

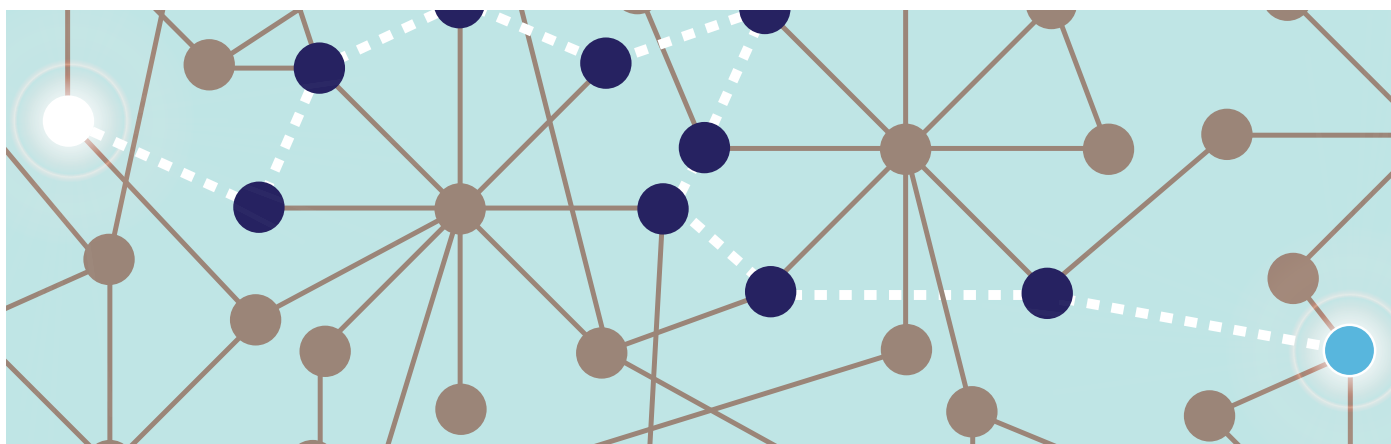
ORGANIZATION

MARCH 2009

When job seekers invade Facebook

The increasing popularity of online social networking is changing not only the way people manage their careers but social networking itself.

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As the downturn continues, millions of corporate managers—gripped by the job jitters—are rushing to join online social networks in a scramble to build their social capital. The popularity of sites such as LinkedIn is soaring: less than a year ago the site had little brand profile and was seen mostly as a venue for corporate suits trolling for professional contacts while plotting their next career move. Facebook, by contrast, has largely attracted individuals seeking a compelling site for fun social networking.

Today LinkedIn's year-on-year growth is up nearly 200 percent in the United States and it now has more than 35 million members—many of whom were formerly employed within the hard-hit financial sector. And it's just one of the many sites to which recession-struck managers are flocking: Xing (based in Germany), with its 7 million members and special Lehman Brothers alumni section, and Meet the Boss (based in the United Kingdom), which restricts membership to C-level financial types, are also experiencing burgeoning membership levels.

This surging popularity of online social networking is transforming the nature of business networking, with profound implications for the way business people manage their careers. But it also augurs profound change for social networking itself.

With so many people stampeding into Web-based social networks, the line between social and business networking is becoming increasingly blurred. An important question is whether the values and codes of conduct specific to the virtual world will come into conflict with real-world values and norms. Facebook, where the idea of a “friend” is directly embedded in the interface, is increasingly cluttered with self-promoters, career artists, and marketing entrepreneurs. What happens as this trend intensifies and those using Facebook exclusively for career networking invade?

There are, of course, powerful economic reasons behind the trend. As sociologist Nan Lin puts it in his book, *Social Capital*,¹ “Individuals engage in interactions and networking in order to produce profits.” These profits are based upon information, influence, social credentials, and recognition. The accumulated social capital, meanwhile, helps individuals to gain competitive advantages in the labor market as a result of privileged access to “resources” located on the social networks.

Still, for many there's nothing more irritating than when a new “friend” contacts you almost immediately with an inappropriate request for a favor. Generally, it's more advisable to approach social networking as a giver, not a taker, and gradually build relationships according to reciprocated favors. Overall, online social networking, with its support groups and trusted access, is governed by a culture of sharing, not selling.

And can the throngs of interlopers really be considered friends? Anthropologists tell us that it's impossible to maintain stable social relationships with more than 150 people. Maintaining a professional network of more than 150 looser connections on LinkedIn might be plausible, but it would strain the richer social relations that make up the fabric of sites such as Facebook. Among Facebook's 175 million members, the instances of “defriending” are already growing.

¹Nan Lin, *Social Capital: A Theory of Social Structure and Action*, New York, NY: Cambridge University Press, 2001.

It's a safe bet that if the economic downturn grinds on, we will witness further conflict between the nonrational instinct to connect socially and the rational calculation to build social capital for professional reasons. If so, it may put further strain on the notion of an online friend. We may find ourselves asking more frequently that age-old question, "What are friends for?" *Q*

Professor Soumitra Dutta is the Roland Berger Chaired Professor of Business and Technology at INSEAD, where **Dr. Matthew Fraser** is a senior research fellow. Their book, *Throwing Sheep in the Boardroom: How Online Social Networking Will Change Your Life, Work and World*, was published by Wiley in December 2008. Copyright © 2009 McKinsey & Company. All rights reserved.