
- One large financial services company we interviewed has aligned their employee professional networks with specific diversity-related groups. These networks are an integral part of the organization's diversity and inclusion efforts. They are also an integral part of day-to-day life at the firm. Most importantly, they help to link the various parts of talent management by aiding in recruitment, professional development, retention and community service.
- A smaller financial service company takes a more specific approach — one focused on their managers. They use monthly meetings, hosted by HR, for management training purposes. The meetings were created at the request of new managers who wanted to get to know each other. In addition, executives aim to strengthen network connections by meeting with managers face-to-face, instead of by phone, whenever possible.
- Then there is the mid-size professional service company with a global reach. For this company, the issue is supporting employees doing similar jobs in many different countries. They are supporting this workforce segment through the creation of global networks of senior practitioners that focus on development, reinvigoration, and the dissemination of intellectual property and idea, and the tools for how to use them.
- A large government agency has an executive for Diversity Management. As part of his duties, the executive oversees an annual agency award program for team and individual contributions in promoting and creating successes with a diverse workforce.
- As with other parts of talent management, many organizations that don't know about the concept of SNA are, nonetheless, using tools that fit into the SNA framework. An example is a small IT company we interviewed. Their education committee allows groups to host "pizza nights" on various topics for knowledge-sharing and for like-minded people to meet. The company also sponsors various events to enhance morale — something for everyone — with some for employees only and some that include families or friends. This example highlights the fact that creating and improving networks can be done via formal, informal, and "fun" activities. This company also reports that hires have been made from among events that have included family and friends.

## Appendix II: Demographics of Survey Respondents

We collected individual and organizational demographic information for the subset of 234 people who completed the entire survey. As the figures below show, our respondents' organizations represent a range of sizes and industry types. In addition, the respondents themselves represent a range of positions within their organizations as well as both HR and non-HR functions. Finally, while most respondents and their organizations were from North America, the subsets of organizations from Europe/Middle East/Africa and from Asia/Pacific were both large enough to allow us to examine variation in SNA practice by geographic region.



## Demographics



## Appendix III: Survey Questions

### Social Network Analysis

Some organizations have a formal process of analyzing how social networks among their employees are created and how well they function, with the purpose of leveraging this information to improve their talent management process.

**1. How aware are you of the concepts and methods of Social Networking Analysis (SNA) — the mapping and measuring of relationships, connections and flows between people, groups and organizations?**

(select only one)

- I've never heard of it
- Moderately familiar (I have heard the term)
- Familiar (I know about the basic concepts and methods)
- Knowledgeable (I have used SNA techniques and tools in the workplace)
- Very Knowledgeable (My current organization uses Social Networking Analysis techniques and tools and I am involved in these projects)

**2. My experience with Social Networking Analysis (SNA) in the workplace involves determining:**

(select all that apply)

- I have no experience of Social Network Analysis in the workplace
- The number of social networks in the organization
- The complexity of social networks (number of nodes and links)
- The overall strength of each network (the number and strength of connections between people)
- How information flows in the organization
- Who in the organization is a connector (someone through whom a significant amount of information flows)
- How networks can be created
- How networks can be leveraged to strengthen organizational performance
- How networks can be leveraged to enable better talent management

## Recruitment

During recruitment, a company: 1) May assess the social network people bring into the organization (e.g., by forms of screening or evaluation in interviews); 2) May use specific networks to target and recruit new talent; and/or 3) May assess collaborative behaviors based on competencies or assignments inside the organization (e.g., collaborative problem-solving projects).

### *3. Does your organization use any networking practices for recruiting?*

*If so, please briefly describe them:*

### *4. You may be familiar with unique networking practices that other organizations use in recruitment.*

*If you are, please describe them below.*

## Onboarding Employees

Onboarding may include all of the formal and informal practices that build employee engagement in the first six months on the job. These practices can provide a very powerful opportunity to improve talent retention and effectiveness of newcomers as they form connections or networks in the organization. Formal practices include rotation programs, mentoring relationships or peer/start groups. Informal practices include introductions, lunches or other practices that help a newcomer come into an organization more effectively by building a network early.

### *5. What types of network-building practices does your organization use in the onboarding process?*

### *6. You may be familiar with unique network-building practices that other organizations use in onboarding. If you are, please describe them below.*

## Career Planning

Top organizations focus on helping employees create organizational networks that will make a person successful in current and future roles. This may be done through formal processes such as staffing or advancement planning. Alternatively, leaders may use informal means to create networks amongst their employees through small or large group events.

### *7. What types of network-building practices does your organization use in the career planning process?*

### *8. You may be familiar with unique network-building practices that other organizations use in career planning. If you are, please describe them below.*

## Leadership Development

Learning from others can occur via personal networks and may also include programs like formal or informal mentoring, peer coaching or knowledge networks. In some cases, the development of these networks is a specific component of the leadership training programs.

*9. What types (if any) of network practices does your organization use in the leadership development process?*

*10. You may be familiar with unique networking practices that other organizations use in leadership development. If you are, please describe them below.*

## Performance Management

Some organizations encourage employees to develop networks through their performance management system. These may include assessment processes and compensation systems that assess both individual contributions as well as how people enable and improve effectiveness of others around them.

*11. Please describe the types of practices your organization uses to support network behavior through the performance management system.*

*12. You may be familiar with other unique practices that other organizations use to support network behavior through performance management systems. If you are, please describe them below.*

## Support Groups

Some organizations have established interest and support groups to promote diversity, inclusion, and/or increased engagement for specific workforce segments. These virtual or face-to-face networks help like-minded individuals come together, share ideas, support, and/or do specific types of project-based work together.

*13. What types of networking practices does your organization use to support specific workforce segments?*

*14. You may be familiar with unique networking practices that other organizations use to support specific workforce segments. If you are, please describe them below.*