

# »» Social media – a tool for SMEs to recruit talent



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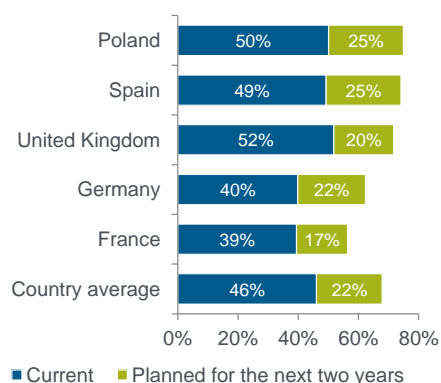
## More and more businesses are using social media ...

Even before the coronavirus crisis, global connectivity between people in social networks has increased dramatically. The share of small and medium-sized enterprises (SMEs) in Germany that use social media has also grown steadily – from 44% in 2015 to 59% in 2019. SMEs use social media primarily to promote their image, market their products and communicate with customers.<sup>1</sup>

## ... to recruit workers

However, many businesses now also use social media to hire skilled workers. This was revealed by the European SME Survey 2019, for which KfW Research interviewed more than 2,500 businesses in Germany, France, Poland, Spain and the United Kingdom in collaboration with other European promotional banks.<sup>2</sup>

**Figure 1: Use of social media to recruit employees**



Source: European SME Survey 2019

In Germany, some 40% of SMEs cur-

rently use social media for recruitment, and the average for the countries surveyed is even 46% (Figure 1). That means social media have become an important tool for attracting new talent. And they are likely to become more important, as a further 22% of SMEs in Germany plan to incorporate social media into their recruitment procedures in the next two years.

The social networks XING, Facebook and LinkedIn are currently the platforms most commonly used by human resources managers.<sup>3</sup> Here businesses maintain a profile of their own in a bid to attract potential applicants. This trend, referred to as passive sourcing, is supplemented by active sourcing. It means that human resources managers trawl the profiles specifically created by users seeking employment and actively contact jobseekers with a promising CV and matching skills.

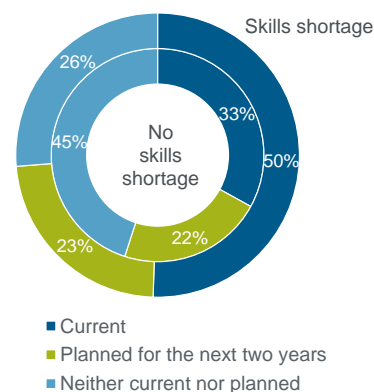
## Skills shortage drives use of social media

The findings of the survey show that social media is increasingly being used where the skills shortage is particularly pronounced. In Germany, social media is used to attract workers by 33% of SMEs that believe the skills shortage is hardly or not at all impacting their competitiveness, but by 50% of SMEs that believe the skills shortage is severely impacting their competitiveness (Figure 2).

The growing skills shortage obviously calls for new approaches to the recruitment of skilled workers. Social networks are likely to be a valuable tool

particularly for attracting IT specialists, which SMEs need in order to successfully complete their digital transformation.

**Figure 2: Social media are used most where skills are in short supply**



Source: European SME Survey 2019

## The entry of digital natives into the workforce will likely reinforce the trend

Another reason that social media are becoming increasingly important in recruiting skills is that more age cohorts who have grown up with digital media are entering the workforce. Ninety per cent of 16 to 24-year-olds today communicate using social media. The same is true of not even half the 45 to 64-year-olds.<sup>4</sup> If SMEs want to reach this upcoming generation, they will have little alternative but to expand their presence in social media. Restrictions on personal contacts aimed at containing the coronavirus have given new impetus to the use of social media. In the medium term, this should also provide a further boost to the use of social media by SMEs.

<sup>1</sup> Cf. Eurostat. The percentage refers to SMEs with 50 to 249 employees.

<sup>2</sup> For further information on the content and methodology of the survey, see BGK, Bpifrance, British Business Bank, ICO and KfW (2019): Going Digital – The Challenges Facing European SMEs.

<sup>3</sup> See Adecco (2016), Social Media Recruitment Study.

<sup>4</sup> For the period from January to March 2019, see survey on the use of information and communications technologies (ICT) in private households.