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Human Capital Reloaded: The Use of Social Media in Human Resource Management

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Abstract: The chapter aims at discussing the concept of human capital with reference to some of the main Human Resource Management practices (e.g., recruiting, talent management and marketing). The latter are re-read in light with the increasing use of social media as a strategic support to several organizational actions. Therefore, the authors discuss the challenges and opportunities granted by social media use in organizations and focus on the main implications that this revolution has had for human capital theory.
1 Introduction

Social media are one of the main current priorities for managers and executives who are engaged in identifying ways in which organizations can make profitable use of applications such as Wikipedia, YouTube, Facebook, and Twitter, just to quote a few. Despite this interest, there seems to be very limited understanding of what the term “Social Media” exactly means. Social media refer to a set of “internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content” (Kaplan & Haenlein, 2010, p. 61). Such phenomenon has diffused very rapidly in just a few years, having grown to now entertain 1.5 billion users, according to some most recent statistics (Chiu et al., 2012). Boyd and Ellison (2007) consider the phenomenon as “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system” (p. 7). Social media further distinguish themselves from traditional media, as they are a quite cheap and easily accessible tool while enabling individuals to both publish and consume information in a pervasive and very efficacious way. Consequently, social media have been classified as one of the most powerful sources for news, trends and marketing, especially when identified with well-known platforms such as Facebook and Twitter that are increasingly showing advantages both for individuals and companies. Through its interactive nature, this media channel has been a revolution not only for the communications of organizations, communities, and individuals, but has also grown an entirely new commercial marketplace (Chiu et al., 2012; Helft, 2012).

Following its success, social media have gained significant attention from scholars and practitioners, resulting in the production of a rich “how-to” literature (Sterne, 2010; Safko & Brake, 2009; Agresta & Bough, 2011). However, there is a lack of empirical research on the topic. Actually, current research appears to be highly focused on the demographics of users and on how organizations can exploit the media from a marketing standpoint. Despite the huge interest in social media, academic research is lacking and does not provide a fully detailed understanding of the phenomena (Kaplan & Haenlein, 2010). Current literature is often rigid, becoming quickly outdated, and does not underline the innovative and