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How Do Online Social Networks Drive Internal Communication and Improve Employee Engagement?

Abstract

The definition of a social network is taking traditional or in person networking activities online. It focuses on facilitating the building of social networks or social relations among people who, for example, share interests, activities, backgrounds, or real-life connections. Given the popularity of social network sites, it is obvious that more and more companies are interested in using them to enhance company's strategy. Many large organizations had been looking for ways to extract business values from social technologies, and some of them had already run their own social network site on their own servers, what we will refer to as an internal social network. Our research, focusing on looking at the practices of real companies' internal social network, may reveal some insights or give some inspirations.

Keywords

human resources, social networks, employee engagement, internal communication, online social networks and improved employee engagement

Comments

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Executive Summary

Question:

How do online social networks drive internal communication and improve employee engagement?
What are the pros and cons of online social networks in the workplace? Show best practices as references.

1. Background

The definition of a social network is taking traditional or in person networking activities online. It focuses on facilitating the building of social networks or social relations among people who, for example, share interests, activities, backgrounds, or real-life connections. Given the popularity of social network sites, it is obvious that more and more companies are interested in using them to enhance company's strategy. Many large organizations had been looking for ways to extract business values from social technologies, and some of them had already run their own social network site on their own servers, what we will refer to as an internal social network. Our research, focusing on looking at the practices of real companies' internal social network, may reveal some insights or give some inspirations.

2. Best Practices of internal Social Networks

Humana (a health care benefits insurance company):

- 1) Built online profiles of employees to use in their performance review process and built a database of leaders' profiles;
- 2) Established an internal social networking site similar to Facebook and LinkedIn with a strong built-in search function, through which employees have their own blogs to share their expertise, thereby stimulating ideas and discussions;
- 3) Tried out social networking analysis software to identify specific communications patterns and people within the company who have strong influence and who are hubs for information;
- 4) Technology-enabled online simulations with this software, employees can participate in scenario planning and discuss the business impact of decisions tied to each scenario. The involvement of a variety of other stakeholders aims to bring forth and share different viewpoints of government agencies and consumer representatives in order to bring health care solutions to fruition. Humana believes that enabling employees and leaders to see each other more clearly through the company's social networking site will improve its ability to find quality successors for its leadership. In addition, as employees are able to see each other's strengths and experience, they will be better able to leverage the knowledge that resides throughout their networks.

Dow: is focusing on increasing "engagement with the overall Dow family—current and former employees." *My Dow Network* is launched "to cultivate four Dow communities: retirees, alumni, current employees and women." According to the official press statement, the closed, online community allows users to expand their professional networks, to renew old friendships, to learn the latest Dow information, and to explore new job opportunities. It also keeps Dow connected to a larger talent pool, fuels collaboration and innovation, and facilitates a diverse and inclusive work environment.

IBM: launched *Beehive* (shown in Appendix 1), a social networking website behind IBM's firewall for IBM employees designed to blur the boundaries of work and home, professional and personal, and business and fun. As with other social network sites, it supports the "finding" of other people, provides an individual profile page for each user, and incorporates content sharing in the form of photo and list sharing. They did not build in limitations on the types of content that could be shared, for example whether or not the content was personal or professional in nature.

Salesforce.com: developed *Chatter*, a Facebook-inspired application for companies that allows users to keep track of their colleagues and customers and share information and ideas. The application had been used by employees within and across different work groups. Moreover, it had become an effective way to bring the top tier of the company closer to the workplace. For instance, during the company's annual management off-site, all employees had been invited to join the meeting virtually by broadcasting the meeting through a video service. A special "Chatter forum" had been set up, through which managers who attended the meeting and the employees who watched it can comment and interact with each other. In the end the dialogue lasted for weeks beyond the actual meeting. More important, by fostering a discussion across the entire organization, Top management has been able to better align the whole workforce around the company's mission. The event served as a catalyst for the creation of a more open and empowered culture at the company.

Marsh Inc. (an insurance subsidiary of Marsh & McLennan Cos., based in New York City): created *Marsh University*, a social platform-based learning site. Beginning with peer-to-peer learning on the social platform, Marsh University now offers content, connects individuals, allows creation of groups for learning and collaboration, and lets individuals share through blogs. About 18,000 of the company's 25,000 employees use it.

3. The Impact on the workplace

Possible Advantages:

- Social networking sites help employees remain focused on and aligned with corporate objectives.
- People can share resources and information easily and effectively.
- These tools flatten the corporate hierarchy, empower individual employees at all levels and provide a direct path to decision-makers and executors.
- Internal social networking encourages people to connect and communicate with each other, cross pollinate ideas and develop valuable insights.
- The ability to communicate issues, insights and solutions leads to generating new ideas.
- The company can be more easily and effectively search for and consolidate employee skill-sets to match specific project requirements.

Possible Disadvantages:

- Open up the possibility for hackers to commit fraud and launch spam and virus attacks.
- Increase the risk of people to result in data and identity theft.
- May result in negative comments from employees about the company or potential legal consequences if employees use these sites to view objectionable or offensive material.
- Potentially result in lost productivity, especially if employees are busy updating profiles, etc.

4. Conclusion:

Undoubtedly, social networking is revolutionizing the way a company connects, communicates, engages employees, and achieves its business goals. However, there is no one-size-fits-all approach for a company adopting social networking in the workplace. Because comparatively few studies of social networks in the workplace exist, some important questions regarding issues such as the relationship between social networks and work performance, and the ROI of social network, remain unanswered. However, we feel that the information that is learned from an internal social network is interesting and valuable enough to collect and communicate. In order to achieve this goal, we suggest that companies provide concrete examples of usage violations to their employees.

Appendix 1. A Beehive profile

IBM. hive
bee
 home ▾ profile ▾ people ▾ photos ▾ hive5s ▾ events ▾
 Type to look up person [Lookup](#)

Welcome Joan [login] [logout]
 your account
 about beehive
 feedback
 log out

Werner Geyer
 you connect to Werner
Werner is
 In need to refill his car after almost running out of gas

live facts
 Blue Pages | Fringe
 Research Scientist - Social & Collaborative Systems
 Cambridge, MA US
 wg17@us.ibm.com
 Phone: 1-617-123-1234
 Joined Beehive: May 31, 2007
 Last login: December 14, 2007

beehive counters

Ph	H5	Ey
37	8	3

connections **buzz**
 99 147

This profile has been viewed 991 times

Ph photos

H5 hive5s

IE bugs
 Created: December 4, 2007

Pillars of Pride
 Inspired by today's Mandelbrot talk. As Casey said, he has 3 but we are in beehive... it's gotta be five. I also believe in micro pillars. We need lists of lists of lists of lists of lists of lists of lists of lists...
 Created: July 24, 2007

the buzz
 add comment | next page

- On December 14, 2007, Werner's status message changed
- On December 13, 2007, Werner commented on Alan
- On December 13, 2007, Werner added a photo
- On December 13, 2007, Werner added a photo
- On December 11, 2007, Werner's status message changed
- On December 11, 2007, Werner commented on an event

connections

about Werner

my current project
 Beehive social networking for the enterprise. We've been building this baby and we are trying to determine the value for businesses. Connecting people is an under-supported function in today's IT infrastructures. Social networking sites support this by making people first class business objects.

Where I come from?
 Mannheim, Germany and now Boston :)

Ask me about
 Activity-centric collaboration and Activity Explorer. AE was one of my most successful projects. It provided the foundation for the Lotus Connections Activities product.

The German title of my thesis:
 Das digital lecture board - Konzeption, Design und Entwicklung eines Whiteboards fuer synchrones Teleteaching

What do I hate?
 Caraway seeds in bread :)

My first project at IBM Research:
 TeamSpace - Capture and Access of Virtual Meetings

Speak to me in
 German, English, and French

5 Things to Ask Me About
Reusing: Amar Srivastava's hive5
 Five things I know a bit about and enjoy talking about

- Emerging small business markets
- My family
- Switching careers later in life
- Effective communication
- knitting

hive5 details
 Hive5 shared by Betty Zechman on January 20, 2008.
 This hive5 is visible to everyone.

actions

+H5 Reuse this hive5 (Start with this title and fill in your own details.)
+Re Recommended this hive5 to colleague(s) (separate with commas - only to preexisting users!)

the buzz
 add comment

On January 20, 2008, Joan DiMicco said:
 edit delete
 Do you know about the great knit shop in Brookline Village? Everyone keeps mentioning it t

On January 20, 2008,
 Dennis Michael's hive5 reuses Betty Zechman's hive5

On January 20, 2008, Charlie Hamilton said:
 What did you do for your first career?

[Sources : DiMicco, Joan, et al.(2008) "Motivations for social networking at work." Proceedings of the 2008 ACM conference on Computer supported cooperative work. ACM]

Appendix2. Formal Application of Social Media

Organizational Use	Potential Benefits	Potential Risks
Recruitment and selection	<ul style="list-style-type: none"> Improved sourcing of high-quality candidates Enhanced candidate quality Increased time and cost efficiency 	<ul style="list-style-type: none"> Employment discrimination (e.g., obtaining personal information that is not job-related from sites such as Facebook and using it in hiring decisions) Variability in applicant use of social media disadvantages those who do not use it (some age groups or racial/ethnic groups may be underrepresented on social media sites)
Socialization and onboarding	<ul style="list-style-type: none"> Greater organizational identification and commitment Reduced turnover Improved employment compatibility and job satisfaction 	<ul style="list-style-type: none"> Spread of inappropriate or damaging information (e.g., negative information posted by disgruntled employees could discourage new hires) Creation of division rather than inclusion (e.g., establishment of “cliques” or subcultures)
Training and development	<ul style="list-style-type: none"> Reduced training costs Greater training effectiveness Continuous skill enhancement and self-directed learning 	<ul style="list-style-type: none"> No positive effect on learning or development (e.g., skills to be learned are not transferred to the job) Unequal access or usage (e.g., those who do not use social media have fewer opportunities for training or development)
Knowledge sharing	<ul style="list-style-type: none"> Fast and inexpensive dissemination of information Easy sharing of knowledge from few to many 	<ul style="list-style-type: none"> Unequal access or usage (e.g., those who do not use social media have less opportunity to share) Too much information (e.g., work time consumed with reading social network posts) Quick spread of negative or private information (e.g., co-workers learn of an employee’s serious medical condition)
Branding and marketing	<ul style="list-style-type: none"> Ability to reach new customers Customer loyalty enhancement Increased time savings and cost efficiency 	<ul style="list-style-type: none"> No relevant effect on customer metrics (e.g., investment in social media does not generate sales or customer growth) Hidden costs with maintenance of media (e.g., staff time to monitor social network sites and constantly provide fresh content)
Creativity and problem solving	<ul style="list-style-type: none"> Increased problem solving accuracy and speed Innovation spread throughout organization with minimal effort 	<ul style="list-style-type: none"> Consensus process slows decision-making (e.g., the higher number of people involved in decision-making increases time needed to resolve an issue) Consensus leads to pursuit of poor choices; lack of critical thinking (e.g., groupthink or an influential employee generating support for a bad idea)
Influencing organizational culture/change	<ul style="list-style-type: none"> Reinforcement of organizational culture Culture change through communication 	<ul style="list-style-type: none"> Broad resistance to organizational change (e.g., employees bond together to resist change) Facilitation of undesirable company culture (e.g., employees use social media to form coalitions counter to the organization’s culture)

[Sources : SHRM Foundation Executive Briefing, SHRM, Robert e. ployhart, ph.d., Social Medial in the Workplace: Issues and Strategic Questions]

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Additional Suggested Readings

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