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## **Chapter X: Social Media Impact on Organisations**

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### **Abstract**

In this chapter we discuss positive and negative implications of introducing social media into organisational settings. First, we will focus on social media as a tool for forming stronger bonds between colleagues and promoting a more cohesive and collaborative working environment. We will then look at social media effects on employee morale and its benefits for knowledge exchange. There will be some consideration of the different ways that organisations can make use of social media to increase brand-awareness as well as a focus on some of the drawbacks of social media use in the workplace such as the potential to harm a company's reputation and to lower productivity. Recommendations for effective use of social media for organisations and their employees will be proposed throughout.

### **X.1 Introduction**

There is little doubt that information technology has permanently altered the manner in which we work. We are now living in a digital age, where working practices are no longer constrained by space and time. Co-workers are not necessarily required to be in the same physical environment to work together and this has led to an evolution in business practices with organisations increasingly managing larger workforces spread over different time-zones (McGregor, 2000; Bennett et al., 2010b). One of the many challenges faced by organisations who adopt distributed ways of working comes with building and maintaining an organisational culture and ensuring that employees feel part of the team and work cooperatively, despite the geographical distance with their co-workers. Distributed ways of working may sometimes engender feelings of isolation, reduce productivity and lower staff morale (Bell et al., 2008; Bennett et al., 2010b). However, although technology may in this case be contributing towards the problem, it could also provide the solution. Increasingly, organisations are introducing social media tools into the workplace which have the potential to improve communications between co-workers, boost morale and motivation, increase efficiency and foster an organisational culture (Akkirman & Harris, 2005; Bennett et al., 2010b). Moreover, we might also anticipate similar advantages for employees who work co-presently. Despite these prospective benefits however, there are various ramifications for the marriage of social media and the world of work which need to be addressed (e.g. inappropriate use), as these will likely impact

policy around social media use in the workplace as well as the manner in which organisations make effective use of these tools.

This chapter aims to provide a broad discussion of the different ways in which organisations may utilise social media to improve communications between employees and as a tool to foster more effective interaction with customers and stakeholders. The potential benefits of social media for organisations and workers will be outlined, whilst many of the pitfalls that may be involved in its use will also be highlighted. The authors acknowledge that this is an expansive subject and will, where possible, offer suggested reading for topics that have not been covered in depth. Particular focus will be given to the impact of social media on workplace productivity, the different ways in which companies can use these tools to build brand-awareness and for reputation-management and the manner in which social networking sites can help employees to form closer bonds with colleagues and to share knowledge within an organisation. The authors will also offer recommendations based on a review of the extant theory and literature for more effective use of what could arguably be one of the most significant technological advances for the business world this century.

## **X.2 Social Media and Social Capital**

Social media are Web 2.0 technologies which facilitate interactive communications between individuals and groups, publically and privately, and where the content is controlled by the contributors rather than the site owner (Kaplan & Haenlein, 2010). Social media tools include blog sites, photo-sharing applications, social gaming sites and social networking sites (SNSs), which offer the added facility to view and browse the social connections of other members (Edosomwan et al, 2011). Although there are a wide variety of social media tools, this chapter will focus almost exclusively on the impact of SNSs on organisations due to their rapid uptake by many companies (Skeels & Grudin, 2009). The majority of SNSs share core features and tend towards the maintenance of pre-existing relationships and strengthening of latent social ties (Ellison et al., 2007). What is unique to SNSs is the ability to manifest a discernible list of existing social ties within the site and to communicate with these individuals publically, privately, individually or collectively (boyd & Ellison, 2007). Whilst for casual users this may simply translate into a convenient tool for sharing news with family and friends simultaneously, SNSs offer employees a space for networking beyond the boardroom, scouting for career progression opportunities and enhancing personal relationships with colleagues.

Whilst many companies actively encourage the use of pre-existing SNSs (e.g. Facebook) (Fraser & Dutta, 2008) others create SNSs for sole use by their employees. Research suggests the use of SNSs can increase employee morale and create a more positive perception of the

organisational culture. One particular study created an SNS called “Beehive” for IBM employees which was hosted on the company’s intranet server. It offered the same functionalities as ‘public’ SNSs including the ability to connect with other employees, create a profile and share user-created content such as photos and lists, but lacked the private, synchronous messaging that SNSs such as Facebook allow. Interestingly, members suggested that they used the internal SNS to actively strengthen latent ties (potential relationships which have not been fully developed yet) with new and loosely-bonded colleagues (DiMicco et al, 2008). In this way, by reciprocally self-disclosing increasingly personal information and communicating more frequently online with colleagues, they experienced increased feelings of closeness and strengthened their relationships; subsequently increasing their *social capital*. Social capital has been defined as the resources gained via any type of relationship existing between people; this may be physical or monetary but importantly also includes psychological and emotional resources too (Coleman, 1988). Those with high levels of social capital will feel more fulfilled, wanted and valued by their community (Baumeister & Leary, 1995). It is therefore not surprising that increased social capital relates to improved psychological well-being, higher self-esteem and general satisfaction with life (Bargh & McKenna, 2004; Helliwell & Putnam, 2004). Given that more satisfied and valued members of a workforce are more productive and have higher organisational commitment (Harrison et al., 2006; Levy, 2003) encouraging workers to strengthen bonds within the company should accrue benefits on both a personal and organisational level. This was demonstrated in the results of a similar study by Koch et al. (2012) who found that an internal SNS resulted in positive emotions in new staff and reduced entry level staff turnover as they felt welcome, supported and part of a workplace family. Newly hired members of staff received higher performance ratings at review and were seen to be more efficient and effective, following quicker acclimatisation than previous cohorts who had not used the system (Koch et al., 2012).

As well as enabling employees to increase contact with loose ties within an organisation (which would arguably take more resources to manage offline) workers can also strengthen pre-existing bonds (Steinfeld et al., 2009). In this way, SNSs may potentially benefit colleagues and companies in a twofold manner: 1) by increasing the number of connections and therefore ideas, opinions and resources each colleague has access to; which allows them to seek out expertise and work collaboratively to overcome problems (Fraser & Dutta, 2008), whilst at the same time decreasing demand on immediate supervisors who would normally be required to assist in this process (Koch et al., 2012), 2) by increasing the level of emotional support between colleagues, individuals will also feel better able to complete their own tasks and the negative health impacts of workplace stress such as depression, stress-related absence and anxiety may be lessened (LaRocco et al., 1980; Koch et al., 2012).

Whilst the positive impacts of social capital gained through SNSs have not yet been studied in great depth, research findings indicate that organisational citizenship behaviours, organisational commitment and increased knowledge-sharing contribute to a positive organisational culture, which in turn ultimately lead to better performance of the company as a whole, whether it is a profit driven or non-profit organisation (Arnold et al., 2010). In particular, knowledge-sharing and corporate citizenship are more prevalent in workplaces where supportive relationships between colleagues are encouraged and social capital levels are increased (Arnold et al., 2010). As such, if SNSs can be used to foster these relationships, they offer the potential to have a largely positive impact on companies.

### **X.3 Social Media for Knowledge Exchange**

The flow of knowledge in large and international companies can be severely disrupted due to barriers such as geography, time-zone differences, departmentalisation and hierarchy. Additionally, when companies group individuals by skill sets it can be difficult to access specialist knowledge or alternative solutions to problems (Williamson, 2009). SNSs may provide a way for companies to increase knowledge flow between all areas of the company by allowing employees an increased support system of variable knowledge and skill sets (Bennet et al., 2010a). In addition, utilising social media such as blogs, Twitter and wikis can promote the sharing of knowledge from individuals to many employees simultaneously, as well as an online space to ask and answer questions and create collaborative documentation (Williamson, 2009). A number of companies such as Microsoft successfully use blogs during product development to share ideas and invite feedback, and this shared creation is also thought to help build a strong project team identity. Similarly, Nike runs a public blog which details product development with customers (Lee & Trimi, 2008). The use of these tools may help form an organisational culture of knowledge-sharing as individuals will be able to share in a way that may expend less energy and resources. For example by creating an online FAQ, organisations can avoid the need to respond to multiple queries via e-mail or phone. Workers will also be able to see the impact of their contribution through elements such as 'liking', comments and other feedback and this will help create an online prestige and reputation which rewards employees with personal recognition and will therefore motivate them to contribute further (van Zyl, 2009). Innovative ideas from ground level employees may also skip a few steps in the company ladder which may be harder to achieve offline (Bennet et al., 2010a). This has obvious advantages in that it allows for a more streamlined and quicker approach to problem-solving, however it may result in resentment for some middle-management (DiMicco et al., 2008).

In one study, the use of an internal SNS left middle-management feeling jealous and somewhat aggrieved in response to younger and newer staff having online interactions with CEOs and gaining knowledge and acknowledgement that they may never have been able to achieve within the confines of a 'traditional' offline work environment. As such, these staff felt disadvantaged and that entry level employees needed to 'do their time' in order progress within the company, in the same way that they had to (Koch et al., 2012). This feeling of injustice is concerning as it may lead to a loss of organisational commitment and lower job satisfaction, therefore negatively impacting job performance (LaRocco et al., 1980). Despite this however, we must also consider that in the forthcoming years it will be the 'Net generation' who predominately fill these middle-management positions. In this event these initial feelings of dissent may be phased out as social networks and a more linear interaction between staff members becomes the norm. Managers who have seen the benefits of the inbuilt rewards of such a collaborative and non-hierarchical online system will move into positions of power and attitudes are likely to shift.

Whilst the advantages of increased knowledge exchange and collaborative working environments appear obvious (e.g. faster problem-solving, increased innovation, less time creating duplicate solutions where staff may be unaware of parallel projects - all of which may increase profits), what is less clear is how to involve all members of the organisation in this process through use of SNSs, rather than just those entering the company at ground level. A positive aspect of SNSs is that they may encourage contributions from those who lack confidence (Ardichvili et al., 2003) due to the more community feel and sense of disinhibition frequently felt online (see Suler, 2004). Indeed, online interactions are thought to be more accessible to those with higher levels of anxiety due to less fear of rejection and increased time to control the construction of posts (Joinson, 2004). For instance, those who feel too anxious to contribute during a face-to-face meeting may feel more comfortable posting online, as they will not be able to see the expressions of others, who they fear may respond negatively to their ideas. However, companies should offer clear guidelines on what should and should not be posted online as the online disinhibition effect also tells us that individuals might be more aggressive, anti-social or share inappropriate information in online spaces due to a reduction in social presence and social cues (Suler, 2004).

Using SNSs for knowledge-sharing also offers the ability for short asynchronous (not requiring the communicator and receiver to both be online at the same time) contributions which can reach a wide audience and be accessed at virtually any time or from any location. In addition real-time person-to-person and group discussions can take place, which may be advantageous to those whose roles are highly demanding in terms of time and resources. This also means more employees of varying degrees of seniority and skill level may be able to contribute and share

mentoring of others when time to do so is becoming increasingly short (DiMicco, 2008). Whilst this form of knowledge-sharing offers clear benefits to individuals and organisations alike (Bennett et al, 2010a), companies should also consider the security risks involved. Employees should be versed on what is and is not appropriate to send via open networks, how to protect confidential information and trade secrets and the ways in which posts online may impact on the reputations and privacy of individuals and organisations (Wang & Kobsa, 2009). One way to overcome these issues is to create an internal SNS behind the firewalls of the organisation's intranet (DeMicco et al., 2008). However, by taking this route companies are restricting the network to those within the company and therefore limiting the skill set and knowledge base available.

#### **X.4 Social Media Use and Workplace Productivity**

Whilst promoting the use of SNSs in the workplace may potentially create benefits in terms of increasing social capital, productivity and knowledge-sharing, there exists a strong possibility that some employees may misuse these sites and abuse their privileges. Many organisations restrict access to or completely prohibit the use of social media during working hours, which may stem from fears that engaging with SNSs will distract employees from workplace tasks. Evidence suggests that between 34% (Young & Case, 2004) and 60% (Greenfield & Davis, 2002) of organisations report either disciplining or terminating the contracts of employees for Internet use for non-work reasons. Further, one study by Nucleus Research (2009) found that nearly two thirds of employees spent on average 15 minutes of the work day on Facebook, which is thought to equate to a 1.5% loss in productivity across the working year. This raises two issues for employers; 1) that social media may in fact lead to a decrease in productivity and 2) that attempts to prevent this may be futile. Let's look at each of these in turn.

Whilst the Neilson (2009) report indicated a 'loss' in productivity of 1.5% over the year, what they failed to distinguish was whether this time spent on Facebook was in addition to other forms of work avoidance or instead of, meaning it is unclear whether it can be considered an actual loss to the company. Secondly, participants were not asked what they were doing whilst on Facebook, meaning that conceivably this time online could have been spent conversing with colleagues or seeking information. Indeed, it seems that the younger generation in particular are turning to Facebook as an alternative medium for interacting and conversing with colleagues during work hours, for work purposes (DiMicco et al, 2008). However, alternative evidence also suggests that younger individuals may be more likely to log on to Facebook as a means to procrastinate from work-related tasks (Orchard et al., 2014). Either way, it is unclear whether time spent on these social media really equates to loss of productivity or whether it is simply another tool for work. The answer

to this may depend on the user themselves as well as the organisational culture in the company they work for.

In addition to the company's concerns, SNS use at work may also create an additional aspect of role conflict for employees who try to separate their personal and working lives. As SNS members will be friends with family and friends as well as colleagues, those who are unable to balance these two roles may experience mental strain, stress and negative emotions. On the other hand, some employees may find it easier to maintain familial relationships whilst at work which may help to reduce role conflict (Bennett et al, 2010a). Additionally, we should acknowledge that the individual has the right not to join a social media site if this is their wish. A study by Orchard and colleagues (*in press*) suggests that some individuals might feel compelled to use sites like Facebook through peer pressure despite experiencing membership in an almost entirely negative light. For example, some people feel that Facebook membership actually isolates them from their offline friends and that it breeds paranoia due to increased opportunities for surveillance. Forcing these individuals to join SNS sites for company purposes may therefore result in resentment and unnecessary stress. At the same time, if an organisation encourages SNS use but does not make it mandatory, non-members may feel left out of the loop or even disadvantaged in terms of opportunities for working their way up the organisational ladder. Organisations may therefore wish to consider alternative more 'traditional' methods for employees to gain recognition and interact with senior management to ensure fairness and equal opportunities for all. SNSs should not replace more traditional modes of communication, but should be used to supplement them.

These individual differences in attitudes to social media were also highlighted in a study by O'Driscoll and Cummings (2009). It was noted that older programmers found access to social media at work a distraction, whereas younger employees in the same department suggested that social media were an important creative tool in their arsenal and that removing access to these sites would diminish productivity. Banning social media altogether may have an impact on productivity by lowering staff morale. Prohibiting access to the Internet or oppressive surveillance of social media may leave employees feeling as if they cannot be trusted and lower levels of perceived autonomy and independence, which are essential components of human wellbeing (see Baard et al., 2004 for a discussion of self-determination theory and the positive effects of autonomy in the workplace). This in turn has been seen to decrease job satisfaction, lower feelings of self-efficacy and increase intention to leave, all of which have been associated with lower productivity, particularly given that self-efficacy impacts on the amount of effort people put into tasks and their perseverance when faced with difficulties (Levy, 2003). Whilst to some employers, preventing access to social media may seem like a trivial issue or even necessary to prevent workers wasting valuable time, for employees



entering the working arena for the first time, who are used to accessing SNSs at any time desired through mobile technology, this may feel overly restrictive and a contributory factor to creating a domineering organisational culture. In particular, where open office spaces and hot-desking restrict employees' ability to personalise their own distinct work space, being able to access a SNS where individuals have control over their profile and the ability to express themselves, may be an important factor in developing and protecting their workplace identity and sense of autonomy (Bennet et al., 2010a).

Another area where allowing access to social media may be able to prevent loss of productivity is in roles which require repetition of simple tasks. For example O'Driscoll and Cummings (2009) found that by allowing entry level I.T. staff to interact and plan social activities with colleagues during work hours, they professed the work environment was 'fun', despite claiming their actual roles were monotonous and boring. This light relief meant that whilst staff were perhaps not working for all the hours they were compensated for, the quality of their work may have been higher and staff retention rates for this department increased; reducing hiring and training costs for the company which may balance out any costs of time spent socialising during work hours. In this way, allowing social media for personal use at work may need to be considered as somewhat of a cost-benefit analysis. Indeed, Coker (2011) found that short frequent instances of workplace Internet leisure browsing (WILB), which did not exceed 12% of the working day, actually enhanced productivity. Short, frequent breaks have been found to restore concentration and enhance motivation and creativity. People have also been shown to *overcompensate* for time spent on non-work related tasks by working harder and faster when returning to work, meaning overall output is higher (Zijlstra et al., 1999). That said, for tasks that require high levels of cognitive resources or extended concentration, notifications popping up from Facebook or extended social media 'breaks' may indeed interrupt work-flow and negatively impact on productivity. With little ability to control time on social media if these sites are not blocked in the workplace, it again returns us to the idea of companies restricting use completely in order to prevent the potential overuse of social media by employees. Banning social media completely may also limit security risks such as downloading malware and viruses and stop social media using valuable bandwidth data and slowing the network (for a discussion on how organisational policy may be able to mediate the effects of social media use at work see Wickramasinghe & Nisaf, 2013).

In spite of organisational goals however, banning SNSs or Internet use completely for staff may be somewhat of a futile and counterproductive practice. A middle ground may be to allow access for finite periods of time (e.g. 'Facebook Fridays'; Lee, Lee & Kim, 2007) for personal use (also, see Moqbel et al. 2013 for a working model and more detailed discussion of how personal social

network use can increase job performance). This allows the company some element of control over use and articulates a clear policy for staff members on what is acceptable use of company time and SNSs; an important factor cited throughout the literature in regards to protecting company reputation and preventing a legal backlash should evidence from SNSs be used against staff in disciplinary procedures. So far the discussion has focused on the relationship between employees and their use of SNSs in the workplace. We will now shift our attention to the manner in which organisations can use SNS to raise brand-awareness and engage with their customers.

### **X.5      Raising Brand-awareness with Social Media**

When typing your company name into Google, what do you see? Perhaps the company website comes first, most likely followed by Wikipedia, news stories, Facebook and Twitter accounts. All excepting the first are, to a certain degree, beyond the company's immediate sphere of influence and demonstrate the powerful standing that user-generated content and social media now have. To a large extent PR, marketing and company reputation has switched from a unidirectional monologue directed *at* consumers *by* professionals, to a consumer-contrived, interactive conversation that will occur with or without the contribution of companies (Jones et al., 2009). What may particularly concern companies is when this conversation is negative and damaging to the organisation's reputation and therefore profits. For example, following the BBC's panorama program which highlighted the use of child labour in Primark's supply chain, this became a top news story which dominated the top hits of Google searches and the Twittersphere was alive with pejorative comments that were tweeted and retweeted across the globe (Jones et al., 2009). Disenchanted customers and employees too are turning to social media to share their views and experiences, but more importantly, others are listening.

One easy way to see this in action is to look at product reviews in comparison with sales figures. Quite simply, the better the reviews the more sales made (Chevalier & Mayzlin, 2006). A survey by Neilson (2012) found that online reviews and advice are the second most trusted source of information on products (after recommendations by family/friends) which in turn has an impact on purchasing decisions. Recently however, research has suggested that people are not only influenced in to purchasing but their opinions of products and services they have used are also socially influenced. People rate previously positively-reviewed products higher than they would without seeing others' feedback, creating a positive bias towards products (Arai, 2013). Given that on sites such as Amazon, reviewers are not required to purchase a product prior to reviewing, this potentially gives companies an opportunity to manipulate sales by posting positive reviews and

allowing this positive bias and the bandwagon effect (see chapter X) to boost sales and inflate feedback.

It also seems to be the case that negative feedback has a far more substantial impact on business compared to positive feedback. People frequently rely on mental short-cuts such as the availability heuristic to reduce cognitive load during decision-making. One drawback of this is that people are often swayed by personal stories of negative experiences which are more salient to them at the time they make their decision (Gilovich et al., 2002). For instance, when purchasing a car, if you know someone who had a particularly bad experience with a Volkswagen you might avoid this manufacturer despite its reliability according to independent statistical data. Equally if you are researching a company online and the top hits of a Google search are negative news stories you may rely on this immediately available data rather than searching for further information. This makes it particularly vital that when organisational crises occur they are dealt with swiftly and appropriately and that using social media like Twitter to adopt an apologetic tone can be considerably more effective than press releases and information posted on blogs. 'Rescuing' a negative reputation is beyond the scope of this chapter, however see Schultz et al. (2011) for guidance on how this may be managed and see Warin et al. (2013) for an account of how game theory can be utilised for enhancing and protecting reputation using social media. Regardless of a company's presence (or absence) on social media it is clear that consumers will continue these conversations. For many 'prosumers' (consumers who actively research and are highly knowledgeable about products and services) company SNS profiles are now one of the first ports of call for gathering information on a company (Clarke, 2008), and organisations with a social media presence are seen as more technologically advanced and 'in touch' with customers than those without (Ventola, 2014). Some individuals even report that they would choose which hospital to attend based on social media presence (Huang & Dunbar, 2013). So rather than simply sitting back and letting the conversation happen without them, can companies utilise social media for purposive marketing?

## **X.6 Social Media as an Advertising Tool**

Globally, companies of all sizes are recognising the potential for incorporating social media into their marketing strategies, and logically it make sense. The number of people joining and regularly using social media is steadily increasing across all age groups and demographics and as people are spending more time online, they are spending less time watching television and listening to the radio (Gillin, 2007). From this it is clear that the audience for classic 'ad break' campaigns may be decreasing whilst the potential online audience is increasing substantially (Gillin, 2007). Add to this that marketing online via social media can be seen as requiring fewer resources (in terms of time,

man-power and financial cost) and it is clear to see why so many companies are reducing their marketing budgets elsewhere and jumping online instead (Kirtis & Karahan, 2011). It seems currently that organisational adoption of social media is far outstripping research on the implications of its use (Raeth et al., 2009). Regardless of this lack of information, Michaelidou and colleagues (2011) found that over a quarter of small and medium business-to-business companies surveyed had included some form of social media in their current marketing strategy, with 44% planning to increase their budget in this area and it is thought that the proportion of business-to-consumer companies using SNSs is substantially higher. However, less than half the companies surveyed assessed the success of SNS marketing campaigns and anecdotal evidence from consumers themselves seems to suggest that not only does it not always draw in new customers or improve customer relations but that advertising on SNSs may in fact have a negative impact on branding (Michaelidou et al., 2011; Diffley et al., 2011).

Diffley et al., (2011) found that SNS users found the majority of adverts on Facebook and other SNSs to be irrelevant, irritating and an invasion of personal space. Advertisements in SNSs are often guided by previous browsing; for example shopping for a new pair of shoes on one site may result in an advert for the same shoes when moving on to another. Pop-ups, flashing images and roll-over adverts were mistrusted by users who feared they may contain viruses and resented that they interrupted their current task. It was very rare that users clicked on adverts on purpose, and when they did they often became frustrated that it took them away from the main site. When adverts were followed it tended only to be by well-known brands that were trusted by users and when they already had an established awareness of the company (Diffley et al., 2011). As people are confronted with adverts in almost all aspects of the online world, people frequently use heuristics (mental shortcuts or 'rules of thumb') to reduce the cognitive strain that would be required to decide whether each website or message is legitimate or safe to use (Metzger et al., 2010). As such, brands which are well established and popular may be viewed as more trustworthy as people might assume that "if everyone is using it, it must be ok" or "X must be good because so many people like it". The same can be said for brands known from other forms of advertising such as television adverts, which are viewed as being more stringently monitored by authorities and therefore less likely to be making false claims. Similarly, companies and consumers may rely on 'trustmarkers' such as the 'padlock' symbol in the address bar when accessing a website, which gives a visual representation about the safety and privacy of the connection to the site. Symbols like this work in much the same way the 'kite' symbol signifies quality on merchandise and tend to result in a transference of trust. In other words, people assume that if an authoritative source which they trust certifies a company, then that company must be equally as trustworthy (Aiken & Boush, 2006).

However, it may also be relatively easy for sites to mimic these symbols and whilst individuals can check the authenticity of the trust symbols, for many the presence of one, in conjunction with a professional looking website may be enough to garner trust (Aiken & Boush, 2006).

The tendency to only follow brands known from other areas of life (e.g. television marketing, previous use of products), which seems to stem from people having more trust in offline advertising and known brands, is completely at odds with organisational goals to gain new customers through social media adverts. In addition, it contradicts perceptions that presence on social media alone will create a more dynamic and interactive relationship with customers. In actual fact it seems consumers only add companies to their SNSs with whom they already have an affiliation and are quite adept and insistent on ignoring advertising within SNSs (Diffley et al., 2011). However, this is not to say that they couldn't work; it is simply that - as we are finding across many areas of cyberpsychology - what works offline cannot automatically be transferred online with the same outcome. What does seem to work online however is 'word of mouth'.

## **X.7 Word of Mouth**

Word of mouth has long been recognised as a useful tool in the marketing kit for raising brand-awareness and attracting new customers, and social media now allows that 'word', good or bad, to reach a wider network of people. When surveyed, the majority of people stated that online recommendations were valuable, credible and honest and around 49% of individuals said that information found on social media sites influenced their purchase decision (DEI Worldwide, 2008). Early research also seems to suggest that recommendations made by online connections are likely to attract more and longer-term customers (Trusov et al., 2008). But how do companies stimulate people to talk about and recommend their company to others? As we have seen, direct advertising does not seem to be well received and so more indirect measures may be required. Companies such as Coca-Cola have utilised consumer-made viral videos for this purpose. Viral videos are those that spread quickly through networks via the sharing facility and tend towards product placement in interesting, shocking or humorous videos, rather than direct advertising. In this way the brand is associated with the 'buzz' created by the video without forcing themselves on consumers, who reject company intrusion into their online social life (Diffley et al., 2011).

An alternative solution is to incentivise individuals by offering discounts, coupons, free samples and other rewards when they share online. Whilst this has shown some success, companies should be aware that *requiring* customers to share with others in order to gain access to information or basic privileges may have the opposite effect (Diffley et al., 2011), which again relates to removing control over their personal use of social media. So it would seem then that whilst

organisations may be able to utilise social media for marketing purposes, the techniques used need to be placed more in-line with the way that consumers use these sites. Individuals see their profiles, blogs and accounts as their own personal space, where they create the content and over which they wish to remain in control. As such, companies need to be 'invited' into this personal space and recognise the switch from 'consumers' to 'prosumers' (Davis & Moy, 2007). One way to do this is via word-of-mouth, by encouraging and incentivising current customers to share their positive experiences with their network of friends and associates. Again this does not necessarily mean that these new customers will interact in the way hoped so perhaps rather than mass targeting it may be more beneficial to reach the smaller proportion of individuals who are active users, willing to converse with companies and who can raise profiles on the company's behalf. Indeed, some companies have already picked up on this idea. For instance, cosmetics firms may send beauty bloggers with large followings the latest products free of charge, in the hope of a good review and increased sales (Chaovalit, 2014). What is clear however is that significantly more research needs to be done in this area before companies invest in the 'wrong' type of social media marketing and that above all, companies should aim for transparency and honesty in their online presence.

Whilst this section has focused on improving performance for profit-driven organisations it is also worth noting that charity and non-profit organisations were some of the first to utilise social media for organisational and marketing purposes. SNSs and social media have been used to interact with volunteers and donors, educate about programs and services and develop relationships with stakeholders and the public (Waters, 2009). SNSs are particularly useful for consumer relationship building given their interactive nature and research in this area encourages non-profits to engage users by: providing external links to news and websites which demonstrate current work, advertise opportunities for offline involvement such as volunteering and events, and ask users to actively contribute e.g. e-mail addresses and donations online (Waters, 2009). Currently however, many organisations are underutilising SNSs or creating organisational profiles without a designated strategy for improving relations with the public/consumers which somewhat limits the organisational benefits of these sites (Waters, 2009).

## **X.8 Summary and Conclusions**

One area which we have not covered in this chapter relates to the ways in which those seeking employment may make use of social media to enhance their job prospects and conversely how poor online impression management may adversely impact upon employability. This is currently an under-researched area, but worth briefly introducing at this stage to highlight that further research is needed here. For example, evidence suggests that organisations are increasingly screening job

candidates pre-interview via social media to gain additional information on them which may not be communicated in a CV or cover letter (Davison et al., 2012). Because the online world encourages people to communicate in a more grammatically loose and informal fashion (e.g. with the inclusion of more textspeak, colloquialisms and slang), this may impact on how favourably some individuals are perceived. For instance, in one experiment people rated those who used textspeak as being less intelligent and less employable than those who used grammatically correct language (Scott et al., 2014). Moreover, textspeak users are perceived as less conscientious and scoring lower in openness and therefore may be deemed as more 'sloppy', 'unprofessional' and 'unimaginative' (Fullwood et al., 2015), which may harm employment prospects. As previously discussed, the online disinhibition effect (Suler, 2004) may also result in users over-sharing and one may only speculate as to the impact this might have on potential employers' perceptions (e.g. if SNS users bad-mouth the company they work for or share too much personal and private information, which may demonstrate a lack of restraint and poor judgement). It is not just organisations therefore who should be aware of reputation management. Individuals should also be very wary about indiscriminately using textspeak in their profiles and oversharing and consider the implications that this might have for them in the job market (Fullwood et al., 2015).

The impact of social media in the working environment is an expansive and ever-growing area of academic interest. As we have noted in this chapter, social media can be used as a powerful and cost-effective tool to improve working relations, strengthen bonds and share knowledge within an organisation, particularly for companies who use distributed ways of working. At the same time, we have highlighted how access to social media during working hours may have the potential to decrease productivity. Although prohibiting access to social media is likely to be counterproductive (e.g. because it may reduce morale and restrict the stress-reducing, knowledge-sharing and social capital benefits of employee involvement) clear policies for appropriate use, written in easy to understand language and enforced consistently, should be communicated to employees. We have also seen how social media can be utilised as an effective tool to raise brand-awareness and for reputation building, while at the same time noting the pitfalls associated with direct advertising strategies via social media. Utilising word of mouth promotion through incentivising consumers with rewards for sharing and recommending pages and products may be more fruitful than overt advertising tactics. Social media are not going away and, whether we like it or not, are becoming ever more closely connected to our working lives. Even if organisations are not yet ready to fully embrace social media, it would be imprudent to completely overlook the important role that they could potentially play in improving communication between employees and with partners, stakeholders and customers.

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