

feature

Slogging Toward the Social Organization

By John Gerstner, *Communitelligence*

The list of industries that have been radically disrupted by the Web is long and growing. Think music, travel, newspapers, taxis, books, maps and encyclopedias.

Interestingly, if you could rewind back to the genesis of each of these disruptions, you would likely find a handful of inspired and impassioned people working together in a room (or garage), in constant communication with one another and customers, vendors and anyone else who might contribute to their grand quest to change the world. Think Apple, Amazon, Google, Facebook, Twitter, AirBnB and Uber.

Of course, once startups grow up, they add employees and start to take on some of the bureaucratic baggage of old guard companies. Enter managers, specialists, departments, processes, policies and performance reviews.

Suddenly, employees feel distanced from leadership, less in touch and less able to have their ideas heard and acted upon. This can easily lead to disengagement and, for the employees who were there in the beginning, a longing for the good old caffeine-wired, change-the-world, collaborative days.

That vision of a workplace that is much more connected, human, collaborative, agile and downright fun is enticing companies of all sizes to inject a new word into their workplace vocabulary: social. It's not a perfect word to use inside organizations as it carries a lot of baggage and misconceptions, but so-called enterprise social networks (ESNs) are starting to enter the workplace at a quickening pace.

Market research firm IDC forecasts that the compound annual growth rate in the enterprise social software category will be 42 percent through 2015, with worldwide spending climbing to nearly US\$4.5 billion in 2016.

Certainly, the current workplace we all know and love to complain about is ripe for some "start-up-ization." There is an excess of meetings, emails, interruptions, silos, duplication of effort and delayed decisions and a shortage of open communication, trust, collaboration, innovation and excitement.

The truth, some experts say, is in the employee engagement numbers that are at or near all-time lows. Only about a third of

employees are engaged, half aren't, and 16 percent are creating trouble by being actively disengaged, according to Gallup's February 2015 survey.

Added to that, every week businesses waste 5.3 hours per person due to inefficient processes, and knowledge employees spend 25 percent of their time just looking for information, according to a 2010 IBM study.

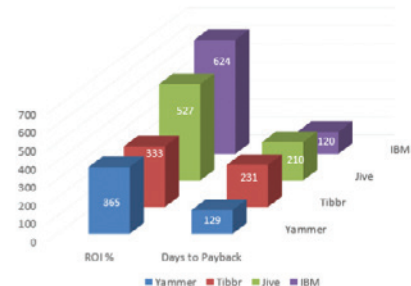
Into this sea of opportunity, ESNs are being trumpeted as white knights ready to rescue damsel organizations from their distress. If you drink the Kool-Aid of the leading ESN vendors, you'll hear some sweet return-on-investment (ROI) claims for successful deployment. These include a 15 percent spike in employee productivity, a 2-4 percent increase in top-line revenue and a 34 percent reduction in email load.

These results are not out of line with studies conducted by both McKinsey and Gartner on the benefits of digital social collaboration in large corporations:

- Increased speed to access internal experts – 52%
- Increased access to knowledge – 77%
- Increase in number of successful product innovations – 28%
- Increase in employee satisfaction – 41%
- Reduced time to market – 29%
- Email reduction – 25 percent.

Last year, I gathered estimates of ROI and days to payback the ESN investment from four of the top vendors (IBM Connections, Jive, Yammer and Tibbr) for a mid-sized company. Their estimates were strikingly similar, with a

Enterprise Social Network ROI & Payback Estimates
(Based on 6,500 employees - 2014 research by John Gerstner)



three-year ROI ranging from 365 to 624 percent, and days to payback from 120 to 231. (See chart).

Companies with the highest number of “interaction workers” – high-skill knowledge workers, including managers and professionals – can expect the highest productivity improvements through faster internal communication and smoother collaboration, according to a McKinsey Global Institute report.

Most of the gains will come by reducing the time employees spend reading and answering email, searching and gathering information, and communicating and collaborating internally. According to the study, the average interaction worker spends an estimated 28 percent of their workweek managing email and nearly 20 percent looking for internal information or tracking down colleagues who can help with specific tasks.

As an internal communications manager and consultant throughout my career, I am not surprised by these numbers and the benefits of making the workplace more social. I could see the value the first week we started publishing our intranet daily newsletter on a SharePoint blog.

Immediately, employees posted feedback to articles, and often shared nuggets of information and insight that went well beyond what we included in the story. I could see there was gold to be mined by giving pick axes to everyone in the company, not just leadership.

To better understand how ESNs deliver business value, let’s do a head-to-head test drive of the old and steady tool that most of us still use today, email, against the new and sleeker ESN. Let’s pretend I need to find out the potential security risks of an ESN and what firewalls we are using in the company today. I compose my question and send it to the few people I know who might be able to help. Then, I wait patiently to see if someone responds. If they do, great...I have my answer and I can include it in my research report. If not, I’m stuck and have to go back to sending more emails and waiting.

Contrast that to putting the same request on our company’s ESN. Now, my query becomes part of the activity stream that is a free-flowing channel of questions, announcements, questions and ideas submitted by employees. The software surfaces people, data and applications in a central, accessible, real-time virtual interface. Employees can subscribe to and follow communities, individuals, projects and even documents so that they can be in the know in a way not possible before.

So, my ESN question is potentially seen by all the employees who follow network security, enterprise social networking, or IT and related topics. The chances of me getting an answer are

now much higher, and it will likely be a better answer because it will be crowdsourced by employees. The thread of answers from multiple experts I never knew existed will shed new light, ask other pertinent questions and even correct earlier answers. I’ve been able to tap the wisdom of the crowd.

Plus – and this is big – now the knowledge that surfaced in the thread I started is archived and easily found by other employees who might need similar information later. Because the replies to my email are stored only temporarily (without a special request), no one else can benefit from the same information later, and that knowledge walks out of the company when I leave.

“Email is where knowledge goes to die,” is the way Bill French, founder of iPadCTO, sums up this email versus ESN deficiency.

“Activity streams fundamentally change how companies do business, unlocking the vast amount of information generated by everyday operations and making it instantly available across previously defined boundaries,” according to a Socialtext document. “Activity streams humanize every business process inside a company, adding a social layer to data and opening up real-time collaboration. Activity streams are the future of enterprise collaboration.”

“I answer one question for 18,000 people,” Bryce Williams, social collaboration at Eli Lilly told CIO magazine. “I never have to ask the same question twice. If someone asks the same question, I just link to the answer.”

There’s another subtle but critical difference between email and posts to an ESN. When I answer a question or post an idea on an ESN, I’m writing it for everyone in the organization.

“It’s a totally different mindset,” says Michael Idinopulos, writing on the Socialtext blog. “When I go through my emails, it’s a series of updates – usually reactive – to individuals: Don’t do this, that is approved, can’t make this meeting, missed you at that conference.

“When I go through Signals (a post in a Socialtext activity stream), it’s an opportunity to model, to muse, to question, to inspire in a uniquely public and transparent way: This is how we should think about this, help me understand that, I’m making this a personal priority, let’s celebrate the awesome job she did on that. This is work that adds to my energy, rather than taking it away.”

Value flows in multiple directions on an activity stream. For individual employees, this stream of information, concise in text and metadata, allows staying abreast of recent updates and discovering new developments related to their job, projects and areas of interest.

For the organization, the stream exposes the

pulse of the organization. It can greatly increase executive awareness of projects, issues, trends and employee ideas and opinions. I know of many cases where an ESN thread has caused a company policy to be changed or rescinded.

It would be nice to say that ESNs are a slam dunk. Unfortunately, the full power of social technologies hinges on the full and enthusiastic participation of employees who are not afraid to share their thoughts and trust that their contributions will be respected. Companies that are deploying ESNs the most successfully are focused on their culture. They understand their shortcomings and are using social tools to solve them.

Creating a collaborative culture is far more challenging than installing the collaborative software. In fact, the technology research company, Gartner, says 80 percent of social business efforts through 2015 will not achieve the intended benefits due to inadequate leadership and an overemphasis on technology.

Trust and recognition are the twin currencies of enterprise social networks. Employees need to be comfortable “working out loud” and sharing rather than hoarding knowledge. “We versus Me” may be natural for millennials, but may be more problematic for other generations.

Although a 2011 APCO Worldwide and Gagen MacDonald study found 58 percent of employees would rather work at a company that utilizes social media tools, and 60 percent say that use of internal social media demonstrates innovation, there are pockets of social resistance from employees at all levels. To get a flavor of that sentiment, here are some verbatim comments from employees at one company that did a pre-ESN project survey:

- “Social is a time suck and really has no value here.”
- “If you have time to be on Yammer, you don’t have enough to do.”
- “Social has no place in our corporate environment.”
- “We don’t need Facebook at work.”

Of course, some employees express the opposite opinion as evangelistically as some of the ESN vendors. When I raised the topic in an employee focus group at a mid-sized company last year, one employee said, “We have a lot of wonderful, even brilliant, people working here. When they start to share their views and discuss topics, you start to see the human side of the organization. The more we discuss and share knowledge, it makes us a better company and better individuals all around.”

Which brings up the first of several hulking

elephants in ESN meeting rooms today.

Invariably, the question comes up: how do we get our employees to embrace and use our ESN and not simply ignore or shun it?

Failure to clearly communicate the ESN’s purpose and business case, and get employees on board, can cause a new enterprise social network to drift and die, or simply be seen as a solution in search of a problem.

Even when the technology is intuitive to use and integrated into current enterprise applications, as the best platforms are, if



employees don’t see value for themselves and their organization, no amount of marketing and cajoling will get an ESN to thrive.

Over time, employees should rise in visibility in the company by participating in their internal social network. In other words, if I am constantly answering questions and posting ideas, opinions, and links to articles and videos on a certain subject, my recognition as an influencer and thought leader should increase. How this will be formally recognized and rewarded are key questions for every organization.

Some companies are incenting employees to use their networks with gamification techniques, both fun and serious. This allows employees to earn badges and overall scores for their posts, documents uploaded and questions answered. And some companies are now beginning to figure out ways to tie this participation to their annual performance review so there is a financial incentive for being active on the ESN.

Another scary elephant in the ESN meeting room, which is hardly ever brought up, is the question: What happens to the traditional command-and-control hierarchy when internal social networking takes hold?

Company executives and middle managers may be among the most skeptical, perhaps because the hierarchy that served them well throughout their careers is part of what has to change to achieve maximum social business success.

“Hierarchies are obsolete,” contends Harold Jarche, international consultant and speaker.

“Hierarchies were essentially a solution to a communications problem. They are artifacts of a time when information was scarce and hard to share, and when connections with others were difficult to make. That time is over.”

“Hierarchies prescribe and dictate; networks enable, sense and generate,” writes Jon Husband on his Wirearchy blog. Transforming an organization’s structure, culture and management style is hard. It is also more and more essential in the networked era.”

Ironically, leaders and middle managers who may feel the most threatened by the move toward social are the very ones whose support and participation is critical to an ESN’s success.

“Having strong leaders on board is pivotal to the success of any new way of working,” John Zetterström, CEO at Projectplace, told IT Pro. “Leaders need to become open, social, and transparent to promote a new company culture, which will benefit everyone involved. If they don’t adapt, the successful integration of social collaboration strategies will be difficult to accomplish.”

Stowe Boyd, lead analyst at Gigaom Research, believes it’s time that companies appoint a chief social officer. “This should be the executive charged with the well-being, training, recruitment, and connectedness of the company’s workforce,” he writes on his blog. “This role should be made more central to the business, on a par with Sales, Marketing, and customer service areas.”

“It scares leaders,” says David Larcker at the Stanford Graduate School of Business, who asked several hundred executives and board members whether they used social media personally and in their businesses. “It’s hard for them to think through the ramifications and they’ve seen things go viral in a bad way. It’s also hard for them to say for sure that social media adds value or whether this is just another flash in the pan.”

I blame some of the anxiety around enterprise social networks on what I call the Facebook complex. Simply bringing up Facebook in a business meeting can incite sarcastic comments about employees wasting time on cat photos, or using the channel to vent frivolous complaints, or perhaps worse, inadvertently spilling company secrets to outsiders.

For that reason, I used to preface my ESN presentations to senior leaders with the admonition to not think of social media in business as simply Facebook behind the firewall. Both instances use social media technology, but there are stark distinctions between the purposes of the two.

My little advance warning has now become

fuzzier, however. Earlier this year, Facebook launched Facebook At Work, a workplace clone of its consumer social network. Though currently missing some key features that the more established ESN players include in their platforms, it can’t hurt to have almost 1.23 billion monthly users, giving Facebook a clear advantage in employee familiarity with its enterprise tool.

Too much hype, lack of convincing ROI metrics, weak buy-in from senior executives, fear of data insecurity and lack of integration with other enterprise tools are all reasons why deploying social media inside organizations is more like a slog than a sprint. But, the mobile, social work place isn’t going away, simply because it offers the best guarantee of organizational survival in the midst of radical business disruption triggered by new technology and innovation.

In that spirit, I invite you to ponder the lowly spider web. Every web begins with a single thread attached to something solid. Then the spider painstakingly weaves a complex structure of spiraling web patterns atop a scaffolding of radiating filaments. Scientists have found cob webs to be so ingeniously designed, resilient and strong that they can survive multiple tears and winds exceeding hurricane strength. Spider webs actually strengthen after they are damaged.

Once its web is weaved, the spider waits. When something strikes any part of a web, the disturbance is instantly felt across every node of the web, and the spider goes into action instantaneously. The web is the spider’s extended central nervous system.

That, metaphorically, is the social business vision that enterprise social networks are weaving. Thread-by-thread, we’re painstakingly building strong and resilient internal webs that will allow organizations to instantaneously sense and empower employees to act on opportunities, problems and crises.

If the lowly spider web can withstand a hurricane, the future social organization should be able to withstand the radical industry disruptions that are almost certainly already being incubated by some small group of inspired, passionate entrepreneurs out to change the world.

The future digital workplace is coming, and in the wry words of Olivia Pope’s mother on the TV hit *Scandal* likes to say: “This is going to be fun.”

About the Author



John Gerstner, CEO of Communitelligence, (whose slogan is “All of us are smarter than one of us.”) is a nationally recognized strategic

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