Is Social Business Good Business?
CASE STUDY

As companies become more dispersed in the global marketplace, businesses are turning increasingly to workplace collaboration technology, including tools for internal social networking. These tools can promote employee collaboration and knowledge sharing, and help employees make faster decisions, develop more innovative ideas for products and services, and become more engaged in their work and their companies.

Adoption of internal enterprise social networking is also being driven by the flood of email that employees typically receive each day and are increasingly unable to handle. Hundreds of email messages must be opened, read, answered, forwarded, or deleted. For example, Winnipeg, Manitoba–based Duha Group, which produces color paint samples and color systems for paint companies across the globe, was able to eliminate 125,000 excess emails per year by adopting Salesforce Chatter social collaboration tools. Managing Director Emeric Duha, who used to receive 50 emails each morning from Asia, Europe, and Australia, now has a Chatter feed of everything going on in the company.

Another driver of enterprise social networking is "app fatigue." In order to collaborate, many employees have to log on to numerous apps, creating additional work. Contemporary enterprise social networking systems often integrate multiple capabilities in one place.

Recent studies have found that collaboration tools could be effective in boosting efficiency and productivity, while enabling users to make better business decisions. The products also expanded the potential for innovation. Not all companies, however, are successfully using them. Implementation and adoption of enterprise social networking depends not only on the capabilities of the technology but on the organization's culture and the compatibility of these tools with the firm's business processes. The technologies won't provide benefits if they are applied to flawed business processes and organizational behaviors. Digital collaboration tools such as Microsoft Teams, Chatter, Yammer, Zoom, and WebEx added to email, texting, and messaging may enmesh employees in too many interactions, leaving even less time for in-depth individual thinking and problem-solving.

When firms introduce new social media technology (as well as other technologies), a sizable number of employees resist the new tools, clinging to old ways of working, including email, because they are more familiar and comfortable. There are companies where employees have duplicated communication on both social media and email, increasing the time and cost of performing their jobs. BASF, the world's largest chemical producer with subsidiaries and joint ventures in more than 80 countries, prohibited some project teams from using email to encourage employees to use new social media tools.

Social business requires a change in thinking, including the ability to view the organization more democratically in a flatter and more horizontal way. A social business is much more open to everyone's ideas. A secretary, assembly line worker, or sales clerk might be the source of the next big idea. As a result, getting people to espouse social business tools requires more of a "pull" approach, one that engages workers and offers them a significantly better way to work. In most cases, they can't be forced to use social apps.

Enterprise capabilities for managing social networks and sharing digital content can help or hurt an organization. Social networks can provide rich and diverse sources of information that enhance organizational productivity, efficiency, and innovation, or they can be used to support preexisting groups of like-minded people that are reluctant to communicate and exchange knowledge with outsiders. Productivity and morale will fall if employees use internal social networks to criticize others or pursue personal agendas.

Social business applications modeled on consumer-facing platforms such as Facebook and Twitter will not necessarily work well in an organization or organizational department that has incompatible objectives. Will the firm use social business for operations, human resources, or innovation? The social media platform that will work best depends on its specific business purpose. Additionally employees who have actively used Facebook and Twitter in their personal lives are often hesitant to use similar social tools for work

purposes because they see social media primarily as an informal, personal means of self-expression and communication with friends and family. Most managers want employees to use internal social tools to communicate informally about work, but not to discuss personal matters. Employees accustomed to Facebook and Twitter may have trouble imagining how they could use social tools without getting personal.

This means that instead of focusing on the technology, businesses should first identify how social initiatives will actually improve work practices for employees and managers. They need a detailed understanding of social networks: how people are currently working, with whom they are working, what their needs are, and measures for overcoming employee biases and resistance.

A successful social business strategy requires leadership and behavioral changes. Just sponsoring a social project is not enough—managers need to demonstrate their commitment to a more open, transparent work style. Employees who are used to collaborating and doing business in more traditional ways need an incentive to use social software. Changing an organization to work in a different way requires enlisting those most engaged and interested in helping, and designing and building the right workplace environment for using social technologies.

Management needs to ensure that the internal and external social networking efforts of the company are providing genuine value to the business. Content on the networks needs to be relevant, up-to-date, and easy to access; users need to be able to connect to people who have the information they need and would otherwise be out of reach or difficult to reach. Social business tools should be appropriate for the tasks on hand and the organization's business processes, and users need to understand how and why to use them.

For example, NASA's Goddard Space Flight Center had to abandon a custom-built enterprise social network called Spacebook because no one knew how its social tools would help people do their jobs. Spacebook had been designed and developed without taking into consideration the organization's culture and politics. This is not an isolated phenomenon. Dimension Data found that one-fourth of the 900 enterprises it surveyed focused more on the successful implementation of collaboration technology, rather than how it's used and adopted.

Despite the challenges associated with launching an internal social network, there are companies using these networks successfully. One company that has made social business work is Standard Bank, Africa's largest financial services provider, which operates in 33 countries (including 19 in Africa). Standard Bank has embraced social business to keep up with the pace of twenty-first-century business. The bank is using Microsoft Yammer to help it become a more dynamic organization.

Use of Yammer at Standard Bank started to take off in 2013, when the bank staged an important conference for its executives around the world and was looking for a collaborative platform for communicating conference logistics and posting content such as PowerPoint presentations. Many agencies and consultants who worked for the bank used Yammer and liked the tool. Once conference participants saw how intuitive and useful Yammer was, they wanted to use it in their own operations. Usage exploded, and the Yammer social network grew to over 20,000 users just six months after Standard Bank adopted the Enterprise version. Belinda Carreira, Standard Bank's Executive Head of Interactive Marketing, is also reaching out to departments most likely to benefit from enterprise social networking.

Standard Bank has over 400 Yammer social groups. Many are organized around projects and problem-solving, such as finding credit card solutions that work well in African countries. Yammer has become a platform for listening, where employees can easily share their concerns and insights. Yammer is also used for internal education. Yammer enables trainers to present more visual and varied material than in the past, including videos from the Internet. In some locations, the Internet may be down for half the day, but Standard's employees are still able to access Yammer on their mobile phones.

Carreira notes that successful adoption and use of a social tool such as Yammer will hit roadblocks without proper planning and organizational buy-in. Many factors must be considered. Carreira recommends that Yammer implementors work closely with their organization's IT department, risk and compliance teams, human resources, communications department, and executive leadership across the organization. In addition to internal resources, Standard Bank drew on expertise provided by Yammer and Microsoft.

Northwards Housing, a nonprofit organization providing affordable housing services in Manchester, England, has an open organizational culture, which encourages two-way communication and information transparency. Northwards has 340 employees, who do everything from rent collection to scheduling repairs and cleaning maintenance. The organization wanted a way of exchanging information internally and with its customers that was easy to use and did not require much time for technical updates. Northwards introduced Yammer in 2012 and now has 85 percent of employees engaged with the network.

Steve Finegan, Northward's Head of Business Effectiveness and Communication, believes executive support was critical to the network's growth. The Northwards CEO regularly participates in discussions, posts links to news stories of interest, and publishes a blog. The organization's executive directors, who were initially skeptical about Yammer's benefits, now actively post content on the network and answer questions.

Sources: "Duha Group Innovates by Inviting Their Customers into the Manufacturing Process Using Salesforce," www.salesforce.com, accessed March 26, 2020; "Standard Bank," media.featured-customers.com, accessed February 12, 2020"; "Building a Better Enterprise with Yammer," Microsoft.com, accessed February 12, 2020; Ethan Bernstein, Jesse Shore, and David Lazer, "Improving the Rhythm of Your Collaboration," *MIT Sloan Management Review*, Fall 2019; Margaret Jones Cordelia Kroob, "The Growth of an Enterprise Social Network at BASF," www.simply-communicate.com, accessed March 12, 2018; Paul Leonardi and Tsedal Neeley, "What Managers Need to Know About Social Tools," *Harvard Business Review*, November–December 2017; and Dimension Data, "2016 Connected Enterprise Report," 2016.

CASE STUDY QUESTIONS

2-13 Identify the management, organization, and technology factors affecting adoption of internal corporate social networks.

2-14 Compare the experiences implementing internal social networks of the organizations described in this case. Why was Standard Bank successful? What role did management play in this process?

2-15 Should all companies implement internal enterprise social networks? Why or why not?

Chapter 2 References

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