

Use of social media needs better governance

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Despite increased adoption and awareness of social networking tools, a new global study reveals a lack of governance and IT involvement in integrating social networking initiatives within an enterprise.

An international study to explore the business impact of social media and Web 2.0 applications in the enterprise has revealed the need for stronger governance and IT involvement.

The research, commissioned by Cisco, was carried out by IESE, the E. Philip Saunders College of Business of the Rochester Institute of Technology in New York, and Henley Business School in the United Kingdom. It was based on in-depth interviews with 105 participants representing 97 organizations in 20 countries. The purpose of the study was to better understand how organizations use social media and Web 2.0 tools to collaborate externally.

Social media and Web 2.0 tools are fast bringing technology and business together. Companies are discovering that new, innovative collaboration platforms can help to connect their business with the outside world. By delivering dynamic experiences and the right information that consumers demand, firms are able to establish new routes to market and enhance customer intimacy and brand awareness.

Of the organizations interviewed, 75 percent identified social networks, such as Facebook or Twitter, as the primary consumer-based social media tools used by their organization, while roughly 50 percent also used blogging.

Social media tools are spreading into core areas of the value chain, including marketing and communications, HR and customer service departments. Within marketing and communications, these tools have already become an integral part of organizations' initiatives, as they have understood and acted upon the shift from "broadcast" to "conversational" communications, or rich interactions.

Though some small and medium businesses are actively using social networking channels for lead generation, generally it is larger companies that are making the most of these growth opportunities.

Policies seriously lacking

Despite the uptake, the study reveals that the business world is only at the early stages of adopting these tools. Moreover, there is a serious lack of governance and IT involvement, which may impact the successful integration and adoption of these new platforms and technologies.

Only one in seven of the companies that participated in the research noted a formal process associated with deploying social networking tools, as the business implications of social networking are often overlooked.

Only one in five participants identified any policies in place concerning the use of social networking technologies in the enterprise. Within the respondent base, social networking governance typically involves more stakeholders than standard corporate initiatives, as these organizations have yet to define who "owns" social networking. Without a single point of ownership within organizations, these initiatives are extremely difficult to control and manage.

Companies continue to struggle with policy creation and adoption, as copying an established governance process from other areas, e.g., IT or communications, often doesn't work for social networking. Businesses also find it difficult to strike the right balance between the social and personal nature of these tools while maintaining some amount of corporate oversight.

Only one in 10 of the respondents noted direct IT involvement in social networking initiatives. Although IT is typically not involved as a primary decision maker, there is an awareness of not only scalability issues, but that tools do need to integrate with one another as well as with the existing enterprise architecture, in order to reap maximum benefits.

Companies must face up to key questions

Across the board, respondents recognized that social networking and collaboration tools within the enterprise will continue to evolve — as will their complexity — and that these tools will continue to influence the way business is conducted. Going forward, the way that organizations choose to adopt and integrate these tools into the enterprise IT environment will be key.

Regarding the adoption, deployment and governance of social networking in the enterprise, the following questions need to be addressed:

- When, how and what initiatives are to be launched or not launched?
- How to manage the enabling technologies?
- How to manage the use of these technologies by employees?

[Evgeny Káganer](#), lead researcher and assistant professor of [Information Systems at IESE](#), says: "The research findings reveal an underestimation of the power and influence of social networks on businesses. Furthermore, it highlights the transformation that companies need to make — not only to protect themselves, but to encourage and benefit from the collaboration that these social networks and tools afford them."

He warns: "The increased use and influence of social networking and Web 2.0 tools cannot be ignored. Otherwise, organizations will leave themselves at risk of misuse, potentially leading to disclosure of information and misrepresentation of the company."

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