IT’S NOT ABOUT WHAT, IT’S ABOUT WHO YOU KNOW: SOCIAL MEDIA-USE IN ORGANISATIONS

Abstract
This paper investigates the impact of social media-use on communication processes within organisations. Findings from three qualitative comparative case studies are analysed through the lens of the resource based view of organisations. The analysis follows comparative logic focusing on similarities and differences in case-settings and outcomes. Each of the cases represents an organisation with similar workforces of similar size, composition and distribution but with qualitatively different approaches to social media-use and, as expected, different effects of social media on processes and capabilities. The findings suggest, that the value of social media in contrast to other IT technologies is derived from its use for relationship-building (who actors are connected to and how) rather than information storage and dissemination (what do actors know and where they find it).

Keywords: Social Media, RBV, Case Study, Human Resource Management

Intro
Research in Information Systems (IS) has long been concerned with the impact of technology-use on organisational performance, processes, policies and structures. Social media, a “new class of information technologies” (Kane, Alavi, Labianca, & Borgatti, 2014, p. 275) requires re-visiting established theories and re-assessment of the impact of technology on organisations.

This paper investigates social media-use in organisations in the context of Human Resource Management (HR or HRM) communications and uses the lens of the Resource Based View to explain social media-use in organisations. The questions under investigation are whether social media-use is strategic and when it is, or can be, strategic for organisations. First the paper introduces the terminology and frameworks used in the study and provides a brief overview of the current state in social media research. Second, the paper presents the findings from three qualitative case studies in organisations with different approaches to social media-use and compares these three cases with the aim of understanding whether and when social media-use can lead to development of new capabilities. In the following sections a framework for analysing the case studies will be built based on work by Lucas Jr et al, (2013), Venkatraman (1994), El Sawy (2003)

RBV justification and development of capabilities
The resource based view (J. Barney, 1991) has been adapted by a variety of HRM scholars to explain the effects of HR practices, systems and processes on organisational performance (Kaufman, 2015; Paauwe & Boselie, 2003). The RBV has also found its application in Information Systems research to address and explain effects of information system use within organisations (Wade & Hulland, 2004). This research concerns the effects of Information Systems use on HRM process. RBV offers a lens, allowing us to unify these two disciplines and investigate the phenomenon from a common viewpoint. Because RBV as an explanatory theory is known in both fields, it has an added advantage of enabling research to be communicated to both the HR and IS communities.

RBV is based on the assumption that firms gain sustained competitive advantage through acquisition of resources. This view is different from those which view external regulatory, institutional or market forces as the sources of competitive advantage. The RBV considers organisations as stocks of resources bundled into capabilities and competencies and proposes that organisations need to develop or acquire appropriate capabilities that can be leveraged to develop new products or enter markets (Duysters & Hagedoorn, 2000). Teams of resources work together to provide the capability to perform some task (Penrose, 1959). Resources, at their most fundamental, are made up from basic units of production. All of a firm's outputs can be viewed as bundles of the services provided by resources, and it is the interaction between human and material resources that determines the productive services available from any given resource (Penrose, 1959; Schumpeter, 1934). The RBV of the firm is a dynamic rather than static perspective, where superior information is exploited to obtain key resources at attractive costs contributing to sources of competitive advantage (Arend & Lévesque, 2010). Capabilities are an organisation’s capacity to deploy resources, they are organisation-specific, information-based, tangible or intangible processes developed over time (Amit & Schoemaker, 1993). They are intermediate goods that reside within an organisation’s members and integrated into higher-order systems; they are the socially complex routines with which firms turn inputs into outputs (Collis, 1994; Teece, Pisano, & Shuen, 1997). A competence is an ability to bundle services of resources that confer competitive advantage (Sims, Powell, & Vidgen, 2016). Core competences are those that are scarce, best in class, difficult to imitate, provide competitive advantage, differentiated by scarcity, quality and uniqueness (Grant, 1998; Hamel & Heene, 1994; Segal-Horn,
Resources include tangible as well as intangible assets, implicit knowledge, practices, and the ability to combine resources, embed them into processes and routines and so develop new capabilities to increase efficiency, provide new services or products. To improve agility in a dynamic marketplace is seen as a source of competitive advantage under the RBV (J. B. Barney, Ketchen, & Wright, 2011; Helfat & Peteraf, 2003; Wade & Hulland, 2004). The combination of tangible IT resources and organisational processes can lead to development of new capabilities (Santhanam & Hartono, 2003). While the predictive power of RBV in identifying when capabilities will lead to competitive advantage is limited (Paauwe & Boselie, 2003), this research is using RBV to explain under what conditions firms develop new capabilities through social media use.

**Capabilities development as source of competitive advantage**

Organisations develop or acquire new capabilities in order to maintain a competitive advantage. In some cases it is the use of IT systems which enables organisations to develop such capabilities and to radically change the ways in which the business is performed, how relationships within and outside the organisation are managed, and how the internal tasks are performed (Adner & Zemsky, 2005; Lucas Jr, et al., 2013; Sherif, Zmud, & Browne, 2006).

The existence and availability of a technology is not yet sufficient to cause transformation. Two or more competitive technologies often emerge at the same time (Adner & Zemsky, 2005), and it is the use and acceptance of a technology which leads to transformation. The philosophical lens of investigating technology impact on organisations through observations of practices and how technology is being used, has found wide acceptance among IS scholars (Orlikowski & Scott, 2008; Parmigiani & Howard-Grenville, 2011; Whittington, 2006). The analysis of the research findings uses the socio-material lens to understand through which practices and processes the IT use is leading to development of new capabilities (or which practices inhibit such development, or sustain existing processes and practices).

IT enabled transformation can be addresses from a number of dimensions. (Lucas Jr, et al., 2013) define *transformational technologies* as those which affect individual, organisations and society as a whole on at least three levels. One of the dimensions of IT enabled transformation is the societal impact – i.e. does the transformation happen at the society/market level (macro), organisational level (micro), or on the individual
level (personal). Table 1 refers to impacts technologies can have at different societal levels.

<table>
<thead>
<tr>
<th>Process</th>
<th>Individual</th>
<th>Firm</th>
<th>Economy/Society</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A change in a personal process of more than half the steps (e.g., digital</td>
<td>A change in a business process of more than half the steps (e.g.,</td>
<td>Creation of a new organization that changes at</td>
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<td></td>
<td>photography)</td>
<td>book publishing vs. e-books)</td>
<td>least two hours of individual behavior a day</td>
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<tr>
<td>New organizations</td>
<td>Creation of a new organization with a value of at least $100 million</td>
<td>Creation of a new organization with a value of at least $100 million</td>
<td>(mobile communications and web)</td>
</tr>
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<td></td>
<td>(as in Amazon, Facebook, and Google) or multiple organizations (as in</td>
<td>as in Amazon, Facebook, and Google) or multiple organizations (as in</td>
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<td></td>
<td>Health Information Exchanges)</td>
<td>Health Information Exchanges)</td>
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<tr>
<td>Relationships</td>
<td>A change in social relations affecting at least half of one’s contacts</td>
<td>A change affecting at least half of relationships with other</td>
<td>A change affecting at least two hours of</td>
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<td></td>
<td>or doubling the number of contacts (e.g., Facebook)</td>
<td>organizations or a doubling of the number of relationships (e.g.,</td>
<td>individual behavior a day related to social</td>
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<td></td>
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<td>IT System for Apple, e-books for Amazon)</td>
<td>relations (e.g., Facebook)</td>
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<tr>
<td>User Experience</td>
<td>A change in user experience involving at least 2 hours per day (e.g.,</td>
<td>Entering or leaving at least one market served by the firm (a.k.a.</td>
<td>Creation of a new market with at least $100</td>
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<td></td>
<td>Facebook)</td>
<td>idevices)</td>
<td>million of transactions a year (such as music</td>
</tr>
<tr>
<td>Markets</td>
<td>A change in at least half of one’s vendors in a particular market (e.g.,</td>
<td>A change in which the firm serves at least 50% more customers (e.g.,</td>
<td>advertising)</td>
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<tr>
<td></td>
<td>iTunes vs. CD purchases)</td>
<td>Amazon ebooks, iTunes)</td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>A change in which the firm serves at least 50% more customers (e.g.,</td>
<td>A change that forces at least one competitor to move from a profit</td>
<td>Reduction of at least $100 million in transactions a year in a market (e.g., print newspaper</td>
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<tr>
<td></td>
<td>Amazon ebooks, iTunes)</td>
<td>exit a market, enter into a merger or declare bankruptcy (e.g.,</td>
<td>circulation)</td>
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<tr>
<td>Disruptive impact</td>
<td>A change that forces at least one competitor to move from a profit to a</td>
<td>A change that forces at least one competitor to move from a profit</td>
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<td></td>
<td>loss, exit a market, enter into a merger or declare bankruptcy (e.g.,</td>
<td>exit a market, enter into a merger or declare bankruptcy (e.g.,</td>
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<td>Kodak)</td>
<td>Kodak)</td>
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**Table 1- Disruptiveness Criteria and Examples (Lucas Jr et al, 2013)**

Another dimension of IT enabled transformation is the magnitude of the transformation. As a framework for analysis of the embeddedness of IT into organisational practices is provided, this paper adopts El Sawy’s proposition of three levels of IT use: Connection, Immersion and Fusion (El Sawy, 2003). On the “Connection-Level”, IT is used to support the existing processes and practices and is a complementary tool. For example using Text Processing Software for writing letters, or maintaining sales ledgers in a computer database. If the system is removed, the current process would still continue to function, but some of the benefits such as efficiency gains may be lost. In the “Immersion Level”, the IT System is embedded
into the process. New capabilities are acquired through use of IT such as “home-office” and “remote work” though internet and virtual private networks (VPN), communications through email, embedded CRM systems where customer data can be shared across departments etc. The separation of “IT” and “Process” is very difficult if not impossible at this point. At the “Fusion-Level” IT becomes undistinguishable from the actual work process. It is no longer a (however deeply) embedded tool, but rather an integral part of the business and all underlying processes. It becomes impossible to study either just “IT” or “Organisation” – both are so intertwined that study of organisation requires study of IT and IT processes and vice versa (El Sawy, 2003). IT Systems create organisational value at each of these levels, however, the IT use is not always transformational at all of these levels and does not necessarily lead to business process re-design.

The transformation and development of new capabilities occurs when organisations use IT systems to modify their business processes (Venkatraman, 1994). There are five levels of IT integration and its influence on the business process. The first two levels make localised use of IT as a supporting functionality for existing processes, the further three levels leverage IT functionalities to redefine Business Process, Business Networks, or Business Scope (Figure 1).

![Transformation Levels](https://via.placeholder.com/150)

**Figure 1- Transformation Levels (from Venkatraman, 1994)**

Venkatraman’s model of IT enabled business transformation is two dimensional. One dimension describes the potential benefits the organisation could expect from IT use. The other dimension is the level of integration of IT and business process. Based on Venkatraman’s model, the potential benefits of IT for the organisation increase with
tighter integration of IT capabilities into the business processes. *Localized Exploitation* level refers to use of IT systems as tools to improve performance of existing processes for improving the cost base or increasing efficiency, or as a response to external (market) pressures (Majumdar & Venkataraman, 1993). *Internal Integration* refers to extension of Localized Exploitation and integration of IT processes. At this level, the supporting systems are integrated and/or aligned, but the corresponding business processes have not, or have not yet, changed significantly. These first two “evolutionary” levels, while offering benefits to the organisation, do not involve any business process reconfiguration. The following three “revolutionary” levels require business process modifications. *Business Process Redesign* refers to changes to some select business processes which allow the IT and IS capabilities to be used to their fuller extent. *Business Network Redesign* level refers to changes to business processes (as in level three) across multiple organisation and integration of these processes so that IT/IS capabilities are leveraged within a “network” of organisations, e.g. across a supply chain. This integration goes beyond simple system integration (e.g. electronic data exchange) and requires business processes in multiple organisations to be adjusted and (re-) integrated. Finally, *Business Scope Redefinition* triggers a review of what the company actually does. Transitions from Manufacturing to Services companies (e.g. BlackBerry) or Software to Consultancy (e.g. IBM) are examples of Business Scope Redefinitions. Leveraging IT capabilities to fully redefine the organisation’s business describes the fifth level of IT enabled transformation. For example Amazon, starting as an online retailer now moved into Platform as a Service market, providing Data Processing Services on their Amazon Web Services (AWS) platform. The comparison of transformational levels and the potential benefits is summarized in Table 2
The utilisation of IT functionalities leads to changes in existing Business Processes (Sherif, et al., 2006) and so increases the potential benefit for the organisation. The potential benefits of gaining access to new markets, development of new products and new capabilities can be achieved through higher levels of IT integration into the business processes (Oestreicher-Singer & Zalmanson, 2013). Thus, the integration of IT and business process also requires an alignment between business and IT strategy (Henderson & Venkatraman, 1993). Arguably, reaching the El Sawy’s “fusion level” or Ventkatraman’s “Business Scope Redefinition” does not necessarily mean that new capabilities, markets and products will be developed. However, organisations need to reach these – revolutionary levels – in order for new relationships, capabilities and markets to be developed (Lucas Jr, et al., 2013).

**HRM process transformation through social media use**

The strength and effectiveness of an HR communication system is contingent on its ability to provide consistent and distinctive messaging, and to create a shared understanding – consensus, between the managers and employees (Bowen & Ostroff, 2004)[REF REMOVED FOR REF [S&Y2015]]. Distinctiveness of a message refers to the recipient’s perception of the importance of the message. A distinctive message “stands out” among other similar messages, for example because it comes from a trusted source, a close friend or a high level manager. Consistency of a message is understood both in a spatial and temporal sense. In HR communication process, a consistent message would be sent out by managers at different levels and in different departments (spatial consistency), and the message would also be consistent along the time axis – it would be applicable e.g. to candidates applying for jobs, new starters,
experienced employees, and those who are close to or are already retiring. Consensus is affirmed by providing employees with feedback channels which ensure that their understanding and interpretations of management’s message are consistent with the management’s interpretation.

With this approach to HR communications, the organisation needs to maintain control over the communication media and limit the employees’ ability to speak or to create their own message. The ever growing penetration of social media tools and platforms into personal and business environments makes control of communication media difficult if not impossible (Feuls, Fieseler, & Suphan, 2014; Huang, Baptista, & Galliers, 2013). Social Media could be seen as a disruptive technology for the HR communication process: Table 3, based on (Lucas Jr, et al., 2013), provides theoretical examples where social media use could impact the HR communication process on an individual or organisational level.

<table>
<thead>
<tr>
<th>Individual</th>
<th>Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process</strong></td>
<td>Job search and &quot;one-click apply&quot; on LinkedIn vs adjusting CV and cover letter for each position, applying via application forms</td>
</tr>
<tr>
<td><strong>Relationships</strong></td>
<td>access to colleagues’ knowledge and relationships over intranet/LinkedIn/Skype vs departmental and location silos</td>
</tr>
<tr>
<td><strong>User Experience</strong></td>
<td>Direct access to information and conversation with managers (e.g. CIO blogs)</td>
</tr>
<tr>
<td><strong>Markets (Information Consumption/Provision)</strong></td>
<td>Information about the organisation is received over social media (e.g. LinkedIn, Glassdoor) vs traditional newsletters and internal comms; Direct feedback and voice on public and private social media vs Employee Surveys</td>
</tr>
<tr>
<td><strong>Target Audiences</strong></td>
<td>Making personal profile available for potential recruitment</td>
</tr>
</tbody>
</table>

Table 3 - Disruptiveness Examples of Social Media in HR Process

Following the argument that a technology which impacts individuals, organisations or society on at least three levels (Lucas Jr, et al., 2013) it could be argued, that social media has the potential of being seen as a disruptive technology. It is therefore possible that social media use and its integration into business processes leads to Business Process, Business Network and possibly Business Scope Redesign and enables development of new capabilities. Thus the questions addressing social media-use are

- Is social media-use in HRM Process strategic?
- If social media-use is strategic, when does it lead to development of new capabilities?
This paper presents the analysis of the study findings with focus on the impact of social media-use on development of new capabilities and its relationship to overall firm strategy.

**Social Media-Use in organisations**

Information technologies (IT) can be used by organisations to different extents and for different purposes. Both these factors allow a determination of whether IT use is strategic or operational (Lucas Jr, et al., 2013; Oestreicher-Singer & Zalmanson, 2013) [REF REMOVED FOR REF[wsy16]]. Table 4 presents a matrix of IT-use purpose and embeddedness and the classification as operational or strategic.

![Table 4 - Strategic vs Operational Social Media Use](image_url)

Whenever IT is used as a "supporting tool" its use is operational and independent of organisational Strategy (Lucas Jr, et al., 2013). When IT is used as a means to support or enhance existing business practices, processes or markets (for example to introduce efficiency savings), its use, however deeply the IT products are embedded into the processes, is still operational [REF REMOVED FOR REF[JS16]] . To be strategic, IT-use needs to be part of a process that redefines business processes, networks or scope and leads to entries into new markets, development of new products and thus development of new capabilities (Venkatraman, 1994), as well as to be an integral part of the business process (Oestreicher-Singer & Zalmanson, 2013).

To be considered strategic IT use needs to be embedded into business process. The embeddedness of IT into business leads to development of new capabilities (Haar & White, 2013). However, Social Media are different from “traditional” IT systems in that they are a combination of IT functionalities and features as well as a philosophical view on relationships, information sharing and transparency (DesAutels, 2011; Oestreicher-Singer & Zalmanson, 2013). The fusion of social media and organisation affects not just the business processes, but business culture and its understanding of value-creation (Kane, et al., 2014). To analyse the level of embeddedness of social media systems into an organisation (Oestreicher-Singer &
Zalmanson, 2013) propose assessment of the value proposition, value creation, value capture, segmentation scheme, the interaction pattern between the organisation and its consumers, and finally between consumers themselves (Table 5). Adapting the Oestreicher-Singer & Zalmanson model to HR communication processes, the "organisation" - i.e. the HR department and managers speaking on behalf of the organisation - are placed vis-a-vis the employees.

<table>
<thead>
<tr>
<th>Traditional HRM (Connection Phase)</th>
<th>HRM with Social Computing (Immersion Phase)</th>
<th>Social Content HRM (Fusion Phase)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Proposition</strong></td>
<td>Employees derive value from consuming firm-delivered content.</td>
<td>Employees derive value from consuming firm-delivered content and from interaction with other users on the website via social computing features.</td>
</tr>
<tr>
<td><strong>Value Creation</strong></td>
<td>Created by the firm by producing/delivering content.</td>
<td>Created mainly by the firm by producing/delivering content and also by social interaction.</td>
</tr>
<tr>
<td><strong>Value Capture</strong></td>
<td>Information dissemination.</td>
<td>Information dissemination, sharing and archiving.</td>
</tr>
<tr>
<td><strong>Segmentation scheme</strong></td>
<td>Organisational structure (hierarchy and departmental).</td>
<td>Organisational Structure and valuation via social computing e.g. interest areas.</td>
</tr>
<tr>
<td><strong>Pattern of Interaction between firm and employees</strong></td>
<td>Feedback in the form of targeted messages or questionnaires (on and off-line).</td>
<td>Interaction throughout various variations of social computing add-ons—talkbacks, forum/blog postings.</td>
</tr>
<tr>
<td><strong>Pattern of Interaction between employees</strong></td>
<td>Not available on site.</td>
<td>Interaction through conversations using social computing features forums, blogs.</td>
</tr>
</tbody>
</table>

Table 5 - Embeddedness Levels of Social Media in Organisational Communication Process

**Value proposition** refers to what value employees are expected to gain from the HR-communication process. The different propositions can range from seeing the employee as a “consumer” and the employer as “producer” with clearly defined roles (Bowen & Ostroff, 2004; Durugbo & Pawar, 2014; Huang, et al., 2013) to co-creational model, where employer and employees create value together in a co-creation process (Grönroos, 2008; Izvercianu, Şeran, & Branea, 2014; Prahalad & Ramaswamy, 2004).

**Value creation** are the means by which the value is created and the actors in the value creation process (Durugbo & Pawar, 2014; Prahalad & Ramaswamy, 2004).

**Segmentation scheme** describes how the value is attributed to “consumers” – it could for example be the organisational hierarchy (Bowen & Ostroff, 2004), personal interests (Leroy, Cova, & Salle, 2013; Oestreicher-Singer & Zalmanson, 2013), or levels of participation (Huang, et al., 2013; Oestreicher-Singer & Zalmanson, 2013).

**Interaction patterns** between management and employees describe how the access to content creation is regulated and how the communications channels are being used (Huang, et al., 2013). These patterns relate directly to the proverbial “ideal speech” situation defined by Habermas, which grants all participants transparent and equal
access to media, ability to question and discuss any statement, and freedom to speak with equal power (Leeper, 1996).

Interaction patterns between employees on the other hand refer to employees’ communicative and thus (value) creative behaviour among themselves independent and free of employer’s interference (Bowen & Ostroff, 2004; Huang, et al., 2013).

The framework summarised in Table 5 is used in the following section to analyse each of the case studies. The level of embeddedness of Social Media into HR communication Process is evaluated and explained using the above criteria and the “value” of social media—in–use is juxtaposed with the level of social media embeddedness into the organisations’ “Social DNA” (Kane, et al., 2014).

Case Study analysis

The case studies were conducted based on in-depth interviews (Silverman, 2013; Yin, 2009). The organisations were coded as “Country” + “Industry” + “Ordinal Number” (e.g. “UK FMCG 1”), as the three organisations presented here are from different industries, the ordinal number is omitted. In some graphs and tables the “industry” is abbreviated to allow better use of limited space. The case organisations are all large multinational organisations with 100,000+ employees world-wide and a headquarters (or European headquarters) in the UK so that from macro-level perspective such as availability of employees to hire, language and culture in the host country, regulations and employment laws, consumer base and expectations these firms are “comparable”, although it is acknowledged that industry specific factors can cause and explain some of the differences observed in the study. The firms are presented and analysed in alphabetical order.

The first case – UKBank is an internationally operating financial services company. Majority of the interviews were conducted in and with employees from the head office in London. The main tools used within the company are Avature (a customer relationship management-like system focused on broadcasting targeted information to large groups of people) for selection and attraction and an internally developed chat client for internal group or individual instant communication. Externally, LinkedIn is used differently by recruiters, employees and alumni for attraction, broadcast and socializing.

UKConsulting is a technology consulting firm which concentrates on consultancy services in the HR technology space and is a part of a US-based group of companies. The study focused on the UK based part of the firm. UKConsulting make
a plethora of communication tools available for employees for content sharing and intra-company communication. The main tools used are an internal in-house Facebook-like tool “Connections” and LinkedIn.

UKOutsourcing is a services company with contracts in security, maintenance and transport. The head office functions are distributed across the UK and employees from the south east of England, London and Birmingham were involved in the study. An internal communication platform – Yammer has been recently introduced, but is not being used for inter and intra-team communications to the extent expected, with managers more active than employees. Externally, it is company policy to “monitor but not to engage” on twitter.

Each of the cases analysed in this project was selected based on externally observable interactions patterns between employers and employees on public social media sites. While at the beginning of the study it was not clear whether the same interaction patterns would be prevalent inside the organisations, these publicly visible interactions provided sufficient support for selecting the case organisations as candidates for study. In the case of UKBank, the interaction pattern was that of “social employees” – the employees interacted on social media, while the “organisation” in the form of official accounts was not visible. In the case of UKOutsourcing, the pattern was that of “unsocial employees” – the organisation over official channels was much more active on social media than its employees. UKConsulting occupied the space of “Social Organisations”, where both the organisation and its employees do interactively post on social media platforms. “Figure 2 - Employee-Employer engagement levels for case selection” shows engagement levels on public social media platforms for each of the three case organisations in relation to each other and other organisations.
Each case exhibited different interaction patterns on public social media, and it was expected that the value proposition, value creation, segmentation and internal interaction patterns would be different. Following the comparison logic (Eisenhardt, 1989; Rihoux & Ragin, 2009), the differences and similarities of these patterns should explain the different outcomes in development of new capabilities and thus in contribution to the creation of competitive advantage.

**Comparative assessment of social media embeddedness**

*Value proposition and purpose* – the expected benefits for the employees which would arise from social media use vary across the case studies. UKBank focuses on “information content”, UKOutsourcing on “collaboration” and “information and knowledge sharing”, and UKConsulting on “information and knowledge sharing” and on “communication and relationships”.

UKBank’s main focus on social media use is on delivering controlled information. The value proposition for the employees is described as receiving “targeted, relevant and timely communications”. Taking this position as a departure point, additional benefits for the organisation and the employees to use social media are seen in recruitment areas – both for the employees (internal and external candidates) to be able to acquire information about open positions, and for the organisation to access and “attract someone using marketing techniques”.

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**Figure 2 - Employee-Employer engagement levels for case selection**

Employee engagement on public social media exhibited different patterns across the cases, with variations in interaction levels. The diagram illustrates the engagement levels across different categories of employees and employers, highlighting the differences in value propositions and purposes for each. The comparison logic used follows the frameworks of Eisenhardt (1989) and Rihoux & Ragin (2009) to explain the outcomes in development and competitive advantage.
UKConsulting’s value proposition is focusing on collaboration and relationship building. The collaboration element goes beyond internal collaboration and includes employee-customer interactions on public and semi-public social networks such as LinkedIn groups and the Connections-Platform. The significant difference to the other two cases is that the “information” or “knowledge” shared and accessed on these platforms is user-generated and maintained and not broadcast by the organisation. Additional value of social media-use is the establishment of closer relationships between colleagues inside the organisation. These relationships are established and maintained by employees themselves and are supported by platforms provided by UKConsulting. Finally, the value of accessing broadcast information about the organisation, planned changes and open vacancies is similar to that reported in other cases.

UKOutsourcing has a two-fold approach to social media-use value. One initiative: extended LinkedIn presence and the replication of some of the LinkedIn features on the internal Yammer-Platform are focused on broadcasting information. Thus the value proposition here is, similar to UKBank’s case: gain access to information about the organisation, open positions, best practices and so on. The other initiative focusing on promotion of Yammer as an internal social network goes beyond simple information sharing scenario and is aimed at encouraging collaboration across departments and geographical location as a “shrinker”, as one of the interviewees referred to it: a tool that brings people closer together and so creating a “feeling of affiliation” with and within the organisation.

Value creation and capture – Organisations take different approaches to delivering the value to employees via social media-use. UKBank provides tools which allow employees to consume the information, UKConsulting is offering a number of public and private social media-platforms to allow collaboration and content creation, and UKOutsourcing provides access to communication platforms and access to broadcast platforms.

UKBank sees the value realised in delivering relevant information to its employees. The social media platforms used such as LinkedIn groups and Avature (a private social media tool) allow employees easy access to information about the organisation and specifically job profiles and openings. The employees are encouraged to register their “interest” on these platforms and so to enable the organisation (e.g. the recruiters) to send out targeted “relevant” information. The
communication process between the organisation and employees is still one of sender-receiver (or rhetor-audience) and social media platforms are used to enable more efficient targeting of audiences. The employees are sometimes described as “audiences” to whom information is to be “brought”.

UKConsulting is using a variety of social media platforms with different aims. LinkedIn is used, like in both other cases, as a recruitment platform to advertise openings and search for candidates. In addition, LinkedIn groups are used in conjunction with groups on “Connections” to allow interactions between employees and customers. The content in these groups – be it project or product groups, is user-generated and the organisation allows new rhetors to actively participate in the exchange. Internally, UKConsulting provides a number of platforms to generate and consume content. These include the “Blue Thanks” – a tool to actively thank a colleague for their work, personal (micro-)blogs which can be followed in a twitter-like style, and project/product related pages on “Connections”-platform. Notable is the fact that participative behaviour on social media is a constituent part of employee’s performance evaluation.

UKOutsourcing attempts to realise the “information value” on social media by taking two approaches: the first one is to provide “generic” information (something which is not directly UKOutsourcing related) and thus attract a larger audience, the second approach is to only release some of the information on select networks so that the value of the social media-use increases, as there is an artificially created scarcity of information. Employees are encouraged to “follow” their organisation on social media platforms, while at the same time managers are encouraged to create content on these platforms to be seen as “thought leaders”. In this case, the traditional roles of Rhetor/Audience are maintained. Value realisation on knowledge-sharing and collaboration is realised through active participation of employees in Yammer groups whereby the content creation is allowed and even encouraged.

Segmentation scheme – in each case, the value realised by participants was contingent upon different criteria. UKBank focusing mainly on hierarchies, UKConsulting using segmentation by hierarchy, interests and participation levels, and UKOutsourcing focusing on hierarchy and social valuation.

UKBank differentiated employees by their stages in the employee life cycle (candidate, employee, alumni etc) or hierarchy/department, and to some extent by
their information content interests (e.g. finance, HR, Asia Markets etc.) for sending out targeted information based on the interests specified by the audience.

UKConsulting focused on a variety of dimensions including a mixture of social value and hierarchy (projects, products, and teams), relationship groups (employees/customers), and social participation levels (consumer/commenter/creator).

UKOutsourcing addresses internal (employee) and external groups (employees, candidates, customers etc) differently. Internally, the segmentation is done by a mixture of social valuation (interests) and business hierarchy (teams).

Interaction patterns between management and employees also show differences. UKBank takes a top-down broadcast approach, UKConsulting encourages content creation by employees and UKOutsourcing uses a mixed approach between broadcast and some content creation on internal platforms.

UKBank’s interaction pattern is one of targeted, “heavily monitored” (UKB4) broadcast with limited options for feedback. There is a limited capacity in terms of man-power to actually collect feedback on social media or to maintain some level of engagement. Employee feedback on HR matters is collected via annual surveys; feedback mechanism for candidates and alumni on the Avatar-platform is not yet defined. Some social media

UKConsulting’s interaction between the organisation and employees is characterised by blurred borders. Employees, managers, customers, alumni etc. can (and are encouraged to) generate content, comment and feedback constantly. The actual feedback between organisation and employees happens though social interaction online and is complemented by actions off-line such as implementations of employee’s suggestion made on-line and consideration of employee’s participation on social media in performance reviews.

UKOutsourcing’s interactions are twofold. On public social media platforms the interactions are one-way. On LinkedIn the pattern is mainly broadcast and no feedback is expected. On twitter, the pattern is reversed – the organisation “monitors” twitter-feeds, but does not interact. On the internal social media platform “Yammer” the feedback is instantaneous and interactive.

Interaction patterns between employees and the types of content that is being created and shared between employees are different in each of the cases. UKBank employees interact on a personal level on personal matters. UKConsulting employees interact based on content (product/project groups) and social interactions (follow microblogs,
“Blue Thanks”). Finally, UKOutsourcing employees show a mixture of interaction patterns – passive content consumption without active interaction on public social networks, and interaction within organisational structure (e.g. teams) or content topics (e.g. the “Yammer”-project) on in-house social media.

In UKBank the interactions between employees happen mainly on a personal level and are about “knowing how things are going in each other’s careers” and “keeping in touch”. These interactions take place outside of the sanctioned platforms and are not the encouraged interaction pattern. Notably, e.g. access to LinkedIn for non-recruiters is blocked within the organisation.

In UKConsulting the interactions around content are encouraged, light-touch socialising by consuming and commenting on content of colleagues who one does not necessarily know personally (potentially divided by geographies) creates and enables ongoing “conversation” (e.g. question/answer threads on “Communities”). Another reported form of interaction is “passive interaction” by following another colleague’s blog. Finally, more personal and direct interaction is supported by the “Blue Thanks”-feature which allows employees to send a “thank you”-note to a colleague.

UKOutsourcing encourages managers to generate their own content on public social media and to become “thought leaders”, however active interaction between employees is not expected (or reported). On the in-house social media platform “Yammer”, on the other hand, employees at all levels are encouraged to interact directly, share content and comment on it, so that a conversation around blogs and post is possible.

The comparative analysis of each case is summarised in Table 6.

<table>
<thead>
<tr>
<th>UK Bank (Connection Phase)</th>
<th>UK Outsourcing (Immersion Phase)</th>
<th>UK Consulting (Fusion Phase)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Proposition</td>
<td>Consuming firm-delivered content: job postings, firm related content</td>
<td>Consuming firm-delivered content: jobs, manager blogs and interaction with other users via social computing features on Yammer</td>
</tr>
<tr>
<td>Value Capture</td>
<td>Information dissemination</td>
<td>Information dissemination and sharing, relationship building across geographies</td>
</tr>
<tr>
<td>Segmentation scheme</td>
<td>Organisational structure (hierarchy and departmental), some social valuation</td>
<td>Organisational Structure and valuation (via social computing e.g. interest areas)</td>
</tr>
<tr>
<td>Pattern of Interaction between firm and employees</td>
<td>Feedback in the form of targeted messages or questionnaires (on and off-line).</td>
<td>Interaction throughout various variations of social computing add-ons—tallbacks, forum/blog postings and questionnaires (of-line).</td>
</tr>
<tr>
<td>Pattern of Interaction between employees</td>
<td>Not available on public platforms.</td>
<td>Interaction through conversations using social computing features forums, blogs on the internal platform No interactions on public platforms</td>
</tr>
</tbody>
</table>
Table 6 - Embeddedness Levels of Social Media in Case Organisations

UKBank exhibits all properties of an organisation in a “Connection phase”. Social media are used as a platform for creation and dissemination of firm-created content, two way communication and interactions are neither expected nor supported. Some limited form of valuation of social features – employees’ ability to indicate their areas of interest – is used as part of the segmentation scheme.

In comparison, UKOutsourcing seeks to embed social media-use into existing processes and sees relationship-building as part of their value proposition. Content creation “rights” are partially devolved to employees on internal social media platforms and the value of social media-use is, albeit dominated, not limited by content consumption. At the time of the study, the segmentation schemes and patterns of interactions still exhibited features of connection-phase as the hierarchy and organisational dominance in content creation were dominating these features. Furthermore, employees were not expected to interact on public social media platforms. UKOutsourcing reports itself in between the “Connection Phase” and “Fusion Phase”, placing itself into the intermediate “Immersion Phase”.

UKConsulting’s use of social media is ongoing throughout and penetrates many areas of organisational life from attraction and recruitment, to knowledge creation and training, over customer engagement and day-to-day project delivery. The employees are encouraged (even financially) to actively participate and to improve their “social score”, so that social media-use has in parts an explicit monetary value attached to it. Interactions between managers, employees, candidates and customers take place on a variety of embedded social media platforms, which in themselves are so intertwined that some interviewees were not able to clearly define the borders between those platforms and their uses. UKConsulting has entered the “Fusion phase” by embedding social media-use into its processes.

Assessment of Capabilities Development

As argued earlier in this chapter the level of embeddedness of an IT system is a necessary condition for development of new capabilities, but not a sufficient condition (Lucas Jr, et al., 2013).

The purpose of social media-use is another dimension to be assessed in order to identify if organisation develops new capabilities. Social media-use purpose – reported by each organisation overlapped in some areas and differed in others. Each organisation used LinkedIn for enhancing their recruitment process – LinkedIn was
used to advertise jobs to a potentially wider audience of candidates (comparable to reaching out to larger consumer groups). The supporting processes, however, varied across organisations. UKBank relied on passive job posting, UKConsulting used LinkedIn for referrals and postings, and UKOutsourcing for active candidate searches and targeted job adverts. In other areas such as employee engagement and knowledge creation/sharing the purposes varied too. UKBank did not report any social media use for knowledge sharing, UKConsulting used social media platforms as primary platform for organisation-employee-customer engagement, content creation and sharing, and UKOutsourcing saw the purpose of engagement on social media in the creation of an alignment among employees.

UKBank’s reported purpose of social media use is the improvement of their information delivery process and their existing recruitment practices. Social media features such as self-service and ongoing profile updates are seen as beneficial for both the distribution of “relevant” information and for enhancing the recruitment experience (both for recruiters by giving them access to a more refined, yet larger candidate pool, and for candidates, giving them an overview of better matching vacancies).

UKConsulting’s reported purpose of social media use is manifold. Similar to other cases, LinkedIn is used in support of existing recruitment process. However, the “traditional” recruitment process of advertising-application-selection... has been further developed into allowing LinkedIn referrals (thus replacing or eliminating the “advertising” step), applications via LinkedIn (removing the need of a physically tailoring CV and sending it in for a specific job), and selection process based on referral and LinkedIn profile rather than CV and cover letter evaluation. In addition, social media platforms are set to replace a number of existing processes including knowledge creation (wiki), knowledge management (documentation and knowledge sharing), events calendar, blogging platform and a networking tool to engage with colleagues (e.g. through Q&A threads). These information and relationship exchanges are aimed at re-defining the communication patterns and flows. For example the open Q&A threads allow “shouting out” of questions into the wider community without targeting a specific individual or group where relevant knowledge is assumed.

UKOutsourcing identifies the purpose of social media in two broad areas: enhancement of current recruitment and attraction processes and “markets” (i.e. the candidates targeted by recruiters) and the development of new communication
practices within the organisation utilising the internal social media platform. The first purpose is similar to that reported by two other cases. It enhances current practices and processes and uses certain social media features such as accessible detailed profiles, instant communication and wide reach to improve recruitment processes and communications. The second purpose aims at disrupting current organisational silos which exist due to geographical or hierarchical structures.

The overall position of the case organisations is summarised in Table 7. The highlighted areas refer to examples of strategic use as defined in Table 4 - Strategic vs Operational Social Media. While two of the case organisations – UKBank and UKOutsourcing have reported the main value expected from social media-use to be information. The third organisation – UKConsulting, saw the social media use value in creation and maintenance of relationships. The focus of developing relationships and re-definition of interaction patterns suggests that social media use is more deeply embedded in UKConsulting than in UKOutsourcing, and more deeply embedded in UKOutsourcing than in UKBank. UKConsulting through developing of new relationships between the employees and the organisation and among the employees, and through the fusion of technology and process develops a “Social DNA” (Kane, et al., 2014) which creates a qualitatively different organisational approach to social media use.

<table>
<thead>
<tr>
<th>Immersion Level</th>
<th>UKO - Attraction and Recruitment through information and communication</th>
<th>UKO - Silo breakdown/Relationships</th>
<th>UKO - Recruitment</th>
<th>UKO - Information Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connection Level</td>
<td>UKB - Attraction and Recruitment through better information</td>
<td></td>
<td>UKB - Recruitment</td>
<td>UKB - Information Delivery</td>
</tr>
<tr>
<td>Fusion Level</td>
<td>UKC - Attraction and Recruitment through engagement and communication</td>
<td>UKC - Knowledge Management/Referral Recruitment/Communication flows</td>
<td>UKC - Project Management</td>
<td></td>
</tr>
</tbody>
</table>

Table 7 - Strategic use of Social Media in case organisations

**Explaining Value Creation**

The case organisations seek to realise the value of social media-use in a variety of ways. UKOutsourcing and UKConsulting focus on the creation of a shared
understanding. UKOutsourcing reports that the expected benefits include the “feeling of affiliation” and a creation of a “common sense of purpose”. Similarly, UKConsulting suggests that distribution of best-practices and alignment on procedures and goals (e.g. within a project) is one of the expected social media-benefits. The shared understanding, or “consensus” as referred to by (Bowen & Ostroff, 2004) has been linked to increased organisational performance (Salanova, Agut, & Peiró, 2005). The ability of the employees to build and maintain relationships and to develop shared understanding [REF REMOVED FOR REF [S&Y2015]] can therefore be viewed as capability.

Participative behaviour aspired by UKOutsourcing and encouraged and enforced by UKConsulting has been linked to higher levels of commitment (Oestreicher-Singer & Zalmanson, 2013). Higher commitment has been linked to greater performance and value generation (Lawler, 1988; Walton, 1985). Through the lens of organisational commitment, social media-use can also be explained as a capability.

Organisational learning (Tippins & Sohi, 2003) and knowledge transfer (Kane, et al., 2014) are another theory which supports the view of social media-use in organisational information and knowledge exchange as a capability to develop new processes (products) and thus to become strategic.

**Summary**

This paper sets off with the argument that technology has the potential to be disruptive. Integration of new technologies in business processes could lead to development of new capabilities and thus the technology-use would become strategic for organisations. Focusing on social media use in the context of HR communications the research questions addressed were

- Is social media-use in HRM Process strategic?
- If social media-use is strategic, when does it lead to development of new capabilities?

Following the cross-case analysis of three case studies, the conclusion is that social media-use can be strategic. It is not strategic for all organisations. Not all levels of social media use, neither are all purposes of social media-use strategic, offer competitive advantage or lead to development of new capabilities. The analysis shows that deeper levels of embeddedness of social media-use into the organisational processes leads to development of alignment between organisation and the employees (Kane, et al., 2014). While it can be argued that embeddedness of IT in itself can be
understood as capability and therefore as strategic (Haar & White, 2013), the analysis suggests that the embeddedness of IT allows other capabilities to be developed.

Through social media use new interaction capabilities are developed (Kane, et al., 2014) – employees can interact with each other, managers and customers in new and qualitatively different ways. Additional information flows (Huang, et al., 2013) emerge which create new dialogic relationships. The decoupling of information creation and dissemination processes (Bowman & Ambrosini, 2003) enables new ways of organisational knowledge management and learning, as long as the organisation is not focusing the social media-use on content management and information control (Oestreicher-Singer & Zalmanson, 2013).

In summary, the value of social media-use is not in the “what” – creation, storage and retrieval of additional information. Other IT have been and continue to be successful in addressing this need. The value of social media-use derives from “who” (do you know) – creation and maintenance of relationships.

The findings of this paper have theoretical and practical implications. Theoretical contributions include the application of Resource Based lens to investigation of social media-use in organisations as an interdisciplinary framework which allow us to explain technology use within a business setting which is primarily concerned with individual performance. The findings suggest that unlike other IT systems which focus on information, data and content (e.g. CRM systems, ERP, email and knowledge management platforms), social media-use value is derived from focus on social interactions and relationships. The practical contribution is in the suggestion that social media-use is strategic and leads to development of new capabilities when it is used for the purpose of relationship building, passive knowledge transfer and organisational learning instead of information storage/retrieval. The development of new capabilities is reinforced by participative behaviour and organisational commitment and less by the content or amount of information stored. These findings can be used by practitioners as a guideline for introduction of social media platforms into organisations.

The findings of this paper are based on a qualitative in-depth comparative case study of three organisations. Further replication studies would aid in confirming or adjusting the claims made by this study. Specifically, studies within the same industry, to eliminate “industry-specific” factors would address some of the weaknesses of this research. Additionally, studies to investigate and measure the impact of social media-
use both quantitatively (how the value is realised in e.g. increased organisational performance) and in temporally (how the capabilities discussed in this paper are developed and sustained over time) would further our understanding of social media-use in organisations.

References


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