An Investigation of the Impact of Enterprise Social Media in Leading an Enterprise Transformation

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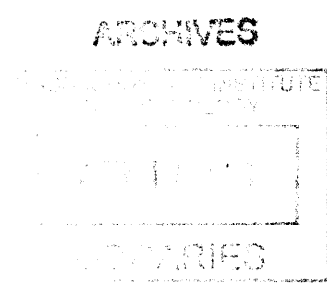Master of Science in Management and Engineering

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Abstract

Historically, 70% of change initiatives in organizations and businesses fail. Change involves people. Throughout decades, as the generations change, we've seen a major change in the leader's approach and the medium they have used to connect with people. It is predicted that enterprise social media will become the main communications channel for 20% of business users by 2014. Investigation in this thesis shows the extent to which corporate leaders have used enterprise social media to bring a change in an organization. This research is an examination of how enterprise social media can deliver value in bringing an enterprise transformation.

Fundamentals that have been laid out by Dr. Kotter to implement change in the organizations by the corporate leaders still hold. This thesis includes a practical examination of the effectiveness of using enterprise social media for each of the Dr. Kotter's 8-stages for leading change. To investigate the impact of enterprise social media in enterprise transformation, several full scale and brief interviews were conducted with key stakeholders in small, medium, and large scaled organizations. In addition to the standard Lean Advancement Initiative (LAI) suite of tools, the effectiveness of social media was evaluated in various stages using Kaplan's Balanced Scorecard, Force Field Analysis, Matrix Scorecard, System Dynamics Model, and a Weighted Scoring Card.

Analysis suggests that based on the existing set of enterprise social tools, enterprise social media can play a key role in 3 of the 8 steps of leading change described by Dr. Kotter. Currently, enterprise social media can provide limited advantages in 5 of the 8 steps of leading change. Going forward, with the emerging set of enterprise social tools that are more integrated into business processes, the role of enterprise social media in bringing an enterprise transformation is expected to increase significantly.

Acknowledgements

This thesis is a result of a lot of research, interviews, small talks and discussions about practical application of enterprise social media. My indebtedness extends to many who have contributed to my thinking, research, and my ability to write this thesis. It is not possible to specifically acknowledge all of the people who have contributed useful content about enterprise social media that are found in this thesis, but there are a few whom I need to single out.

My first inspiration was my professor and my thesis advisor, Dr. Donna Rhodes, at MIT – her unwavering support, guidance and constructive criticism shaped much of my work. Her course work taught me great principles on enterprise transformation and the candid discussions helped me gain knowledge on the application of those principles. You have been the epitome of excellence as professor, mentor, colleague and friend.

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There are dozens of social media and business thought leaders who have influenced me, taught me, shared with me, and inspired me. Some I'm close friends with, others I've never met, but all of you have had a profound impact on my view of the world.

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In Memory of my Grandparents – Gokuldas and Maniben

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1 Introduction

1.1 Opening Remarks

"Change begins when emotionally intelligent leaders actively question the emotional reality and the cultural norms underlying the group's daily activities and behavior."

- *(Goleman, Boyatzis, & McKee, 2002)*

Change is inevitable for any organization. Regardless of the industry an enterprise is operating in, or how successful it has been in the past, change is an inescapable variable in the life-cycle of any corporation. Change is needed as a survival tactic for enterprises. If the organization does not keep pace with the consumer demands, changing technology, and the effective business processes, they can easily lose competitive edge.

Change can be driven by either internal or external forces to the enterprise.

- Major internal forces driving change include repositioning the enterprise within a market, implementing a new business model, merger with another enterprise, and expanding into a new market.

- Major external forces driving change include market rivalry, disruptive technologies, demographic changes, and new government regulations.

These internal and external factors drive corporations to implement frequent and wide-spread changes to their organization structures, business models, technology

deployed, and the processes supporting the business. The long-term survival of an enterprise depends on how they react to these forces of change.

In a quarterly report, McKinsey defines a company's organizational health as having the ability to align, execute, and renew itself faster than the competition. "Healthy organizations don't merely learn to adjust themselves to their current context or to the challenges that lie just ahead; they create a capacity to learn and keep changing over time. This, we believe, is where ultimate competitive advantage lies" (Keller & Price, 2011).

Healthy companies perform more successfully.

Likelihood that companies with strong organizational-health profiles have above-median financial performance, %

| | Company performance by quartile | | |
	Bottom	Middle[1]	Top
EBITDA[2] margin	31	48	68 x2.2
Growth in ratio of enterprise value to book value	31	52	62 x2.0
Growth in ratio of net income to sales	38	53	58 x1.5

[1] Comprising 2nd and 3rd quartiles.
[2] Earnings before interest, taxes, depreciation, and amortization.

Source: McKinsey Quarterly Report – June 2011

Figure 1: Organization Health vs. Performance

The data from Figure 1 above shows that there is a strong positive correlation between organizational health and financial performance. In the same report,

McKinsey states that at least 50% of any organization's long term success is driven by its health.

Despite the many benefits of change, enterprise transformation is one of the most difficult leadership challenges. That's because an organization is comprised of an interlocking set of goals, roles, business processes, technologies, values, communication methods, attitudes, and assumptions. These elements fit together as a mutually reinforcing system and prevent any attempt to change it. This does not mean that change is impossible. Many enterprises have transformed over time and gotten a more competitive edge as a result. However, change must be controlled using the right leadership, process, and tools. Organizational change should be handled from a systems perspective to better balance the dependencies within the organization.

This research examines how enterprise social media can be used by corporate leaders for enterprise transformation.

1.2   Motivation

Many say that leading a change in a mature organization is equivalent to teaching a two year old how to behave in public. Both are extremely tough jobs and the chances of success are almost NIL in the first few attempts. Authors around the globe have written many theories describing how leaders can lead change in organizations. Among the famous and more focused in this thesis are works of John Kotter and Gary Yukl.

Kotter, renowned author and change management guru, reported in his book, Leading Change, that 70% of change initiatives in organizations and businesses fail. This could be extremely disappointing when we consider that change is a slow process. Years of hard work could be wiped out instantaneously. Why is that? Organizations have been around for decades and centuries. Why have we not mastered this topic yet?

Leading change in an organization require three basic things

1) A good vision by the leadership

2) A compelling approach by the leader to connect with people to communicate the vision and strategy

3) An adequate set of resources to bring out and sustain changes

A simple answer to the question "why have we not mastered this topic yet?" is that change involves people. People don't like change. Most people don't want to do

things differently unless they can see clear advantage. People are different and it is extremely difficult to connect with all the people all the time. Throughout decades, as the generations change, we've seen a major change in the leader's approach and the medium they have used to connect with people. Leaders who are consciously aware of their surroundings, and have changed their approach accordingly have been most successful communicating their vision to the people.

Change also takes time. "Sustainable transformations follow a predictable pattern of buildup and breakthrough. Like pushing on a giant, heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough" (Collins, 2001, p. 186).

The research firm Gartner predicts that enterprise social networking will replace e-mail as the main communications channel for 20% of business users by 2014. With enterprise social media being so wide-spread in a short period of time, it provides an excellent opportunity for leaders to use it in organizations and make a difference. Investigation in this thesis shows the extent to which corporate leaders have used enterprise social media to bring a change in an organization. This research is an examination of how enterprise social media can deliver value to increase the rate of success in an enterprise transformation.

1.3 Thesis Roadmap

The thesis is divided into seven chapters:

Chapter 1, this chapter, addresses the opening remarks, motivation and the roadmap of the thesis.

Chapter 2 provides background information regarding enterprise social media, common errors in leading change, and the 8-stages of enterprise transformation as described by Dr. Kotter.

Chapter 3 describes the research approach used in collecting and documenting information as well as the process for converting that information into knowledge.

Chapter 4 describes the role that enterprise social media plays in each of the 8-stages of transformation defined by Dr. Kotter. Sub-chapters describe current enterprise social media contributions, methodology used to evaluate enterprise social media, and the future of enterprise social media in each of these 8 stages of transformation.

Chapter 5 describes the extent to which leaders have used push vs. pull approaches in the 8 stages of enterprise transformation using enterprise social media.

Chapter 6 describes the current challenges inhibiting the use of enterprise social media by the corporate leaders. It also describes how enterprise social media will be able to deliver long term value in the future.

The final chapter, Chapter 7, sums up the findings to the research questions and presents final conclusions and recommendations on the use of enterprise social media in leading an enterprise transformation.

2 Background

2.1 Enterprise Social Media

Wikipedia defines social media as the web-based and mobile-based technologies which are used to turn communication into interactive dialogue among organizations, communities, and individuals.

At a system level, social media can be categorized into two parts:

1) World-wide social media

2) Enterprise social media

In this day and age, world-wide social media is used by many people to connect with each other, share ideas, learn new things, and more. Today, more than a third of the world use social media. There are approximately 900 million Facebook users, 465 million Twitter users, and 135 million LinkedIn users (Bullas, 2012). Google Plus is expected to reach 400 million users in a year (Bullas, 2012). At the same time, YouTube has 2 billion views per day (Bullas, 2012). This is truly astonishing since social media is still very young. People use social media platforms mentioned above mainly for establishing personal connections with friends, family, and colleagues. Such massive world-wide social media platforms are not the primary focus in this research.

Beyond such massive scale world-wide social platforms, there is another set of internal social media that organizations have started to implement within corporations. Such internal social media platforms within organizations are described as enterprise social media. Enterprise social media is a component of Enterprise 2.0. It allows employees to have interactive dialogues with each other in a more transparent manner. It includes social and networked modifications to corporate intranets and other software platforms used by companies to organize their communication. IBM and Microsoft are the two leading companies that provide enterprise social media portals for the organizations. Appendix 1 shows names of major enterprise social vendors and the list of features that they provide. Many companies have embraced enterprise social media and have created customized enterprise social networks. More and more companies are encouraging their employees to connect with other employees, socialize and share information using enterprise social networks. Figure 2 below shows the evolution of Enterprise Social Technology.

Source: PWC Report 2011

Figure 2: The evolution of Enterprise Social Technology

In 2012, only about 12% of the companies in the world had truly integrated

enterprise social media into their organizations (MC, 2012). Figure 3 below shows

the level of enterprise social media integration within companies. "Integration"

signifies that social media are incorporated into business processes. In an

integrated company, all employees tend to have access to social media, employees

are empowered to discuss their work on social media, and employees are

encouraged to communicate online with customers and consumers (MC, 2012).

"What is your organization's social business maturity level?"

Beginner 6%

Advanced 18%

Mature 21%

Experimental 33%

Formalized 22%

Beginner	We do not have a program yet
Experimental	We are conducting trials but do not have a formal strategy
Formalized	We have a formalized program and a short term direction
Mature	We have a formalized program and a long term direction, across MOST of the enterprise
Advanced	We have a formalized program and a long term direction, across the ENTIRE enterprise.

Base: 81 companies with more than 250 employees
(surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

Figure 3: Social Media Integration

In a study conducted in 2012 by MIT Sloan Management review in collaboration

with Deloitte, the importance of social media and the value it provides to the

organization was researched based on the size and the industry of the corporation

(see Figure 4 and Figure 5) . It concluded that the smallest and the largest

corporations perceived more value from social media than mid-sized corporations. Additionally, it was discovered that people in the energy and utility industries believed social media to be least important, while those in Media and Tech industries believed it to be the most important in creating value to the organization.

Under 1,000 — 21.2%
1,000-5,000 — 13.6%
5,000-10,000 — 13.6%
10,000-100,000 — 12.1%
Over 100,000 — 21.2%

Number of employees in organization

Source: MIT Sloan Management Review 2012 Research Report

Figure 4: Importance of Social Software by Company Size

Entertainment, Media and Publishing — 37%
IT and Technology — 29%
Telecommunications / Communications — 23%
Education — 23%
Professional Services — 19%
Consumer Goods — 17%
Government / Public Sector — 14%
Other — 14%
Healthcare Services — 14%
Financial Services — 10%
Manufacturing — 9%
Energy and Utilities — 7%

Source: MIT Sloan Management Review 2012 Research Report

Figure 5: Importance of Social Software by Industry

Social media is more pervasive than ever among general population. Yet, the penetration of social media is much limited in the C-Suite. Only 7.6 % of CEOs are present on Facebook, only 4 % use Twitter, and less than 1 % use Google Plus (Williams, 2012). LinkedIn is the only social network where CEOs are slightly ahead of the general populace, the report says: Twenty-six percent of CEOs surveyed use LinkedIn, compared to 20.15% of the population at large (Williams, 2012). CEOs, presidents and managing directors say social business is important to their organizations at twice the rate of CFOs and nearly twice the rate of CIOs (David,

Palmer, Phillips, & Kruschwitz, 2012), see Figure 7 . Figure 6 shows the perceived importance of social software now and in the future. The importance of social software is expected to rise by 250% in the next 3 years (David, Palmer, Phillips, & Kruschwitz, 2012).

Source: MIT Sloan Management Review 2012 Research Report

Figure 6: The Importance of Social Software

Source: MIT Sloan Management Review 2012 Research Report

Figure 7: The Importance of Social Business to the C-Suite

Generation X/Y employees and senior management in corporations understand enterprise social media more than the rest of the employees, see Figure 8. Social media is perceived to be important to managing customer relationships and innovating for competitive advantage (David, Palmer, Phillips, & Kruschwitz, 2012), see Figure 9.

Figure 8: Breakdown of Social Media Adoption

Source: MIT Sloan Management Review 2012 Research Report

Figure 9: Importance of Social Software in Meeting Challenges

Organizations leading enterprise social media such as IBM have been conducting research to better understand how enterprise social networking can improve organization efficiencies. For example, IBM through their Beehive research project studied four topics related to enterprise social media in the workplace, see Figure 10.

IBM Research Model for its Research on Social Software in the Workplace

Source: http://www.leadersintheknow.com

Figure 10: Social Software in the Workplace – IBM Beehive Research Project

Through the Beehive research project, IBM discovered the motivation of employees to use enterprise social media. They concluded the following (Kreitzberg, 2009):

✓ *Employees use the internal social network to get to know colleagues better on a personal level and to check out new people.*

✓ *Employees use Beehive to connect with people they don't know.*

✓ *Employees use the internal social network to find out about career opportunities.*

✓ *Employees use the network to get other people interested in their ideas and projects.*

It is interesting to observe that nowhere in the list was it mentioned that leaders used the enterprise social platform to communicate with their employees. Employees that have successfully integrated enterprise social media within their organization tend to it to engage with each other. They use enterprise social media to network with fellow employees, share different types of expertise (including technical, process, business expertise) with colleagues, share new innovation ideas with colleagues, and in general discuss topics with people who have similar interests as themselves. However, once the enterprise social media is integrated within the company, it also becomes a perfect medium for a leader to connect with employees and bring a change in an organization. But why is it that we don't hear often about leaders using social platform to change an organization? Does an enterprise social media only work for connecting peers and not bosses? Have leaders used enterprise social media to transform an organization? If so, how successful have they been? This research examines how leaders have used enterprise social media to bring a transformation in their organization.

2.2 Essential elements of leading change

2.2.1 Common Errors to Organizational Change Efforts

Fundamentally, there are two types of changes – 1) Attitude or role changes such as changing the culture of the organization or changing the organizational structure 2) Technology changes where a new technology is implemented to improve performance (Yukl, 2006, p. 288). Often, these changes go together. In order to understand essential elements of leading change, we must first understand the resistance to change. Change is resisted by the people as well as organizations. There are a number of reasons why people resist major changes in organizations (Yukl, 2006, p. 285).

- Lack of Trust
- Belief that change is unnecessary
- Belief that the change is not feasible
- Economic threats
- Relative high cost
- Fear of personal failure
- Loss of status and power
- Threat to no values and ideals
- Resentment of interference

Organizations also resist change. Organizational barriers to change include:

- Structural inertia

- Work group norms

- Threat to existing balance of power

- History of change efforts gone wrong

- Boards of Directors

Rather than seeing resistance as just another obstacle to batter down or circumvent, it is helpful to view it as energy that can be redirected to improve change (Yukl, 2006). Resistance to change helps to understand how employees and organizations play a role in a transformation failure. However, leaders are and should be equally responsible for a transformation failure. A leader must be fully cognizant of the types of resistance in their organization and should take them into consideration before making a decision for organization transformation. If a leader does not pay attention to the type of resistance facing the organization, it can lead to serious setbacks. John Kotter in his book, Leading Change, describes eight common errors (Table 1) made by leaders while attempting to lead a change in an organization. His insights are the results of personal observations and case studies on hundreds of businesses during his twenty-five years in the field. Making any of the eight errors common to transformation can have serious consequences (Table 2).

Table 1: Eight Common Errors to Organizational Change Efforts

COMMON ERRORS
➤ Allowing too much complacency
➤ Failing to create a sufficiently powerful guiding coalition
➤ Underestimating the power of vision
➤ Under communicating the vision by a factor of 10 (or 100 or even 1,000)
➤ Permitting obstacles to block the new vision
➤ Failing to create short-term wins
➤ Declaring victory too soon
➤ Neglecting to anchor changes firmly in the corporate culture

Source: Kotter, J. (1996). *Leading Change, p16*

Table 2: Consequences of Errors Common to Organizational Change

CONSEQUENCES
➤ New Strategies aren't implemented well
➤ Acquisitions don't achieve expected synergies
➤ Reengineering takes too long and costs too much
➤ Downsizing doesn't get costs under control
➤ Quality programs don't deliver hoped for results

Source: Kotter, J. (1996). *Leading Change, p16*

Error #1: Allowing Too Much Complacency

According to Kotter, one of the biggest reasons why change does not work in organizations is because managers allow too much complacency. If the corporation is not performing well in terms of cost, performance, or schedule, then urgency would come naturally in most organizations. The problem happens when we want to propose change to an organization that is doing well. The change is proposed to sustain the good performance or build on it to get even better performance. In these cases, it is extremely hard to get employees and managers get out of their comfort zone and try something new.

Error #2: Failing to Create a Sufficiently Powerful Guiding Coalition

Kotter believes that not selecting the right team is one of the biggest errors that could kill the change efforts. It is very important to select the right team to drive the change. The team should not only be reputable but also fully believe in the change and have a vision for a better future. The top executives usually play a role in selecting a guiding coalition. Care must be taken to ensure that the guiding coalition has expertise, experience, leadership capabilities, formal titles, and the drive and energy needed for the change. Efforts that lack a sufficiently powerful guiding coalition can make apparent progress for a while. The organizational structure might be changed, or a reengineering effort might be launched. But sooner or later, countervailing forces undermine the initiatives (Kotter J. , Leading Change, 1996).

Error #3: Understanding the Power of Vision

Vision plays a key role in producing useful change by helping to direct, align, and inspire actions on the part of a large number of people. Often leaders who are in charge of change have a blurry and semi-clear vision. A lot of times, the master schedule and programs drive the vision rather than a reality. Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible, and time-consuming projects that go in the wrong direction or nowhere at all (Kotter J. , Leading Change, 1996).

Error #4: Under-communicating the Vision by a Factor of 10 (or 100 or Even 1,000)

According to Kotter, change will come only when people believe in the change. For people to believe in the change, they need to know the clear benefits of the change. They also need to see that authoritative figures are complying with the change initiatives. All of these efforts require massive amount of communication. If change is not communicated at the right time, employees' hearts and minds are never captured and the change effort can halt or sometimes revert back.

Error #5: Permitting Obstacles to Block the New Vision

What good is a newly invented car without roads, keys, and training? New initiatives fail far too often when employees, even though they embrace the new vision, feel disempowered by huge obstacles in their paths (Kotter J. , Leading Change, 1996). Majority of the leaders focus only on the change and discard the related obstacles that are in the way of embracing the change until it is too late.

Error #6: Failing to Create Short-Term Wins

As humans, we all want to know where anything stands at a given point in time. Leaders, in an effort to achieve the big vision, forget to implement baby steps that show progress towards reaching the bigger vision. Even though such leaders march forward, they lose the interest and passion of many employees in the process. Per Kotter, most people won't go on the long march unless they see compelling evidence within six to eighteen months that the journey is producing expected results.

Error # 7: Declaring Victory Too Soon

A major change takes a long time. Leaders make the mistake of celebrating too soon upon seeing the first sign of improvement. New approaches are not sticky yet and can revert back at any time. A celebration at this time sends an inappropriate

message to the employees. However, leaders tend to fall into this trap for a variety of reasons, mainly to receive credit.

Error 8: Neglecting to Anchor Changes Firmly in the Corporate Culture

Change sticks only when it becomes "the way we do things," when it seeps into the very bloodstream of the work unit or corporate body (Kotter J. , Leading Change, 1996). Until new behaviors are rooted in social norms and shared values, they are always subject to degradation. Depending on the size of the corporation, it takes three to ten years for a change to be fully implemented into the culture of the corporation. When leaders neglect to anchor changes, change often reverts back once the pressure on change is removed and urgency is lost.

2.2.2 8-stages of Creating Change

Kotter firmly believes that organizations who do not adapt to change will not prosper. He suggests implementing holistic approach to improve change since technology and employee-bases are ever changing variables. Without taking a systems approach, corporations and their leaders might be taking a huge risk that could ultimately break the organizations apart. Effort must be made to ensure that this does not become a one-way ride.

In order to mitigate the common leadership errors, Kotter has suggested the eight-stage process of creating major change in an organization (

Figure 11). These steps have been mapped to enterprise social media later on in this thesis.

[5] Kotter, John P. and Cohen, Dan S. The Heart of Change. Boston: Harvard Business School Press

Figure 11: Eight Stages of Leading Change

The order of execution of the eight stages is also very critical. Although multiple steps can be taken on simultaneously, the importance of the related step should be stressed at any given period of time.

Kotter also believes that quality leadership is critical and needed to execute the eight stages. Kotter argues that leaders and not managers have the necessary inertia to motivate people and change their behavior. Simply "managing change" is not enough. True transformation comes about only through "leading change" (Kotter J. , Leading Change, 1996).

Leadership and management involve two distinct but complementary sets of action. Leadership is about coping with change while management is about coping with complexity (Northouse, 2007). Leading a change is far more complicated than managing a change. Figure 12 below shows the involvement of leaders and managers in the change process.

Leadership Produces change and movement	Management Produces order and consistency
1. Establishes direction • Creates a vision • Clarifies the big picture • Sets strategies 2. Aligns people • Communicates goals • Seeks commitment • Builds teams, coalitions and alliances 3. Motivates and inspires • Energizes • Empowers subordinates & colleagues • Satisfies unmet needs	1. Planning and budgeting • Establishes agendas • Sets timetable • Allocates resources 2. Organizing and staffing • Provide structure • Make job placements • Establish rules and procedures 3. Controlling and problem solving • Develop incentives • Generate creative solutions • Take corrective action

* From Peter G. Northouse's Leadership: Theory and Practice, Fourth Edition (2007) in which he draws from John Kotter's A Force for Change: How Leadership Differs from Management, (1990).

Figure 12: Leadership vs. Management

3   Approach

Enterprise social media tools are one of the most effective tools that leaders can use to gather information and to communicate information from/to their employees, customers, and stakeholders. However, since the use of enterprise social media is still not wide-spread amongst corporations, most leaders have yet to take advantage of this opportunity.   Integrating social media into organizations by itself is a challenge and there are various perspectives on how to integrate more efficiently. This thesis does not provide details on how to integrate social media in the organization. Instead, focus is placed on how leaders can use enterprise social media to bring a change in an organization once social media is integrated into the company.

Fundamentals that have been laid out by Dr. Kotter to implement change in the organizations by the leaders still hold. The sections below explore the effectiveness of using social media by corporate leaders to reemphasize the fundamentals to implement sustainable change for each of the Dr. Kotter's 8-stages to leading change. Detailed inputs from 8 case interviews and several brief interviews with key stakeholders in small, medium, and large scaled organizations have been used to understand the impact of enterprise social media in enterprise transformation. The interviews were primarily conducted with individuals responsible for improving the communication level within the organizations as well as with the managers who have successfully used enterprise social media to bring a change in the organization. The individuals interviewed include company Presidents, VP of

Global Communications, Director of Communications, Chief Information Officers, HR Directors, and several managers supporting enterprise social media.

Several analyses and models have been prepared for different stages of transformation to show how enterprise social media adds value to leading change. The effectiveness of social media was evaluated in various stages using Kaplan's Balanced Scorecard, Force Field Analysis, Matrix Scorecard, System Dynamics Model, and a Weighted Scoring Card. Interviews and analysis helped to map the use of enterprise social media across the 8-stages. Each of the 8-stages was thoroughly analyzed and used to describe the following:

1) Impact of enterprise social media for the stage

2) Examples (positive and/or negative) from interviews and research

3) Supporting analysis that adds value to the stage

Finally, the results from interviews and discussions with different companies have been compiled to understand the extent to which leaders have used push vs. pull mechanisms in each of the eight stages of enterprise transformation.

Note that the organization's name is described in general terms to protect the company's identity since the material presented might include portions of their corporate strategy and source of competitive advantage.

4   Enterprise Social Media across 8-stages

"Handle the challenge of change well, and you can prosper greatly.

Handle it poorly, and you put yourself and others at risk"

-    *John Kotter* (Kotter & Rathgeber, 2005)

4.1   Establishing a Sense of Urgency

Urgency means "of pressing importance". When people have true sense of urgency, they think that action on critical issues is needed *now*, not eventually, not when it fits easily into a schedule (Kotter J. , A sense of urgency, 2008, p. 7). This is the first stage in leading change in an organization.

| Establishing Sense of Urgency | Creating the Guiding Coalition | Developing Vision and Strategy | Communicating the Change Vision | Empowering Employees for Broad-Based Action | Generating Short-Term Wins | Consolidating Gains and Producing More Change | Anchoring New Approaches in the Culture |

Based on the 8-stage process by Dr. Kotter

Establishing a strong sense of urgency begins with looking beyond what needs to change to foster a collective understanding of why the change must occur. John Kotter suggests that for change to be successful, 75% of management must be convinced that business as usual is no longer a viable plan. For this to happen,

leaders must be awakened to the gap between the way things are and the way they

ought to be. Other authors such as Guillart & Kelly, Kotter, LeMarsh, Rouse & Boff,

and Kessler have come up with ways to stimulate a need for change for the

corporate leaders. This research involves understanding the extent to which

corporate leaders have used enterprise social media to bring a sense of urgency for

the transformation effort. Before diving into the impact of enterprise social media

on establishing urgency, it is important to understand why it is hard to establish

urgency. According to Kotter, one of the main factors that stops change and

prevents people from taking action is complacency – people get too comfortable

with the way things are done and don't see or feel the need to change. Complacency

is pervasive, in part because it simply is not seen, even by many smart, experienced,

and sophisticated people (Kotter J. , A sense of urgency, 2008, p. 9). Figure 13 below

describes the effects of complacency on the organizations.

Source: Kotter, J. (1996). *Leading Change, p42*

Figure 13: Effects of Complacency on Organizations

In order to cope with complacency, Kotter suggests the following ways to raise the urgency level in the corporation, see Table 3.

Table 3: Ways to Raise Urgency Level

Ways to Raise the Urgency Level
Create a crisis by allowing a financial loss, exposing managers to major weaknesses vis-à-vis competitors, or allowing errors to blow up instead of being corrected at the last minute.
Eliminate obvious examples of excess (e.g., company-owned country club facilities, a large air force, gourmet executive dining rooms).
Set revenue, income, productivity, customer satisfaction, and cycle-time targets so high that they can't be reached by conducting business as usual.
Stop measuring subunit performance based only on narrow functional goals. Insist that more people be held accountable for broader measures of business performance.
Send more data about customer satisfaction and financial performance to more employees, especially information that demonstrates weaknesses vis-à-vis the competition.
Insist that people talk regularly to unsatisfied customers, unhappy suppliers, and disgruntled shareholders.
Use consultants and other means to force more relevant data and honest discussion into management meetings.
Put more honest discussions of the firm's problems in company newspapers and senior management speeches. Stop senior management "happy talk."
Bombard people with information on future opportunities, on the wonderful rewards for capitalizing on those opportunities, and on the organization's current inability to pursue those opportunities.

Source: Kotter, J. (1996). *Leading Change, p46*

This research indicates that enterprise social media can help organizations create a sense of urgency in the organization. However, the caveat is that the level of impact that enterprise social media can have in this stage varies widely based on the size of the corporation. There appears to be an inverse relationship between a company's size and the sense of urgency that enterprise social media can help generate in the organization. The smaller the size of the organization, the more impact enterprise social media can have in creating a sense of urgency. Large corporations show medium to no-impact to social media attempting to create a sense of urgency. Note that not much data exists for medium sized companies since enterprise social media has not penetrated much into medium sized companies as it has in small and large corporations.

A small healthcare startup in Cambridge, Massachusetts used enterprise social media as one of the many primary means of communication within the company. Leaders constantly sent out messages using enterprise social media that it was critical for their company to keep up with the upcoming new government rules and regulations. Periodic messages got the message from the leaders across the company that their survival was at stake. If they don't move quickly, they can get squashed by larger, or more established competitors. It helped to establish a sense of urgency in the organization and made people believe that a change is really needed. Similar stories were revealed by other small companies interviewed in the research. It was not much effort for these small companies to establish urgency and stimulate a need for change. On the other hand, my interview with a large defense

contractor and a large high tech company revealed just the opposite. The executives mentioned that it is hard enough to create a sense of urgency using any medium. When I asked them specifically about enterprise social media, I was told that multiple attempts had been made using social media to create urgency but they were not able to show any success in creating a sense of urgency. Enterprise social enterprise media did not come out as a primary means to generate urgency in large corporations.

With the input from the companies that I had interviewed, I have created a score card (Table 4) that measures the impact that social media can have in small, medium, and large corporations for the different factors that Kotter specified to raise urgency level. The level of impact increases as score increases (1 = lowest impact, 5 = highest impact). Certain factors where enterprise social media do not play a role in any corporations are marked as N/A. Figure 14 shows the same data in a graphical format after eliminating all the non-applicable factors. When the total score for each sized organization is plotted against the impact that social media has in creating a sense of urgency, it can be observed that there is some sort of inverse relationship between the size of the corporation and impact that social media can have. Figure 15 shows that the larger the corporation, the smaller the impact that social media has in creating a sense of urgency. Note that these results are based on preliminary analysis and observations. An opportunity exists to perform detailed study on this subject to understand the exact nature of relationship between

corporation size and the impact that enterprise social media can have to create a sense of urgency.

Table 4: Size of Corporation vs Elements Creating Sense of Urgency

	Small Corporations	Medium Corporations	Large Corporations
Create Crisis	5	3	1
Eliminate obvious examples of success	N/A	N/A	N/A
Set expectations too high	N/A	N/A	N/A
Accountable for business performance	N/A	N/A	N/A
Send more performance data to employees	5	3	1
Insist that people talk to unsatisfied customers	3	2	1
Use consultants to get relevant and honest data	N/A	N/A	N/A
Stop happy talk	4	3	2
Bombard people with information	5	3	1

Figure 14: Corporation Size vs Elements Creating Sense of Urgency

Impact of Social Media in creating Sense of Urgency

Figure 15: Relationship between Corporation Size and Impact of Social Media in Creating Sense of Urgency

There could be a variety of reasons causing this phenomenon. One of the reasons might be that it is easy in smaller corporations to adhere to the same new method of communication such as enterprise social media. The penetration rate of enterprise social media in large corporations might not be as good as in small corporations. Hence, communication using enterprise social media might work well in small corporations than in large corporations if enterprise social media is well-integrated into the company. Another possible reason might be that large corporations are usually operating as multiple segments or business units. Each of the segments is further broken into many sub-segments and so on. It is hard to get employees in large corporations to react unless their particular sub segment is impacted. Most employees would not care about what is happening in other segments. Leaders might be able to mitigate this problem by targeting sub-segments.

To conclude, creating a sense of urgency is crucial to gaining needed cooperation for any major transformation effort. Enterprise social media has been shown to help smaller corporations establish urgency. Larger corporations still seem to struggle with enterprise social media generating create a sense of urgency. It appears that there is an inverse relation between a company's size and the urgency it can create using enterprise social media. More detailed studies can be done in this area to understand the precise relationship.

4.2   Creating the Guiding Coalition

"Within corporations, where friendships are less important than collaboration,

propinquity also plays an important role in daily effectiveness".

- *Kerry Patterson (Patterson, 2008, p. 239)*

According to Kotter, no one person, however competent, is single handedly capable of developing the right vision, communicating it to a vast number of people, eliminating all of the obstacles, generating short term wins, leading and managing dozens of change projects and anchoring new approaches deep in an organization's culture. Once senior leaders have created a sense of urgency in the organization, the next step is for senior leaders to create a guiding coalition, an oversight team that can collectively handle all the stages of enterprise transformation. This is the second step of the leading change model by Kotter.

Establishing Sense of Urgency	Creating the Guiding Coalition	Developing Vision and Strategy	Communicating the Change Vision	Empowering Employees for Broad-Based Action	Generating Short-Term Wins	Consolidating Gains and Producing More Change	Anchoring New Approaches in the Culture

Based on the 8-stage process by Dr. Kotter

Any major transformation must have a strong guiding coalition – one with right composition, level of trust, and shared goal. Putting together the right coalition of people to lead a change initiative is critical to the success of the transformation. Kotter believes that today's decision making requires a new process of decision making, see Table 5.

Table 5: Decision Making in Business Environment

TODAY'S BUSINESS ENVIRONMENT

➤ Demands more large-scale change via new strategies, reengineering, restructuring, mergers, acquisitions, downsizing, new product or market development, etc.

DECISIONS MADE INSIDE THE FIRM ARE

➤ Based on bigger, more complex, more emotionally charged issues
➤ Made more quickly
➤ Made in a less certain environment
➤ Require more sacrifice from those implementing the decisions

A NEW DECISION-MAKING PROCESS

➤ Is required because no one individual has the information needed to make all major decisions or the time and credibility needed to convince lots of people to implement the decisions
➤ Must be guided by a powerful coalition that can act as a team

Source: Kotter, J. (1996). *Leading Change, p58*

Enterprise transformation needs visible support from key people throughout the organization. It is important to find the right people, instill in them a significant level of trust and develop a shared objective. The coalition must also have the right credibility within the organization. If credible people are not chosen, things can go limp and the change can simply go to pieces and fritter away leaving the

organization weaker than it was before. Leaders and managers should be able to act in concert and make productive decisions that are taken seriously by all. According to Kotter, an effective guiding coalition should have certain key characteristics, see Table 6.

Table 6: Building a Guiding Coalition

Putting Together the Guiding Coalition
Position power: Are enough key players on board, especially the main line managers, so that those left out cannot easily block progress?
Expertise: Are the various points of view—in terms of discipline, work experience, nationality, etc.—relevant to the task at hand adequately represented so that informed, intelligent decisions will be made?
Credibility: Does the group have enough people with good reputations in the firm so that other employees will take its pronouncements seriously?
Leadership: Does the group include enough proven leaders to be able to drive the change process?

Source: Kotter, J. (1996). *Leading Change*

This research explores whether enterprise social media can help create a guiding coalition for enterprise transformation. The research indicated that enterprise social media is not very active in this space. Enterprise social media has not yet gotten to a stage where it can be used for decision making on behalf of leaders. Leaders must still use their judgment in deciding the guiding coalition. Enterprise social media can help broadcast the change and can spread the need for a guiding coalition. However, it still has not replaced decision making for the leaders.

Despite the lack of involvement of enterprise social media in this stage at present time, the future of enterprise social media related to this stage might be different. Interview with two large high tech companies and a large defense contractor who are leaders in the field of enterprise social media revealed that it is a matter of time before enterprise social media starts playing a key role in this stage. All the three companies were looking into ways employees can rank managers on different factors including position power, expertise, credibility, and leadership. This allows leadership to quickly understand the position of managers in the company related to different leadership factors. This would provide a quick head start for leaders in understanding where managers fit in regard to the four profiles of guiding coalition specified by Kotter (Figure 16). Ultimately, it would enable the leaders to better pick the guiding coalition to bring the transformation in the organization.

Source: Kotter, J. (1996). *Leading Change, p60*

Figure 16: Profiles of Four Guiding Coalition

To gain a little more understanding on whether it is wise to use enterprise social media to play a role in selecting a guiding coalition, I've performed force field analysis using various inputs. Force field analysis is used in business for making and communicating go/no-go decisions. The idea is to get a better guidance to determine go/no-go decision on whether social media should play a role in deciding guiding coalition. Factors (forces) for and against using social media playing a role in deciding guiding coalition have been listed. Each factor was scored based on its influence using a scale of 1 to 5 (1 = least influence; 5 = most influence). The scores for and against the change were totaled to get a score which better explains what

force wins.

Figure 17 shows that the force for making a change that uses social media to decide guiding coalition is higher than the force against making this change. These results are based on preliminary analysis. However, an opportunity lies to do further research in depth on these force factors. Opportunity also lies in using a different methodology to understand the extent to which enterprise social media should play a role in determining the guiding coalition.

Forces for Change	Score
Get input for guiding coaliting from multiple people	4
Potential guiding coalition show up in short period of time	4
Desired characterists for the guiding coalition can be tested quickly	5
Characterists and behavior can be compared over a period of time	3
New leadership in the event of loss of old leadership can come up to speed quickly	1
Able to better understand and control conflicts within guiding coalition	1
Can provide a better vision of what role can each member of the guiding coaltion play in different stages	2
Structured phase out of guiding coalition upon nearing completion of transformation	1
Silent dog can come out ahead	2
Total Score	23

Let social media play a major role in deciding guiding coalition

Forces Against Change	Score
Some inputs are biased based on employee relationships	3
Employees can find loopholes and manipulate the ratings	2
Leaders and employees might not be on the same page regarding desired characteristics	2
Scoring can affect employee ego and morale	4
Trust - a key component that leaders rely on may not be judged accurately	3
Might penalize aggressive employees with red personality	2
Total Score	16

Figure 17: Social Media and Guiding Coalition - Force Field Analysis

In conclusion, a good guiding coalition appears to be key to the success of the transformation effort. An effective guiding coalition has the right mix of individuals at different levels of the organization. Senior leadership must stay engaged with the guiding coalition throughout the change effort. In the current state, enterprise social media plays limited to no role in creating a guiding coalition for enterprise transformation. However, the future of enterprise social media related to this stage seems very promising. Many organizations have already started ranking their employees and managers against the key characteristics that are necessary to perform in the business. It is just a matter of time before new social enterprise tools are matured that would allow us to progress in this discipline. An opportunity lies in doing further research in this field and studying the behaviors and characteristics that enterprise social media would be able to accurately predict to help corporate leaders select a guiding coalition. An opportunity also lies in developing new social tools that can better predict focus areas for the guiding coalition.

4.3   Developing a Vision and Strategy

"Fables can be powerful because they take serious, confusing, and threatening subjects

and make them clear and approachable"

- *(Kotter & Rathgeber, 2005, p. 4)*

Vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future (Kotter J. , Leading Change, 1996, p. 68). The research on charismatic and transformational leadership indicates that a clear and compelling vision is extremely useful to guide change in an organization (Yukl, 2006, p. 295). This is the third step of the leading change model by Kotter.

| Establishing Sense of Urgency | Creating the Guiding Coalition | Developing Vision and Strategy | Communicat ing the Change Vision | Empowering Employees for Broad- Based Action | Generating Short-Term Wins | Consolidating Gains and Producing More Change | Anchoring New Approaches in the Culture |

Based on the 8-stage process by Dr. Kotter

"A clear vision serves three important purposes. First, it simplifies hundreds or thousands of more detailed decisions. Second, it motivates people to take action in the right direction even if the first steps are painful. Third, it helps to coordinate the

actions of different people in a remarkably fast and efficient way. A clear and powerful vision will do far more than an authoritarian decree or micromanagement can ever hope to accomplish" (Kotter J. , Developing a Change Vision, 2010).

Developing an effective vision is one of the most important jobs of a leader. In today's fast moving technological environment, it is even more challenging for a leader to make a move that will be beneficial to the company in a long run. Yukl presents guidelines for formulating a vision, see Table 7.

Table 7: Guidelines for Formulating a Vision

Guidelines for Formulating a Vision

- **Involve key stakeholders**
- **Identify strategic objectives with wide appeal**
- **Identify relevant elements in the old ideology**
- **Link the vision to core competencies**
- **Evaluate the credibility of the vision**
- **Continually assess and refine the vision**

Source: Yukl, G. (2006). *Leadership in organization*

A single leader is unlikely to have the knowledge needed to develop a vision that would appeal to all the stakeholders whose support is necessary to accomplish major organizational change (Yukl, 2006, p. 298). Getting constant feedback from stakeholders would certainly help the leader tailor the vision for the organization. Here is where enterprise social media can play a huge role. Believe it or not, who

would be able to provide a better view of the evolution of the product than the customers who use the product? Who would be able to provide a better idea on how to improve the product quickly with minimum changes than the employees who developed the product? Who would be better able to provide a view on the expectations of company progress than the prime stockholders themselves? If social media is integrated properly at each channel, a leader would be able to quickly and effectively collect the thoughts of each of the stakeholders. A leader would then be able to filter down the information from stakeholders to create a vision that would appeal to a majority of the stakeholders. Below are a few examples of established organizations that are pioneers in using enterprise social media to get valuable inputs from the stakeholders. Interviews conducted with these organizations revealed that most organizations have laid the foundation but are still in the infancy stage when we consider how leaders are using enterprise social media to bring organizational change.

IBM has taken a forefront approach in how its leaders use focused enterprise social media to be able to define a vision that tailors towards its stakeholders. An interview with an IBM director helped understand various instances where IBM leaders involved stakeholders to define a vision and a path forward. Some of the famous are IBM's Innovation Jam and Values Jam.

According to Liam Cleaver, Director of IBM's Jam Program Office, Jams are online collaborative discussions that are used to harness the creativity and innovation for a

group of people on a very specific set of topics. It's a Web 2.0 tool that engages anyone and everyone in an organization—from the intern to the CEO—to speak their mind, surfacing the kind of ideas that improve business (Insights that emerged from Innovation Jam, 2008).

Using one of the most impactful Jams, Innovation Jam, IBM leaders were able to get valuable inputs from its key stakeholders including its employees, managers, industry experts, academia, and client CEOs. Held over a 90-hour period from October 5th through 9th, 2008, the Jam benefited from 90,000 log-ins that had generated over 32,000 posts. It tapped employees from more than 1,000 companies across 20 industries. Innovation Jam 2008 had a mission to tap the collaborative insight of leading thinkers from thousands of companies to help advance the vision of IBM's released CEO Study, "The Enterprise of the Future"—based on interviews with more than 1,100 CEOs—to reality (Insights that emerged from Innovation Jam, 2008). Innovation Jam helped IBM leaders create a vision that redefined the markets and products that IBM serves.

Another success story mentioned during the interview was about a high tech company's success with one of the enterprise social tool. The enterprise social tool gave the company employees opportunity to redefine their core values. Employees provided valuable inputs on how to improve their workplace. Unlike traditional social media such as Facebook or Twitter, communication via the social tool was focused and had depth and quality that leaders could utilize. Leaders extracted

valuable inputs and were able to create a vision for corporation's culture. Per the communications director, the corporation also demonstrated its expertise in the flexibility and mending of enterprise social media in their Singapore chapter. The director, while leading communications transformation in Singapore, went above and beyond to adapt the enterprise social media towards the culture of the organization. Anonymity is lost in traditional social media. In Singapore, people don't like to have their name attached to the content on social media. Most of the employees in Singapore were not comfortable expressing themselves using enterprise social media since there is no sense of privacy. Almost no communication seemed to be happening using social media in the company's Singapore division. To overcome the situation, the corporation deployed a specialized and tailored enterprise social tool in Singapore which allowed the leaders to get vital feedback from its employees in an anonymous manner. Anonymity helped employees speak their minds to the leaders which helped the leaders develop a vision for the future. The strategy was a big hit for the corporation, which was proven by measuring the impact using OCI (Organizational Cultural Inventory). OCI represents the behaviors that employees should show to fit into the culture of the organization. OCI differential showed that between Aug 2010 and March 2012, the corporation's Passive behavior dropped by 6% while the Constructive behavior increased by 4%.

The corporate leaders in this organization were pioneers in collecting critical feedback from its stakeholders and developing a vision to bring a change in an organization.

I've drawn a basics system dynamics model below (Figure 18) showing how the reinforcing loop R1 help increase the integration of enterprise social media with the stakeholders. As the vision become clear, chances of success in transformation effort increases. This leads to an increase in the amount of resources available to reach the stakeholders. Hence, the integration of enterprise social media with stakeholders increases. As a result, the number of stakeholder views considered by the leader increases which leaders to an improvement in leader clarity. This ultimately leads to an even clear vision and the cycle continues.

Figure 18: Enterprise Social Media in developing a Vision

To conclude, developing a correct vision and strategy is critical for the remaining stages of enterprise transformation. Without vision, the leaders or the employees cannot make much progress in the transformation effort. Enterprise social media can help collect stakeholder views and can play a key role in developing a vision and strategy for the organization.

4.4 Communicating the Change Vision

"But the vision can't belong only to the leader. It's a shared vision. Everyone has

dreams, aspirations, and a desire that tomorrow be better than today. When visions

are shared, they attract more people, sustain higher levels of motivation, and

withstand more challenges than those that are singular. You have to make sure that

what you can see is also something that others can see, and vice versa".

- *James Kouzes, Barry Posner (Kouzes & Posner, 2012, p. 104)*

Developing a vision for the change is vital. However, that only accounts for less than

1% of the progress. The real key is communicating that vision to the employees.

This is the fourth step of the leading change model by Kotter.

Establishing Sense of Urgency	Creating the Guiding Coalition	Developing Vision and Strategy	Communicating the Change Vision	Empowering Employees for Broad-Based Action	Generating Short-Term Wins	Consolidating Gains and Producing More Change	Anchoring New Approaches in the Culture

Based on the 8-stage process by Dr. Kotter

The larger the corporation, the more critical it is to communicate the vision. It is

difficult, if not impossible, for employees to arrive at their destination if the leaders

are not crystal clear in providing them with the direction and roadmap detailing their journey. More than anything else, the clear communication of vision contributes to a greater goal and creates a sense of purpose across the organization. This pays dividends in the engagement, productivity, and creativity of the team.

Figure 19 shows the results from a study conducted by Peter Barron Stark Companies, a nationally recognized management-consulting firm that has trained a quarter of a million managers and employees across a broad range of industries, for over 20 years. The data is collected from over 100,000 employees. The data notes significant variances between the Overall Benchmark (all employees surveyed) and the Best-Of-the-Best Benchmark (top 25% of the organizations surveyed). One thing that has remained consistent over the years is that the top organizations consistently scored better than the overall in the communication category (Stark, 2011).

"I am clear on my organization's goals and future direction."

Best-of-the-Best PBS Benchmark	91.5%
Overall PBS Benchmark	76.5%
Best-of-the-Best exceed by	+15

"My supervisor/manager keeps us informed about our organization's plans."

Best-of-the-Best PBS Benchmark	88.3%
Overall PBS Benchmark	74.0%
Best-of-the-Best exceed by	+14.3

"Communication flows effectively from upper management to employees."

Best-of-the-Best PBS Benchmark	70.3%
Overall PBS Benchmark	57.3%
Best-of-the-Best exceed by	+13

Percentages in the benchmarks are the number of employees who either "strongly agreed" or "agreed" in response to a statement in the survey.

Source: PeterBarronStark Companies: How to Communicate Your Vision. http://www.peterstark.com/2011/communicate-vision-steve-jobs/
Figure 19: Communication Flow - Best vs. All Organizations

Dr. Kotter strongly believes in the benefits of communicating the vision. "A great vision can serve a useful purpose even if it is understood by just a few key people. But the real power of a vision is unleashed only when most of those involved in an enterprise or activity have a common understanding of its goals and direction. " (Kotter J. , Leading Change, 1996, p. 85). Dr. Kotter has laid out seven principles (Table 8) associated with communicating the vision for a successful enterprise transformation.

Table 8: Key Elements in Communicating the Vision

Key elements in communicating the vision	
Simplicity	All jargon & technobabble must be eliminated
Metaphor, Analogy & Example	A verbal picture is worth a thousand words
Multiple Forums	Big meetings & small memos, newspapers, formal and informal meetings…
Repetition	Ideas sink in only after they have been heard many times
Leadership by Example	Behavior by important people that is inconsistent with the vision overwhelms other forms of communication
Explanation of Seeming Inconsistency	Unaddressed inconsistencies undermine the credibility of all communications
Give & Take	Two way communication is always more powerful than one way communication

Source: Kotter, J. (1996). *Leading Change, p92*

Social media is one of the most powerful tools that leaders can use to communicate vision. My research describes how enterprise social media plays a role in communicating the vision to the employees. Examples of how the leaders of large and reputable organizations have used enterprise social media to communicate with

their employees and the successful and not so successful incidents have been described below. Emphasis has been placed on the key elements in communicating the vision laid out by Dr. Kotter.

The first principle is Simplicity. Communication seems to work best when it is so simple and so direct that it has a sort of elegance. In old days, communication was short, simple, and direct. Often, in many cases, it involved passing a hand written note to the person with a brief description on the task. For example, a note on a piece of paper "Can you close Derbi account? Thanks. You are great". Then came the era of formal letters and emails where although the task is the same, the content describing it is no longer the same since the communication is much more formal, lengthy, and full of additional information when the real task description is only about 10% of the readings. Social media is bringing us back to the old days of simple, direct, and short notes. For the same reason, the Vice President of Global Communications at a major defense contractor communicates with the employees regarding many corporate initiatives using enterprise social media. The VP does an excellent job keeping the employees updated with the new initiatives, reason for the launch of initiatives, progress on the initiatives, challenges faced, and how the company is attempting to resolve them in one or two sentences. More importantly, the periodicity of the VP placing remarks on the corporate enterprise social media tool is consistent and hence the employees are better able to follow and understand the corporate initiatives. For example, the VP played a major role in getting people to use enterprise social media portal itself. For a period of time, the VP would consistently post how many corporate employees are active in using the social

portal. As the employees saw increase in the percentage of corporate population using the portal, they were tempted to try it out and hence it had a viral effect. As a result, enterprise social portal usage doubled between 2011 and 2012. Population active on the social portal had increased from 7.5% to 15%. Other similar success examples were discovered as the Vice President and Chief Information Officer at a major defense contractor and the President of a division at another major defense contractor became very active in communicating to the employees using enterprise social media.

Another key element in communicating the vision is to use metaphor, analogy and example. Well-chosen words can make a message memorable, even if it has to compete with hundreds of other communications for people's attention. No significant advantages or disadvantages for enterprise social media were discovered related to this principle. Social media can do the job almost as effectively as any other communications medium. An additional element in communicating the vision is to spread the message in many different forums. Vision is usually communicated most effectively when many different vehicles are used. Enterprise social media could be one of those forums where leaders can disseminate information to the employees.

Enterprise social media can perform as good, if not better job in the following three key elements in communicating the vision: Repetition, Explanation of Seeming Inconsistency, and Give and Take. All successful cases of major transformation seem to include repeated communications that help employees to grapple with difficult

intellectual and emotional issues. Enterprise social media also helps leaders to explicitly address seeming inconsistencies without being too formal about it. For example, the HR director at a major defense contractor repeatedly communicated via a series of video blogs the results of employee opinion surveys and the actions that the leadership has taken to resolve the issues that employees are facing. Communication of vision via email is often a one-way endeavor in which useful feedback is ignored and employees are inadvertently made to feel unimportant. Social media definitely plays a better role than email to feather two-way communication.   After video blogging, the HR director would specifically look at the comments on the social platform and address any inconsistencies that employees perceive. Because of his efforts, in the following year, the poll showed that 10% more people believed that the corporate leadership is responsive and is taking actions to address employee concerns.

Social media plays a major role in reflecting the Lead by Example principle. Behavior communicates change in a more powerful way than anything else. When the top executives live the change, it is absorbed by the employees readily. Per Kotter, the concept is simple. Words are cheap; action is not. To bring a change, employees have to feel that their leadership team is committed. Leaders have been successful in demonstrating leadership by example using enterprise social media. By posting messages that the leaders did to bring about the change on a periodic basis, employees get assured that they are not the only people who are faced with the challenge of a change. A manager at a defense contractor was able to communicate her change initiatives in IT on the social platform by having a blog on

the social portal about live progress in an IT event through which she communicated and kept over 300 people informed and engaged. A Vice President in the same company was able to bring several attendees together for a major change initiative by blogging and broadcasting his ideas on the social platform. When employees see leaders doing things, they start doing it themselves. Enterprise social media is certainly an effective tool that leaders can use to demonstrate leading by example. At another major defense contractor, a direct report to the CEO championed the use of blogs and wikis when they were introduced. The executive spread the benefits of social tools to other senior leaders and acted as a role model by maintaining his own blog regularly. He set goals for the adoption of enterprise social media across the organization. In less than a year, the company observed widespread adoption of enterprise social tools across the organization.

With the support of different organizations, I've established a scorecard based on John Kotter's seven key elements in communicating the vision. The four primary enterprise communication mediums - email, social media, newsletter, and verbal were evaluated against each of the seven elements with the following criteria.

1. Does the communication medium provide *simplicity* to bring the message across the employees?

2. Does the communication medium provide **Metaphor, Analogy, and Example** - a detailed verbal picture to help employees visualize the change?

3. Can the communication medium be used as one of the **Multiple Forums** needed for communicating change? Note that all the mediums provide equal opportunity and hence are equally scored in this criterion.

4. How effectively can the communication medium provide **Repetition** to allow the ideas to sink in?

5. How effectively can the communication medium be used to demonstrate **Leadership by Example**?

6. Can the communication medium be used to provide **Explanation of Seeming Inconsistency** and target unaddressed inconsistencies?

7. Does the communication medium provide **Give & Take** – effective two-way communication?

The values assigned to the previous criteria are the following:

1 = The communication medium can very limitedly support the selected "element"

2 = The communication medium can somewhat support the selected "element"

3 = The communication medium partially supports the selected "element"

4 = The communication medium is a "good match" and supports the selected "element"

5 = The communication medium is a "best match" and supports the selected "element"

The results of the evaluated criteria are provided in Figure 20 below. Enterprise social media scored the most points when evaluated against the seven elements of

communicating the vision. It was followed by email, verbal, and company newsletter.

Elements in communicating the vision	Importance	Email Raw	Email Weighted	Social Media Raw	Social Media Weighted	Company Newsletter Raw	Company Newsletter Weighted	Verbal Raw	Verbal Weighted
Simplicity	25%	3	0.75	4	1	2	0.5	2	0.5
Metaphor, Analogy & Example	10%	4	0.40	3	0.3	3	0.3	1	0.1
Multiple Forums	10%	3	0.30	3	0.3	3	0.3	3	0.3
Repetition	20%	4	0.80	5	1	2	0.4	2	0.4
Leadership by Example	15%	3	0.45	3	0.45	3	0.45	5	0.75
Explanation of Seeming Inconsistency	10%	3	0.30	5	0.5	1	0.1	3	0.3
Give & Take Two Way Communication	10%	4	0.40	5	0.5	1	0.1	3	0.3
Total	100%		3.4		4.05		2.15		2.65

Figure 20: Select Scoring Based on 7 Elements of Communicating the Vision

To summarize, communicating the change vision effectively is a key to enterprise transformation. If employees don't understand the change vision, the next two steps in the transformation process - empowering individuals for broad-based action and creating short-term wins fails. If done correctly, enterprise social media can play a major role in communicating the change vision. Many leaders have successfully used enterprise social media to communicate the change vision to the employees. Although, this is still in the initial stage, wider spread of leaders using enterprise social media to communicate with employees seems promising. When employees and other leaders see top management acting out the vision, a whole set of troublesome questions about credibility and game playing evaporates. Hence, it is critical that the behavior of the leader aligns with the change that they are trying

to portray using enterprise social media. Opportunity also lies here to study the best method to pass the vision to the employees using enterprise social media.

4.5 Empowering Employees for Broad-Based Action

"The best of leadership development initiatives are based on an understanding that true change occurs through a multifaceted process that penetrates the three pivotal levels of the organization: the individuals in the organization, the teams in which they work, and the organization's culture". (Goleman, Boyatzis, & McKee, 2002, p. 234)

Empowerment is the process through which managers enable and help others to achieve influence within the organization (Managing Empowering Employees, 2009). This is the fifth step of the leading change model by Kotter.

Based on the 8-stage process by Dr. Kotter

Common objectives of empowerment include process flexibility, continuous improvement and better motivation of workers through involvement and commitment (Byham, 1989) (Clutterbuck & Kernaghan, 1994) (Drucker, 1988) (Johnson, 1992) (Kanter, 1983) (Peters, 1992) (Simons, 1995a) (Vogt, 1990).

Friction is generally created in organizations that have dictatorial leaders. By empowering others, balance of power is created within an organization. History has shown that interpersonal conflict is lowest in balanced power structures (Managing Empowering Employees, 2009). Employees enjoy working in balanced power environment. Such environment fosters accountability, teamwork, and a spirit of innovation among employees and helps them boost their morale. Empowering workers with the authority to perform a task in the most appropriate manner, and without excessive recourse to higher levels of management, has been one of the more significant work process amongst corporations (Herbert, 2009).

Kotter describes that there are four major barriers (Figure 21) to empowerment in the organizations. In his view, the employees are engaged and understand the vision and are aware of the benefits of empowerment, but many external forces that are not in their control take away their privilege. One such force is the formal organizational structure that creates inertia to act. The management might be unenthusiastic and not ready to support the new vision. Employees might not possess the needed skills to get the vision to reality. Finally, the existing information systems might be obsolete and do not provide quality data and information to help the employees to execute their jobs.

Formal structures make
it difficult to act.

Bosses discourage
actions aimed at
implementing the
new vision.

**Employees understand
the vision and want to
make it a reality, but
they are boxed in.**

A lack of needed
skills undermines
actions.

Personnel and information
systems make it difficult to
act

Source: From *Leading Change* by John
P. Kotter. Boston, MA. 1996, p. 102.

Figure 21: Barriers to Empowerment

This research looked into how enterprise social media can be used by leaders to empower their employees or to remove the barriers of empowerment within the organization. Each of the barriers has been evaluated to understand the impact enterprise social media can have on them.

It is very important to remove any structural barriers to continue the transformation effort. If not done in a timely fashion, employees get frustrated and the entire transformation gets at risk. Interviews and research showed that enterprise social media is not effective in removing structural barriers. Neither a pull mechanism nor a push mechanism from enterprise social media can help leaders remove structural barriers. If anything, it can add more delays and

confusion. Leaders sometimes may be able to understand the structural barrier quickly using enterprise social media by digesting employee's concerns but the level of fidelity is still unknown. The most social media is known to help is to communicate the new organization structure to its employees. Enterprise social media proves to be a limitation here, as leaders must evaluate the organization structure keeping all objectives in mind.

The problem of providing needed training is often seen in major reengineering efforts. As per Kotter, the quality, quantity, and the timing of training are not always done the right way. People are expected to change habits built up over years or decades with only five days of education (Kotter J. , Leading Change, 1996, p. 108). Kotter mentions that training teaches technical skills but not the social skills or attitudes needed to make the transformation. Enterprise social media has known to play semi-role here. While it may not be able to provide technical training effectively, leaders may be able to use enterprise social media to change the social skills and attitudes of employees towards the transformation. For example, when the head of contracts at a major defense company wanted to change the criteria for evaluating the subcontractors from a relationship driven to cost and performance driven model, he started off by providing the necessary formal training to the managers. However, in order to reinforce the attitudes, he facilitated and encouraged several related blogs on the company social media platform for a couple of years. As a result, the number of pure relationship driven contracts reduced from 70% to 30% in a three-year period. While enterprise social media may not play a

direct role in providing training to its employees, it has shown success in reinforcing the behaviors and attitudes among employees towards the needed transformation. Building transformation capabilities means aligning people, processes, systems, and culture to the business goals. In order to align systems with transformation goals, it is necessary to understand what systems are required for transformation and then either buy, build, or improve those systems. Because resources are limited, organizations cannot make a change to all its systems such as compensation, performance reviews, recruiting, and promotion, etc. all at the same time. Enterprise social media has shown limited to no success in helping leaders align the systems with the transformation objective. The research did not find social media playing any role in helping leaders prioritize and decide the level of change needed for each system in order to make the transformation effort successful.

If the manager does not support the new initiative, the employee does not have obligation to even attempt the new initiative. There could be variety of reasons why the manager might not support the new initiative. She/he might not want to take a risk because the existing system is working just fine. The manager might not see clear advantage of how the new initiative will help his/her little team. Enterprise social media has proven to help such managers in few instances. For example, when a major tech company in US who communicates mainly via social blogs changed their software defect tracking mechanism and introduced a new software bug tracking system in the group, a few early birds jumped on the system immediately and started posting positive messages on the blogs about the new system. After a week or two of seeing the positive messages on the blogs, most other managers

implemented the same system for their sub-groups. The early birds had mitigated their risks by providing consistent positive reviews. Enterprise social media helped the managers get to a comfortable stage quickly about the new system and hence allowed them to implement the system much more quickly.

Table 9 below shows the impact of enterprise social media in removing barriers to empowerment.

Table 9: Removing barriers using enterprise social media

Barriers to Empowerment	Impact of Enterprise Social Media
Removing Structural Barriers	No
Align systems to the new initiatives	No
Improve personal skills	Limited
Influence managers to not become a barrier	Limited

To conclude, empowering employees is very important to get the breadth and depth of change initiatives spread across the organization. Enterprise social media has shown to play limited role in removing barriers that would allow employees to truly experience the muscle of empowerment. While enterprise social media cannot change the structural barriers or help in aligning systems to the new initiatives, it has been proven to show some success in providing social and attitude training

needed for a new initiative, and to influence bosses in not becoming a barrier to the change. However, it seems promising that a future investigation on this topic in three to five years would reveal enterprise social media playing a much broader role in empowering employees.

4.6 Generating Short – Term Wins

Short-term win is an organizational improvement that can be implemented in a short period of time. It is a significant milestone that is necessary to achieve long-term transformation goal. A mega-scale transformation usually takes time. Generating short-term wins help carry the momentum forward and keeps the leaders in the organizations engaged. This is the sixth step of the leading change model by Kotter.

Based on the 8-stage process by Dr. Kotter

Leaders use short-term wins to fight against the opposition of the slow paced transformation effort. Short-term wins also derail pessimists and resisters of change as the wins provide real evidence about the validity of the change vision. Per Kotter, short-term win has the following advantages as described in Table 10.

Table 10: The Role of Short-Term Wins

Provide evidence that sacrifices are worth it: Wins greatly help justify the short-term costs involved

Reward change agents with a pat on the back: After a lot of hard work, positive feedback builds morale and motivation.

Help fine-tune vision and strategies: Short-term wins give the guiding coalition concrete data on the viability of their ideas.

Undermine cynics and self-serving resisters: Clear improvements in performance make it difficult for people to block needed change.

Keep bosses on board: Provides those higher in the hierarchy with evidence that the transformation is on track.

Build momentum: Turns neutrals into supporters, reluctant supporters into active helpers, etc.

Planning Versus Praying for Results

Source: Kotter, J. (1996). *Leading Change, p127*

According to Kotter, a short-term win must meet three criteria:

1. Its success must be unambiguous.

2. It must be visible throughout the organization.

3. It must be clearly related to the change effort.

In a successful transformation managers actively look for ways to obtain clear performance improvements, establish goals in the yearly planning system, achieve these objectives, and reward the people involved with recognition, promotions, or money (Kotter J. , Celebrating Short-Term Wins, 2011). My research did not find leaders generating short-term wins using enterprise social media. Leaders use social media to broadcast short-term wins that can encourage the employees and

make more people believe in the change. As more people start behaving in ways that drive change forward, leaders can use social media to publicize and promote the efforts of the existing employees who played a role in the transformation. This allows others to see the positive impact the transformation is having on the organization and allows them to change their behaviors to support the transformation. However, social media is not known to play a role in generating short-term wins itself.

A key challenge for leaders including CIOs, directors, project managers, process owners and change agents are to identify early successes as part of the overall planning process. Leaders have to plan and implement short-term wins that will play a role in major transformation. Short-term wins should be such that it can be implemented without help from the people who oppose the change. The investment for each short-term win should be justified. Short-term win should be achievable as people start doubting the entire transformation upon failure of achieving one short-term milestone. Limitations of enterprise social media can be observed in this case. Social media has not been proven to provide a lot of support in generating short-term wins. Social media can do just about as good of a job as other media alternatives for this phase.

To conclude, short term wins are necessary to gain confidence in the change effort at the employee level as well as the organization level. They are key indicators that provide the executives comfort in their investment. They also boost the confidence

of the change management team and are good events to conquest the naysayers or non-believers. It is important to plan out these short wins carefully. On the flip side, a failure to achieve short term win could disrupt the whole change effort. Executives might be forced to uplift the investment or change the guiding coalition. Employee trust might be broken and the corporation might not be able to regain that trust in a short period of time. All of these activities require detailed thought process which enterprise social media cannot deliver. Enterprise social media is known to play no role to extremely limited role in this stage. The use of enterprise social media in this stage in the near future is not foreseen.

4.7   Consolidating Gains and Producing More Change

"But for recognition to be meaningful and for it to reward appropriate behaviors, you

have to have an end in mind".

-    *(Kouzes & Posner, 2012, p. 281)*

Kotter argues that many change projects fail because victory is declared too early. Real change runs deep. Quick wins are only the beginning of what needs to be done to achieve long-term change. Consolidating Gains and Producing More Change is the seventh step in the leading change model by Kotter.

| Establishing Sense of Urgency | Creating the Guiding Coalition | Developing Vision and Strategy | Communicating the Change Vision | Empowering Employees for Broad-Based Action | Generating Short-Term Wins | Consolidating Gains and Producing More Change | Anchoring New Approaches in the Culture |

Based on the 8-stage process by Dr. Kotter

This stage is probably one of the longest stages for the enterprise transformation. A major transformation often takes long time. Table 11 below describes what this

stage looks like for a successful enterprise transformation.

Table 11: Stage 7 in Successful Change Effort

What stage 7 looks like in a successful, major change effort
• More change, not less: The guiding coalition uses the credibility afforded by short-term wins to tackle additional and bigger change projects.   • More help: Additional people are brought in, promoted, and developed to help with all the changes.   • Leadership from senior management: Senior people focus on maintaining clarity of shared purpose for the overall effort and keeping urgency levels up.   • Project management and leadership from below: Lower ranks in the hierarchy both provide leadership for specific projects and manage those projects.   • Reduction of unnecessary interdependencies: To make change easier in both the short and long term, managers identify unnecessary interdependencies and eliminate them.

Source: Kotter, J. (1996). *Leading Change, p 150*

This research indicates that enterprise social media plays more of a support role rather than a lead role in consolidating gains and producing more change. After generating short-term wins, this stage asks for producing more change. Leaders have to use their skills and judgment and identify the opportunities of growth in the transformation activities and come up with concrete actions that pin point where

the change is needed. Enterprise social media can be used to help identify few such areas of growth as we have seen in the past. However, leaders must be able to uniquely identify relevant opportunities.

This stage also targets bringing in more resources to get the added task of producing more change. Again, leaders and HR systems play a lead role here. Social media falls short in this area.

According to Kotter, it is also vital that senior management provide adequate leadership during this stage. Past successes and future vision needs to be reiterated to the employees on a regular basis with clarity. At the same time, urgency levels also need to be kept up. As seen in the examples before, some leaders have used enterprise social media successfully to keep the urgency levels up and provide clarity to the employees.

The forth component necessary in this stage is for the leaders to lead the overall transformation effort but to leave the details and the managerial work to the sub-ordinates. Again, social media has its limitations here since it has not been proven to help leaders delegate work effectively to the subordinates.

Lastly, it is important to remove unnecessary interdependencies between different groups in this stage. Enterprise social media has been proven to play a vital role here. Leaders can use social media to quickly identify unnecessary

interdependencies and hence can take quick actions to eliminate them. For example, a major defense contractor was attempting to bring a transformation in how it bid for new contracts and proposals. One of the puzzles was to determine how to account for labor / man-hours needed for different groups that could give the company a competitive edge while bidding for new contracts. Historically, man-hours needed for design group were calculated first and the man-hours for rest of the groups (safety, reliability, quality, training, etc.) were assigned based on a fixed percentage of the design group man-hours. When the transformation got to this stage, leaders used enterprise social media to get valuable inputs from the employees and gained an insight into what unnecessary interdependencies could be avoided. While the data was available from accounting, the reliability of the data was questionable. Enterprise social media had helped to capture people's experience. After removing noise, linear, quadratic, and exponential relationships were established between the design group labor time and other groups' labor time. The company was able to achieve more accuracy, which helped the company become more competitive in bidding future contracts.

To measure the impact of social media in this stage from commercial perspective, the framework provided in the Balanced Scorecard derived by Norton and Kaplan is followed. Balanced score card (Figure 22) is defined that creates a set of measurement to see how much impact can enterprise social media have in this stage. A set of measurements is created for three strategic factors that drive consolidating gains and producing more change. These factors include: 1)

Organizational Transformation, 2) Reduction of Dependencies, and 3) Leverage Current Change. The idea is to develop between two and seven measurements for each factor. The illustration in Figure 22 below helps to convey the idea. Candidate bodies that can play a lead or supporting role in the transformation stage were evaluated against each of the measurements. As we can observe, the judgment from the leaders of the guiding coalition received the highest score and it plays a crucial role in the make or break of this transformation stage.

Figure 22: Measuring Impact of Social Media for Consolidating Gains & Producing More Change

To conclude, enterprise social media has been found to play a limited role in this stage of enterprise transformation. In this stage, leaders are responsible for identifying more change, bringing in additional resources, reflecting clear vision, keeping urgency levels up, delegating tasks to managers while providing clear leadership, and reducing unnecessary interdependencies. Enterprise social media

plays a limited role in different stages including providing clarity in the vision, keeping urgency levels up, and reducing unnecessary interdependencies. However, it is up to the leaders of the organization to be able to gain maximum advantage from enterprise social media in this stage. In the future as we mature and gain deeper standardized understanding of the use of enterprise social media, the use of enterprise networking tools in this stage seems promising.

4.8   Anchoring New Approaches in the Culture

"When it comes to resistant problems, verbal persuasion rarely works".

-    *(Patterson, 2008, p. 50)*

Culture refers to norms of behavior and shared values among a group of people. This is the last stage and by far the most important stage in the process of enterprise transformation.

Based on the 8-stage process by Dr. Kotter

A few key people can follow new best practices targeted in the transformation effort for a certain period of time. The corporations can see some positive effects of the transformation in the initial period. However, in order to gain real advantage of the transformation, it is critical that these best practices get implemented in the culture of the organization. That is how enterprises can sustain the change effort and see the powerful effect of the transformation on the corporation.

According to Kotter, culture is powerful for three primary reasons:

- Because individuals are selected and indoctrinated so well.

- Because the culture exerts itself through the actions of hundreds or thousands of people.

- Because all of this happens without much conscious intent and this is difficult to challenge or even discuss.

Kotter believes that culture changes only after you have successfully altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement. Thus, most cultural change happens in this stage of transformation. Table 12 below sums up the key features of anchoring cultural change.

Table 12: Anchoring Changes in a Culture

Anchoring Change in a Culture
Comes last, not first: Most alterations in norms and shared values come at the end of the transformation process.
Depends on results: New approaches usually sink into a culture only after it's very clear that they work and are superior to the old methods.
Requires a lot of talk: Without verbal instruction and support, people are often reluctant to admit the validity of new practices.
May involve turnover: Sometimes the only way to change a culture is to change key people.
Makes decisions on succession crucial: If promotion processes are not changed to be compatible with the new practices, the old culture will reassert itself.

Source: Kotter, J. (1996). *Leading Change, p166*

Most organizations fall into one of the two levels of cultural transformation:

1) When new practices are grafted into the old culture

2) When new practices replace the old culture

Enterprise social media has been proven to play a major role in both of these levels of cultural transformation. Large and small corporations using enterprise social media have been successful in integrating the new practices and influencing human behavior.

In many corporate change efforts, the core of the old culture is not incompatible with the new practices, though some specific norms might be. In that case, the challenge for leaders is to graft the new practices onto the old roots while killing off the inconsistent pieces. If used correctly, leaders have tremendous power to sustain such changes in the corporation using enterprise social media. For example, a branch of a large defense corporation was able to achieve tremendous business growth by shifting its focus from US vertical markets to emerging global markets in addition to US market. Several transformation steps were followed and a few key leaders were empowered to expand global business. These efforts lead to the branch capturing a couple of major global projects in a short period of time. Leaders did not see much domestic growth because of the economy and immediately knew that global business is where the corporate growth will be in the near future. The leaders wanted to embrace the culture of global customers within the corporation. Hence, they started to broadcast the success stories in global markets to the employees using multiple media channels. Because enterprise social media had

penetrated quite a bit within the corporation, leaders took advantage of it and periodically communicated both at high and detailed levels the global success stories, related process changes, advantages of having global and US customers, disadvantages of having only domestic customers, and so forth using enterprise social media. Within 3 years, the particular defense branch had shifted from having less than 10% global business to having more than 40% business from global markets. Because other media channels were also used, it is hard to measure the level of impact that enterprise social media had for this change. However, during my interviews with the senior leadership, both the Vice President and Director of Global Business attributed most of the success to their use of enterprise social media within the corporation. Enterprise social media played a major role in grafting the new practices into old roots of the organization.

In some other types of changes, old corporate practices may not be compatible at all with the new practices and the new vision. If the existing values in the corporation are due to many years of experience in the enterprise, a different kind of experience is often needed to create any change. And that is why cultural change comes at the end of a transformation and not the beginning. Enterprise social media has also been demonstrated to play a lead role in completely replacing the old practices of the corporation with new ones. For example, one division of a major technology company used social media successfully to transform its enterprise from selling unbundled products and services to providing only integrated products and services to its customers. The division had been losing major market share because its competitors had already started providing integrated solutions to its users. The

leaders of the division got its tiger team together and rolled out a series of integrated products in the market. Customer response was overwhelmingly positive and the leaders immediately knew that it had to make similar changes across all its product lines. Leaders used various forms of enterprise social media to pass on the message to its employees. Various blogs were created to communicate the success of the integrated products. New wikis described the precise processes different teams used to bundle up their product whether it is bundling of hardware, software, or both. Using social media along with other channels, corporate leaders broadcasted several performance awards that it gave out to employees who demonstrated success in integration. For product marketers, a new social tool was launched where marketers can share two ways the companies who were not interested in unbundled products but are much more interested in a bundled product and service. When I interviewed the director of the division, she described it as a live Broadway show where the actors as well as the orchestra were social media. In a little more than a year, the company was offering more than 80% of their products as some type of integrated bundled product or service or both. The company became a pioneer in the use of enterprise social media. Enterprise social media had helped the enterprise in completely replacing the old company practice of having unbundled products into a new and sustained practice of offering only integrated bundled products.

I've created a basic system dynamics model below Figure 23 that explains how enterprise social media helps to anchor new approaches in the culture of the organization. This applies to both the scenarios – when new practices are grafted

into the old culture and when new practices replace the old culture. The re-enforcing loops demonstrate that the process is self-sustainable for a period of time once it is initiated. The first re-enforcing loop demonstrates how enterprise social media helps to spread the new approach. As the success of the new approaches is communicated two-way using enterprise social media, an interest gets sparked amongst people who start following the new approaches. As more people follow new approaches, the perception of the success of new approaches increases. This leads to even more people trying out the new approach. As people try the new approach, they would again communicate with their peers using enterprise social media that would spark more interest in others and the cycle continues. The second re-enforcing loop demonstrates how enterprise social media helps to continuously improve the new approach. Finally, the third re-enforcing loop shows how this process is self-sustaining in terms of getting capital investment for the required resources to support the change.

Figure 23: System Dynamics Model - Role of Social Media in Anchoring Changes in Culture

To conclude, anchoring new approaches in the culture is a vital stage to ensure that the best practices are sustained in the organization for a long period of time. If care is not taken by leaders in this last stage of transformation, the entire change effort could be jeopardized. Leaders must decide if the new practices are to be embedded into the old culture or the entire corporate culture needs to be replaced with the new practices. Enterprise social media has been proven to play a major role in helping leaders anchor and sustain transformation efforts in the organization. The reinforcing loops help to spread the new practices, improve the new practices, and

create a self-sustaining financial investment. The role of enterprise social media in this stage is expected to increase tremendously as the maturity of enterprise social media increases. An opportunity lies to conduct a detailed research on how enterprise social media can have an impact in anchoring new approaches in the culture based on several factors such as demographics, size of the corporation, industry, etc.

5   Enterprise Social Media – Push vs Pull

"A push–pull system in business describes the movement of a product or information between two subjects. In markets, the consumers usually *pull* the goods or information they demand for their needs, while the supplier *pushes* them toward the consumers" (Push-Pull Strategy, 2012).

The definitions of push vs. pull in the social media space have been constantly changing in the recent three years. When we consider enterprise social media, the standardized definitions become almost non-existent because the field is still relatively new. For the purpose of discussions in this thesis, push approach is when one uses various activities to get the message in front of the target audience. The broadcaster is in control of what the message is, how it is seen, when and where. On the other end, pull approach is when one uses various activities to get the target audience to seek and find out whether the broadcaster has something of value to offer them. For example, if someone is looking to seek news, CNN can involve in several activities with the target audience to get the user to the CNN website. This would be considered a push approach by CNN. On the other hand, one can have a news aggregator where news from CNN, ABC news, BBC news, etc. is displayed in various forms. One can click on any of the news topics offered by any of the news provider based on the interest. This process would be considered a pull approach.

Push vs. pull approach, strategies, and benefits regarding social media are more popular in the field of marketing. However, marketing and social media push vs.

pull is not the focus in this research. Instead, emphasis is placed on the extent to which push vs. pull have been used by leaders in the role of enterprise transformation using enterprise social media. The results from the interviews with different companies have been compiled to understand the extent to which leaders have used push vs. pull mechanisms in the stages of enterprise transformation. Figure 24 shows the approach that leaders have used in the stages of transformation by Dr. Kotter.

Figure 24: Pull vs. Push across the Transformation Stages

Using social media pull mechanisms, leaders have basically started reaching out to their followers to collaborate the understanding of vision and strategy. Mostly push mechanisms have been used by leaders to communicate the change vision in the organization using social media. Since anchoring new approaches takes time, over time a combination of push and pull social media approaches have been used by leaders to anchor the change in the culture. Leaders usually start of by using push approach in the initial stages and then move to a combination of pull and push

approaches. Neither pull or push approach have shown to be effective in rest of the stages of enterprise transformation.

In the future, as enterprise social media matures and expands its scope beyond serving internal stakeholders to serving external stakeholders, there would be an even balance between push and pull strategies. Internal stakeholders would most likely be served using push approach while pull mechanism would likely be popular to serve external stakeholders. Figure 25 below shows the balance between pull and push mechanisms in the future.

Enterprise 2.0 Reflects The Growth of New Pull-Based Social Systems

IT Department   Business Units

- Procedures and Process
- Corporate Policy
- IT Standards
- Enterprise Architecture

push

Top Down, Centralized Prescription

Partners   Line Workers   Customers

pull

Bottom Up, Decentralized, Emergent Solutions

- Ad Hoc Processes and Problem Solving
- Cross-Pollinating Innovative Methods
- Competition-Driven Outcomes
- Pervasive Social Computing Interactions
- Situational Software Solutions

From http://blogs.zdnet.com/Hinchcliffe

Figure 25: Enterprise Social Media Push Vs. Pull

By implementing pull approach, businesses would allow the external stakeholders to maintain control over what they want to view. By allowing the stakeholders to retain control over the content they receive, businesses would not only show respect to their choice, but also avoid getting negative criticism in the environment. The pull approach would provide an excellent communication mechanism for businesses to display their work and credentials to the external stakeholders on their terms.

6   Challenges & Future

Enterprise social media is being steadily integrated into many organizations'
processes and best practices. A leader can use enterprise social media to some
extent to transform the organization. However, there are some key external
challenges faced by the organizations related to enterprise social media that makes
the role of social media in transformation even more limited. The three top
challenges faced by the corporations, as shown in this research, include:

1) Measuring the real impact of enterprise social media,

2) The adoption of enterprise social media by the corporations, and

3) The sustainable use of enterprise social media by the employees.

Interviews with the corporations revealed that almost all the enterprises are facing
the challenge of measuring the real impact of enterprise social media. One of the
main reasons for the challenge in understanding the impact is that enterprise social
media tools are almost never used as a solo medium. Hence, it is difficult to
attribute percentage credit to any of the mediums of communication, especially
enterprise social media because they are still relatively very new in the
organizations. For example, a high tech company was successful in switching its
focus from product centric to customer centric culture. When I asked the leaders,
they attributed most of the success to their use of enterprise social media. However,
several other means of communication were also used during the transformation
period. This makes it almost impossible to measure the level of impact that
enterprise social media played in the transformation. This is yet another

opportunity to study and further advance our knowledge. A detailed research study can be done to identify the key metrics and define the processes used to measure the impact of enterprise social media in the transformation effort. Similar to how we use marketing campaigns today for marketing products and services, the science of using communications medium in the transformation could very well evolve as a campaign rather than individual solo involvement.

Corporate adoption of enterprise social media is growing but still not to the extent that most leaders would prefer. Most large and small corporations have some sort of enterprise social tools available. Mid-size corporations are still behind in adopting enterprise social media as they are not seeing the clear benefits. It is expected that this would change in the near future as the inventory of enterprise social media tools expand and the corporations see transparent benefits of using enterprise social media within the corporations. Figure 26 below shows the major barriers to adoption of enterprise social media by the corporations.

Figure 26: Enterprise Social Media Barriers to Adoption

Employee sustaining use of social media is another challenge that the leaders face today. Social media proponents, including CIOs, are discovering that once enterprise social media tools are built, employees may try them extensively. However, employees need not necessarily stick to it for a long period.

How do users take to tools like Socialcast?
About 20 to 25 percent love the new capability.
The remaining 75 to 80 percent won't see the value unless it's incorporated into their workflow

20to**25%**

25to**75%**

Source: PWC Technology Forecast (June 2011)

Figure 27: Extended Adoption of Enterprise Social Media

Once the enterprise social media tools are launched and experimented by employees, majority of the employees would not see any value unless the tools are incorporated into their workflow (PWC, 2011), see Figure 27. A similar study by McKinsey and Company found that participatory technologies have the highest chance of success when incorporated into a user's daily workflow. As normal daily workloads pile up, however, the energy and attention surrounding the rollout decline, as does participation (Chui, Miller, & Roberts, 2009).

Currently, there is lack of integration between systems of record and systems of engagement. Not enough attention has been paid to the behavior aspects of encouraging new ways of working. In the future, more and more focus will be placed on how to stimulate behavioral change within highly networked environments.

In a case study by McKinsey, a professional services firm introduced a wiki-based knowledge-management system. Following the launch of the system, early adopters used the wikis extensively. However, as time passed and as they got involved deeply back to their work, employees devoted less personal time to this effort and the participation level fell. Google, on the contrary, has modified the way work is typically done and has made web tools relevant to how employees actually do their jobs. As the tools are embedded into their business processes, Google is able to retain adoption of the enterprise social media tools. A report by McKinsey global institute estimates that the companies that fully implement social technologies see a 25% increase in productivity of knowledge workers. Hence, it is inevitable that as we get more experience, we should be able to observe that the newer enterprise social tools are more integrated into the business practices. This would allow the use of such tools to sustain for a longer period of time. Specialized enterprise social tools for each industry/corporations would also most likely be seen in the future as well.

According to Forrester Research, the market opportunity for social enterprise apps is expected to grow at a rate of 61 percent through 2016 (Dewing, 2011). As this field grows and matures, businesses will be able to share relevant business process streams between partners, vendors, and other business affiliates in real time. Enterprise social media will also mature from a silo based approach of people posts around a business application to a platform approach that brings processes, outcomes, and business events relevant to individuals together to get the work done

faster. Leaders using enterprise social media for corporate transformation will grow as enterprise social media adoption increases and new social tools are launched that are integrated with daily business activities.

7   Conclusions

Enterprise social media is an important addition to a traditional change management program, one that has the potential to dramatically increase the acceptance of change and advance an organization more predictably toward its business goals. We are still at a low level of maturity when it comes to enterprise social media strategy and methods for enterprise transformation. Carefully managed enterprise social media and collaboration tools provide a powerful platform that can help enterprises successfully manage large-scale transformation. The size of the enterprise, the industry in which it operates, and leadership's appetite for wading into the social realm -- all play a role in understanding the level of penetration of enterprise social media into the corporations. The use of enterprise social media across a horizontal tier in the organization chart is more popular. On the vertical tier, business leaders are just starting to use enterprise social media to communicate with their employees.

Investigation discussed in this thesis showed the extent to which corporate leaders have used enterprise social media to lead a change in an organization. Interviews and analysis helped to map the use of enterprise social media across Dr. Kotter's 8-stages to leading change. Each of the 8-stages was thoroughly analyzed and described the following:

1) Impact of enterprise social media for each stage

2) Examples (positive and/or negative) from interviews and research

3) Supporting analysis that adds value to the stage

Additionally, the insights from the interviews with different organizations were been compiled to understand the extent to which leaders have used push vs. pull mechanisms in each of the eight stages of enterprise transformation.

Analysis results (Table 13) shows that with the existing enterprise social tools, enterprise social media can play a key role in 3 of the 8 steps of leading change described by Dr. Kotter. Enterprise social media plays limited role or no role in 5 of the 8 steps of leading change.

Table 13: Role of Enterprise Social Media in Kotter's 8-steps of Leading Change

Enterprise Social Media Plays Key Role	Enterprise Social Media Plays Limited Role
Developing Vision & Strategy	Establishing a Sense of Urgency
Communicating the Change Vision	Creating a Guiding Coalition
Anchoring New Approaches in the Culture	Empowering Employees for Broad Based Action
	Generating Short-Term Wins
	Consolidating Gains and Producing More Change

Social media in the enterprise is still in its relative infancy phase. The first wave of enterprise social media is almost complete and the second wave is going to bring new smart tools that are more customized and integrated to the business. With smarter tools, the involvement of enterprise social media in the transformation would only increase.

In the future, leaders will be communicating with employees, customers, and business partners via social media more concretely but that day has not come yet. With more leaders using enterprise social media to communicate, corporate branding and voice should be adhered to so that the employees don't take on the personality of the leader instead of the company.

This field is still relatively new and hence continuously evolving. Many opportunities exist to do a detailed research on the level of involvement and impact of enterprise social media in various stages of enterprise transformation. It would also be worthwhile to compare the use of enterprise social media with Maslow's hierarchy of needs. Thorough research in this field can provide the right service design and proper change management initiatives using enterprise social media. This can enable people to adapt the new approach, feel comfortable with the new opportunities, and identify their individual value in it—probably the most important driver for success.

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Appendices

Appendix A – Enterprise Social Networking Vendors

Table 1: Enterprise social networking vendors reviewed

June 2011

Vendor and product	People following	Subject following/ filtering/ privacy	Application-relevant activity streams	User-accessible repository	Associated application ecosystems	Widgetized display	Advanced analytics	Semantic content integration/ search	Process flow relevance	Real-time collaboration
Cisco Systems Quad	●	●	●	●	CU, OS, LT	●	●	●	●	◗
IBM Connections	●	●	●	●	IBM, MS, SAP, OS	●	●			◗
Jive Software Engage	●		●		MS, OS	●	●			
Microsoft SharePoint Workspace	●			●	MS, OS	●				
Moxie Spaces	●			●					●	
Novell Vibe	●	●								●
Oracle WebCenter	●	●				●				
salesforce.com Salesforce Chatter	●		●		FC					
SAP StreamWork	●		●	◗	SAP, OS	●	●	◗	●	
Socialcast Socialcast	●	●	●		MS, OS, IBM, FC	●	●			◗
Socialtext Socialtext	●		●							
TIBCO tibbr	●	●	●	●	OS	●			●	
Yammer Yammer	●	◗	●	◗	NS, MS	●				◗

Column definitions:

People following: Subscribing to a person's activity stream. Those familiar with Twitter or Facebook understand that when you follow or "friend" someone, you're signing up to see what they post, or, in other words, what's in their activity stream. The "follow" model is similar in the enterprise tools listed in this table.

Subject following: Subscribing to activity on a subject. Tools such as tibbr allow users to follow subject categories as well as people. Quora is an example of a consumer tool that enables subject following with the help of subject tags and taxonomies. A more explicit and useful interest graph is emerging with the help of tools based on a triple store or comparable technology.

Application-relevant activity streams: The ability to embed activity streams in existing applications, which is a feature that tools such as Socialcast Reach and SAP StreamWork offer. (See pages 31 and 40.)

User-accessible repository: Making documents shared via the stream accessible in repository form.

Associated application ecosystems: Enterprise application families managed either by a vendor or an open-source community. Some products will lend themselves to better integration with one application source than another. For example, IBM Connections presumably integrates better with IBM applications, and Salesforce Chatter is designed to use applications from Force.com.

Widgetized display: A user-configurable display that consists of installable, movable, and removable elements, each of which can operate alone or independently of the others.

Advanced analytics: The ability to go beyond basic user statistics. Nearly all enterprise-class products in the same category as IBM Connections offer user statistics, so this feature category identifies the ability to more easily mine the information generated. Ideally, more of that information is accessible to users directly.

Semantic content integration/search: Information stored using a semantically enhanced data model such as RDF. With the use of such a model, the explicit node-relationship-node form of each triple — metadata of content that's now lightly and scalably structured — makes the whole more integrable with any other triplified information. The result is a higher degree of accessibility to content and searchability of that content. Additionally, the integration of the social information in graph form allows navigability from node to node, from users to the content or data they touch.

Process flow relevance: Tools such as SAP StreamWork make it possible to augment or cobble together a process or workflow with the help of the social tool itself.

Real-time collaboration: Updates that are relatively instantaneous. A tool such as Novell Vibe, for example, allows one user to see another typing in real time, and that capability could lead to simultaneous editing.

(PWC, 2011)

Appendix B – Enterprise Social Networking Products

Heritage	Strengths	Vendor and product
Announced in November 2009; launched in July 2010	Triple-store data architecture with refined filtering and search; unified messaging enabled; integrated content search	**Cisco Systems** Quad
Introduced in 2007 as a "business-grade social computing" platform	Filtering and recommendations capabilities; unified messaging and support for four mobile OSes	**IBM** Connections
Launched "Social Business Software application suite version 3.0" in March 2009; now called Engage; previous versions marketed as Clearspace; Jive Forums go back to 2001	Popular suite with customer focus; single view or "bridging" of customer, employee, and partner spaces	**Jive Software** Engage
Launched in May 2010; reflects the heritage of team collaboration tool Groove (acquired in 2005)	Significant integration with Windows, Office, and SharePoint, a widely used repository	**Microsoft** SharePoint Workspace
Launched Employee Spaces (intranet) and Customer Spaces (extranet) in September 2010 as company was renamed (previously nGenera)	Based on IDEO's worker-centric Tube concept; includes intranets and extranets	**Moxie** Spaces
Launched in April 2011; previous betas launched in August and November 2010	Real-time, character-by-character co-authoring	**Novell** Vibe
Launched WebCenter Suite 11g in July 2009	WebCenter Spaces accessible from Oracle applications; process-centric collaboration	**Oracle** WebCenter
Launched in April 2010	Potential for blending with many different Force.com applications	**salesforce.com** Salesforce Chatter
Launched in March 2010	Open APIs lend themselves to integration with SAP, third-party, and OpenSocial applications	**SAP** StreamWork
Launched in 2005; designed with verticals such as manufacturing in mind	Socialcast Reach can embed conversations into a range of different applications	**Socialcast** Socialcast
Launched Workspace 1.0 wiki, blog, and chat platform in October 2003	Customizable social intranet approach	**Socialtext** Socialtext
Launched in January 2011	Device, application, and system agnostic; supports bidirectional application feeds; subject, application, or social following; filtering and recommendations	**TIBCO** tibbr
Launched in September 2008	Large user base known for ease of use; seamless Crocodoc HTML5 document viewer; NetSuite integration	**Yammer** Yammer

Application ecosystem abbreviations:
CU = Cisco unified communications
IBM = IBM applications
OS = open source or any open application

MS = Microsoft
NS = NetSuite
FC = Force.com
SAP = SAP

For any of the products on this list, paid subscribers can usually expect the following:

Administration and policy management	Tagging and/or social bookmarking
Content management	Technical support and maintenance
Enterprise-level security	Basic social network views
Individual group and user following	Basic usage statistics
Direct or limited distribution per message	Basic activity stream with microblog, blog, and/or wiki interface
User profiles with LDAP integration and follower counts	Basic reward and annotation system, including Like and Comment buttons

(PWC, 2011)

Appendix C – Corporate Benefits from using Enterprise 2.0

A majority of respondents say their companies enjoy measurable business benefits from using Web 2.0.

■ % of respondents whose companies are achieving specified benefits from their use of Web 2.0 technologies[1]

Median improvement, %

Internal purposes, n = 1,598			Customer-related purposes, n = 1,708			Working with external partners/suppliers, n = 1,088		
Increasing speed of access to knowledge	77	30	Increasing effectiveness of marketing	63		Increasing speed of access to knowledge	57	20
			Awareness		20			
Reducing communication costs	60	10	Consideration		15	Reducing communication costs	53	15
			Conversion		10			
			Loyalty		10	Increasing satisfaction of suppliers, partners, external experts	45	20
Increasing speed of access to internal experts	52	30	Increasing customer satisfaction	50	18			
						Increasing speed of access to external experts	40	25
Decreasing travel costs	44	20	Reducing marketing costs	45	15			
						Reducing travel costs	38	20
Increasing employee satisfaction	41	20	Reducing support costs	35	10			
						Reducing time to market for products/services	28	20
Reducing operational costs	40	10	Reducing travel costs	29	20			
						Reducing supply chain costs	22	10
Reducing time to market for products/services	29	20	Reducing time to market for products/services	26	20			
						Reducing product-development costs	22	15
Increasing number of successful innovations for new products or services	28	20	Increasing number of successful innovations for new products/services	24	15	Increasing number of successful innovations for new products/services	20	15
Increasing revenue	18	15	Increasing revenue	24	10	Increasing revenue	16	11

[1] Includes respondents who are using at least 1 Web 2.0 technology.

McKinsey Quarterly – Dec 2010
(Bughin & Chui, 2010)

Appendix D –Social-Technology Benefits Achieved Using Enterprise 2.0

Tracking the four types of organizations

		Organizational type, based on social-technology benefits			
		Developing, n = 2,413	Internally networked, n = 224	Externally networked, n = 365	Fully networked, n = 101
Improvement in benefits, mean %	Internal benefits	2	18	8	26
	Customer benefits	1	3	13	21
	Partner benefits	1	2	11	24
Extent of social-technology usage, % of respondents	% of employees	39	37	43	48
	% of customers	26	37	54	51
	% of partners	40	48	55	64
Integration, % of respondents	Very or extremely integrated into employees' day-to-day work	18	49	45	80

McKinsey Quarterly – Dec 2010
(Bughin & Chui, 2010)

Appendix E – Correlation between Enterprise 2.0 and Corporate Metrics

Statistical analyses offer insight into the relationship between use of Web 2.0 tools and three core self-reported corporate-performance metrics.

	Web 2.0-related factors significantly correlated with corporate-performance metrics	Correlation coefficient (higher = greater correlation)	P-value (less than 0.05 = statistically significant)
1. Market share gains	Externally networked organization	.427	.001
	Fully networked organization	.344	.019
	Organizational collaboration: cooperation across organizational silos, more project-based handling of tasks, less hierarchical information flows, and increased information sharing	.065	.026
2. Operating margins compared with those of competitors	Distributed decision making and work: decision-making power situated lower in corporate hierarchy, more working teams composed of employees and people outside organization	.075	.029
3. Market leadership— ie, first in industry market share	Internally networked organization	.182	.038
	Organizational collaboration (see explanation above)	.077	.011
	Externally networked organization	-.362	.008

McKinsey Quarterly – Dec 2010
(Bughin & Chui, 2010)

Appendix F – Social Media Attitudes by Age Group

US Social Media Users' Attitudes Toward Interactions on Social Media, by Age, Sep 2010
% of respondents in each group

	18-34	35-44	45-54	55+	Total
I value the opinions other people share on social media	68%	61%	58%	50%	60%
When using social media, I prefer to listen to others share their opinions rather than give my own	55%	52%	53%	50%	53%
In general, I prefer to interact with acquaintances using social media, rather than face-to-face	59%	44%	38%	25%	44%
I feel important when I give my feedback about brands, products and services in the social media space	47%	43%	39%	30%	41%
In general, I prefer to interact with friends using social media, rather than face-to-face	27%	27%	19%	14%	23%
In general, I prefer to interact with family using social media, rather than face-to-face	24%	22%	19%	10%	19%

Note: "strongly agree" or "agree" with each statement
Source: Harris Interactive, "Harris Poll" as cited in press release, Oct 21, 2010

121088   www.**eMarketer**.com

Source: eMarketer

Appendix G – US Social Network Penetration

US Social Network User Penetration, by Age, 2009-2013

% of internet users in each group

	2009	2010	2011	2012	2013
0-11	12%	14%	15%	16%	17%
12-17	75%	78%	81%	84%	85%
18-24	83%	88%	90%	92%	93%
25-34	70%	77%	82%	84%	85%
35-44	52%	65%	72%	75%	77%
45-54	42%	53%	58%	63%	65%
55-64	35%	48%	52%	55%	57%
65+	20%	28%	31%	34%	36%
Total	**52%**	**60%**	**64%**	**66%**	**67%**

Note: internet users who use social networks via any device at least once per month
Source: eMarketer, Feb 2011

124530

www.**eMarketer**.com

Source: eMarketer

Appendix H – US Social Network Users

Key eMarketer Numbers—US Social Network Users

US social network users % of internet users

63.7% 67.0%

2011 2013

US social network users (millions)

147.8 164.2

2011 2013

% of US social network users who are ages 35+

46.3% 48.1%

2011 2013

Year-over-year growth of US social network users

31.5% 19.1% 9.8%

2009 2010 2011

Note: internet users who use social networks via any device at least once per month
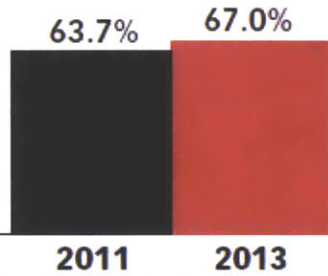Source: eMarketer, Feb 2011

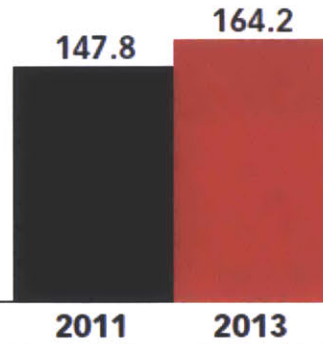125309   www.**eMarketer**.com

Source: eMarketer

Appendix I –Daily Activities of Internet Users by Age

Daily Online Activities of US Internet Users, by Age, May 2010
% of each group

Send or read email
- 62%
- 67%
- 60%
- 55%

Social networking
- 60%
- 39%
- 20%
- 13%

Get news
- 44%
- 45%
- 42%
- 34%

Online banking
- 27%
- 30%
- 22%
- 19%

Twitter or status update service
- 18%
- 9%
- 6%
- 3%

Use online classifieds
- 14%
- 13%
- 6%
- 5%

■ 18-29   ■ 30-49   ■ 50-64   ■ 65+

Source: Pew Internet & American Life Project, "Older Adults and Social Media," Aug 27, 2010

119154   www.eMarketer.com

Source: eMarketer

Appendix J – Forrester's Web 2.0 Framework

Forrester's Web 2.0 Framework

Major Forrester themes

Behavior changes

Web 2.0 tools and applications

Enabling technologies

Social Computing

Dynamic Business Apps

Information Workplace

Tech Populism

Web3D

Enabling technologies Include:
• XML
• AJAX
• Flash / Flex
• Mashup makers
• Web services
• etc.

Web 2.0 tools and applications Include:
• Blogs
• Wikis
• Social networks
• Rich Internet apps
• Mashups
• RSS
• Podcasts
• Widgets
• Tagging
• etc.

Behavior changes
• Power has shifted from organizations to their customers
• People are creators, critics, collectors, joiners, spectators, and inactives
• etc.

Source: Forrester

Appendix K – Corporate Owned Social Media Accounts

Corporate-Owned Social Media Accounts
(No. of accounts)
January 2012

Platform	Value
Twitter	39.2
Blog	31.9
Facebook	29.9
LinkedIn	28.8
Forum/Message board/Communities	23.4
YouTube	9.4
Foursquare	6.3
All others	5.3
Flickr	0.3
Gowalla	0.3

MC MARKETINGCHARTS.COM

Source: Altimeter Group

via marketingcharts.com

Appendix L – Enterprise Social Network Expected Goals

"How important are the following goals in your decision to deploy an enterprise networking solution? (On a scale of 1 "Not important at all" to 4 "Very important)?"
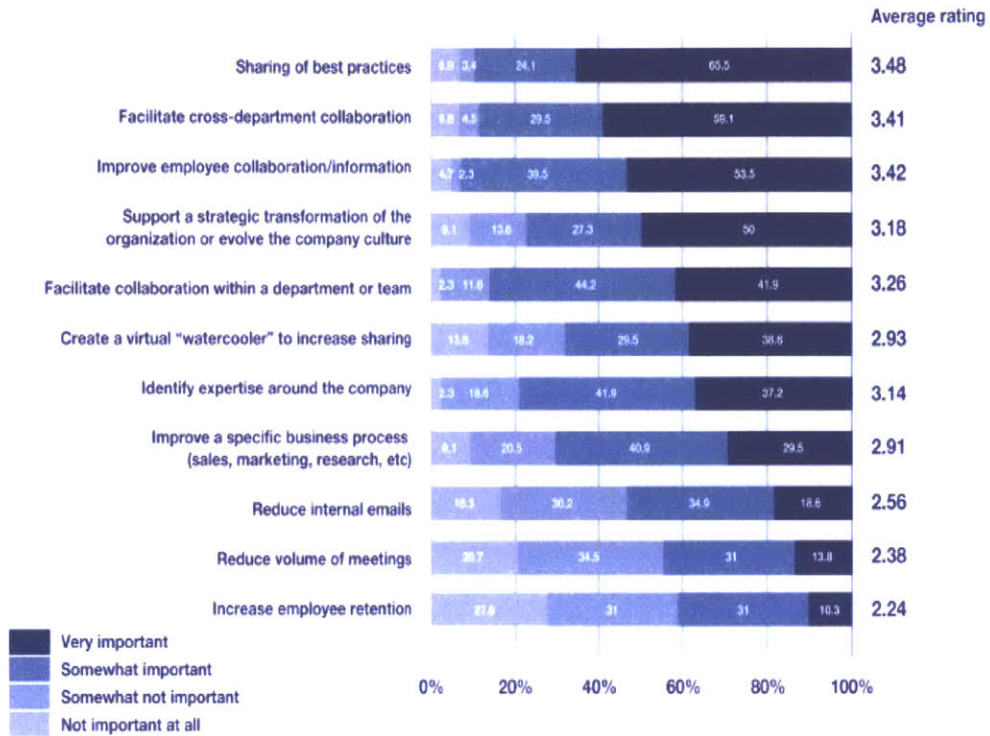
	Average rating
Sharing of best practices	3.48
Facilitate cross-department collaboration	3.41
Improve employee collaboration/information	3.42
Support a strategic transformation of the organization or evolve the company culture	3.18
Facilitate collaboration within a department or team	3.26
Create a virtual "watercooler" to increase sharing	2.93
Identify expertise around the company	3.14
Improve a specific business process (sales, marketing, research, etc)	2.91
Reduce internal emails	2.56
Reduce volume of meetings	2.38
Increase employee retention	2.24

Legend:
- Very important
- Somewhat important
- Somewhat not important
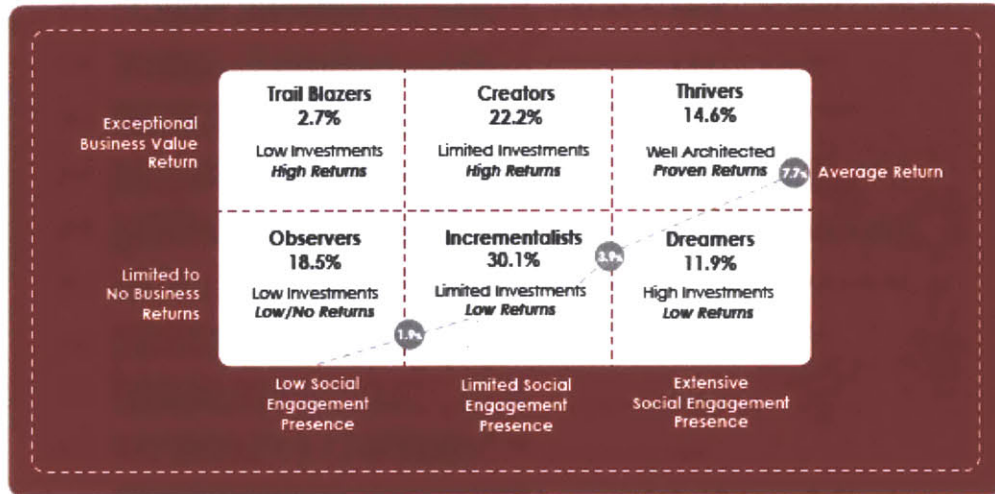- Not important at all

Base: 44 companies with more than 250 employees
(surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

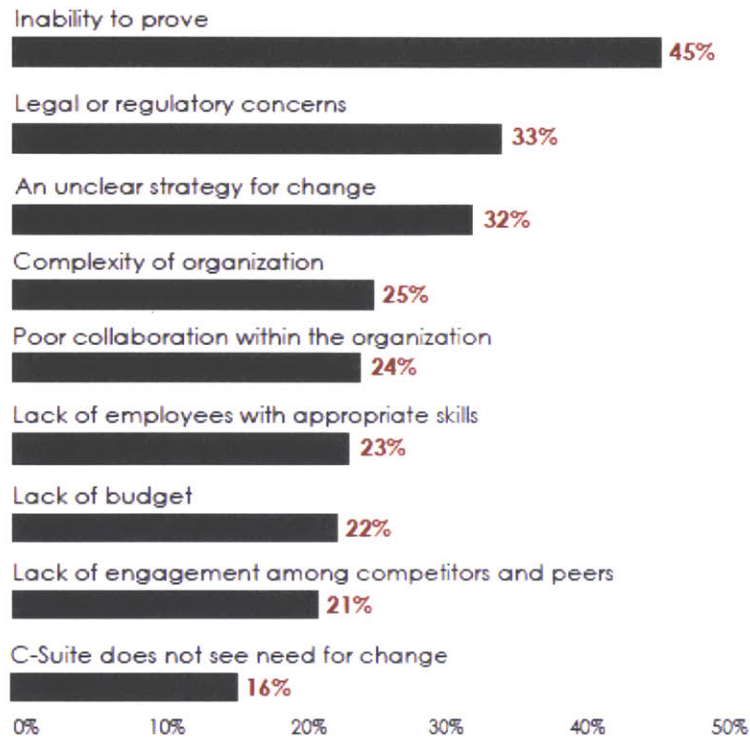(Li, 2012)

Appendix M – ROI on Socially Engaged Enterprise

The Socially Engaged Enterprise

(The Six Profiles of Socially Engaged Enterprises, April 2012)

Appendix N – Roadblocks to Deeper Social Engagement

What Are The Roadblocks To Deeper Social Engagement?

Inability to prove
45%

Legal or regulatory concerns
33%

An unclear strategy for change
32%

Complexity of organization
25%

Poor collaboration within the organization
24%

Lack of employees with appropriate skills
23%

Lack of budget
22%

Lack of engagement among competitors and peers
21%

C-Suite does not see need for change
16%

0%   10%   20%   30%   40%   50%

(Roadblocks to Deeper Social Engagement, April 2012)