

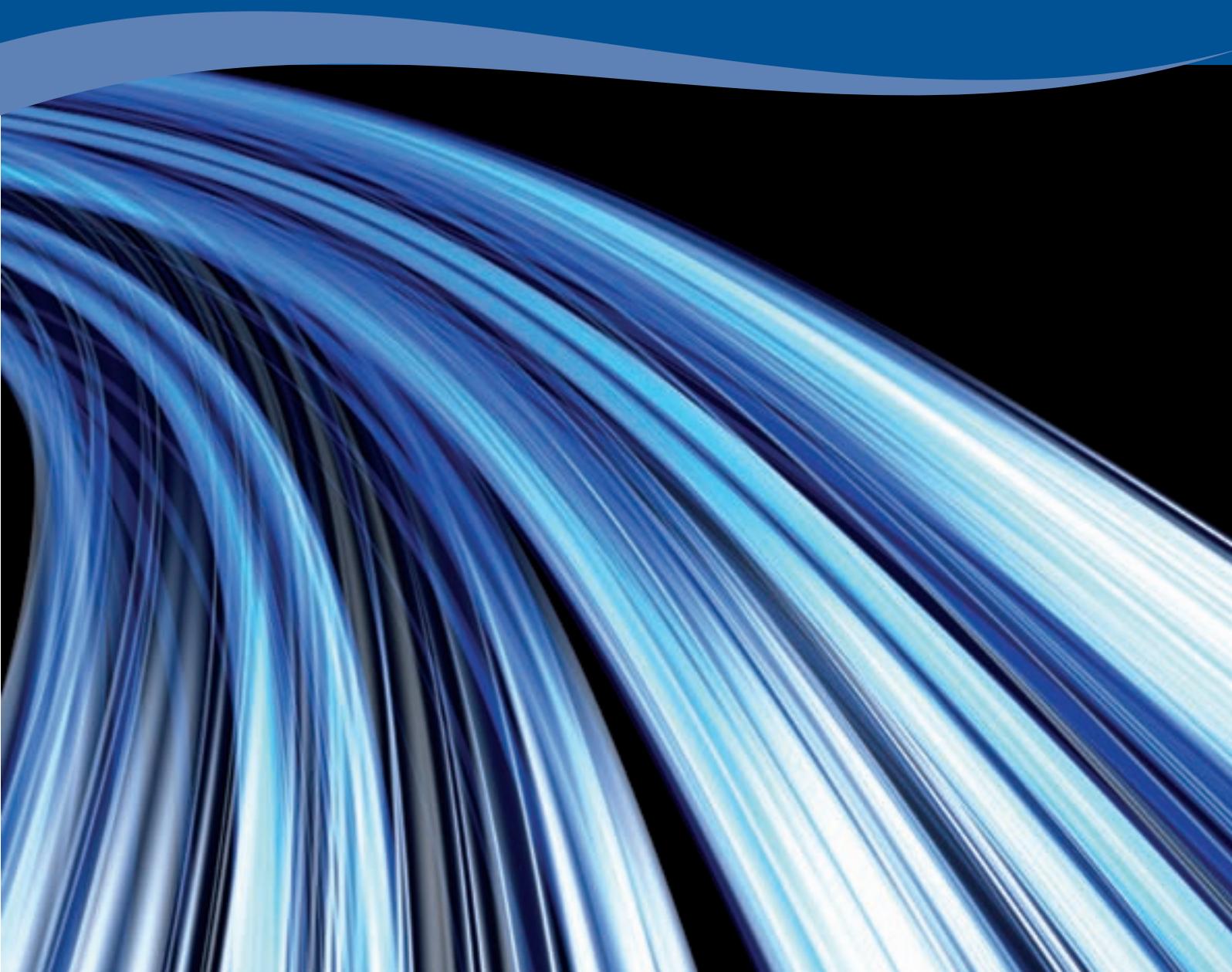
Leadership



White Paper

# Knowledge sharing 2.0 and the social media genie

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Social media is no longer a peripheral phenomenon. Web 2.0, the interactive web, has become mainstream in society; revolutionising the global response to major geo-political events, altering the path and reach of personal relationships and allowing anyone with an opinion or a passion to connect and contribute to collective understanding on an infinite number of topics. The effects are uncontrolled and unpredictable. As one of Henley's KM Forum members recently pointed out '*the genie is out of the bottle, there is no going back!*'

For organisations, social media offers a fast moving, fragmented and fun space for intelligent individuals to connect and share ideas. Business is keen to know how the spare mental capacity<sup>i</sup> available in social interaction can be used in the service of solving business problems and improving performance. The potential knowledge benefits of implementing social media are enormous. The promise of greater breadth of input and faster access to deep expertise would vastly improve prospects for innovation, increase efficiency and enhance strategic reputation, customer intimacy and organisational responsiveness in a volatile business environment.

Nevertheless, this convivial '2.0' world has a dark side that has to be managed. The platform is neutral; it's the users' behaviour and whether their views and opinions are contagious that matters. Masses of self interested individuals deciding together can lead everyone straight into the 'tragedy of the commons' trap. Overly coherent groups may indulge in unreflective group-think, blind to the consequences of collective stupidity. Depth can exclude diversity of perspective. Clay Shirky's<sup>i</sup> caveat is to the point. You can have large groups, active groups and groups that pay attention to the same thing, but generally only two out of three are sustainable at the same time. Why? Because at some point, even the most generous volunteer involved in a large active group gets impatient with differences of opinion and wants coherence. Of course opinion can go viral. Large groups become enamoured of a singular position, unleashing collective and infective madness. But over time, either the less radical activists become disenchanted and the group becomes smaller, or groups divide into core and peripheral participants: the core tends to be those who feel rewarded (not necessarily with money - satisfaction and glory are valuable rewards too); the rest lose interest or become less active. At best, active smaller groups start to focus on something and collaborate.

Executives are inevitably cautious because no one can predict what and who will become a 'strange attractor', that emerging force for change, which could be constructive or destructive. These challenges can become inhibiting pre-occupations if they are not addressed head on. Whilst the majority of people agree that usage in business will grow in the next few years, and a large proportion of executives see social media as a high priority topic and integral to strategy, 61% of respondents to a recent HBR survey considered that they had a significant learning curve to travel before they get involved in it.

A recent research project, *Knowledge 2.0: Social Media and the breadth, depth and coherence conundrum* by the Henley KM Forum suggests:

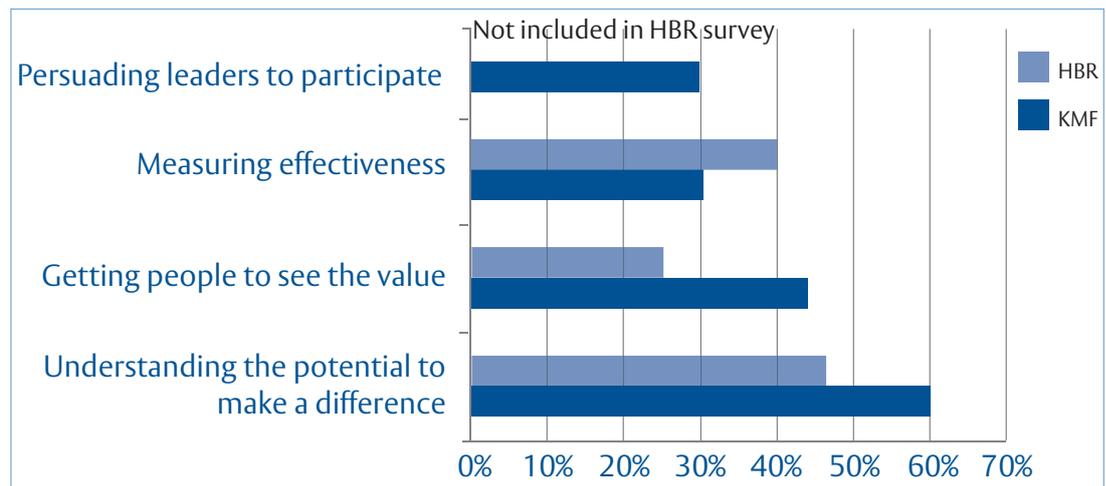
- Although interest in social media is building, many managers are watching and waiting before getting involved, partly because they don't understand the real benefits for them and partly because of concerns over the risks and consequences of a new set of tools which are open to misuse.

- Senior executives are naturally nervous of engaging, because the openness of the social media pulls against all the established responsibilities of senior management for co-ordination in a purposeful direction. The risk to organisational reputation of irresponsible involvement looms large in senior managers’ minds, particularly when anyone’s sentiments can go viral, often based on shallow perception rather than deep founded knowledge.
- Middle management may be concerned about the risks to their traditional role as gatekeepers of standards.
- Knowledge workers and the younger generation may not feel sufficiently motivated or empowered to get involved.

For those who have put a toe in the social media water, the top three challenges are shown in Figure 1 with responses from Henley KM Forum (KMF) members compared to those from a recent Harvard Business Review (HBR) survey.

Figure 1: The most pressing challenges

Question: From a list of 13 recognised challenges identify the top three in your organisation



A question about leader participation was added to the KM Forum survey, because KM practitioners feel that active leadership heavily influences uptake. Evidently see (Figure 1) Forum members find leader participation to be one of their most pressing challenges as they try to implement social media to support collaboration. They are not alone. In 2010, the PR consultancy Weber Shandwick conducted an audit of on-line communications by CEO’s of the world’s largest 50 companies [11]. They found that:

- 64% were not engaging with people through the company web site or social media.
- Only 18% incorporated video/podcast on company websites or YouTube channels.
- Just 16% have a profile on Twitter (8%), Facebook (14%), MySpace (4%) or LinkedIn (4%) .
- Only 12% were featured on their corporate video channel.

Even if executives see social media as a priority if CEO's are nervous about leading by example and prioritising it as their communication channel, then it is less likely to be perceived as a critical to business activity and is more likely to deliver tactical rather than strategic benefits.

Only a minority (11% HBR survey) still see social media as a passing fad for business, yet the responses highlight how insufficient appreciation of the potential of social media to make a difference and the challenge of convincing people of its value may contribute to an early inertia in organisational adoption.

Probably some hard *measure* of effectiveness would be an incentive to get involved. Respondents were also asked about linking social media activities to company financials or ROI but, although related, this was a lesser priority – only 31% of HBR respondents and 20% of KM Forum respondents saw this as important. The general answer to assessing impact is to use anecdotes and stories that attribute some element of a quantifiable result to social media activity.

To overcome this early inertia in organisations, it is important to:

- Develop a purposeful strategy for where the organisation could benefit from social media implementation. Often the best way to achieve this is to learn from the lessons of those who have already made progress. However, some organisations have also experimented with social media to develop their strategy. A structured framework for examining success stories is helpful and our research has uncovered many broad examples of social media opportunities (See 'Social media in action')
- Realistically acknowledge and address the risks at each level openly and in dialogue with those affected.

The key is finding the win-win approach that delivers benefits for both the individual and the organisation.

**For the organisation:** at best it can **enhance** and at minimum, **protect the organisational reputation.**

**For the individual:** at best, it can **enhance personal reputation** as a knowledgeable individual, at minimum it offers the freedom to influence events and have their say.

The win-win approach happens when co-ordination aligns individual and organisational interests. Individuals build their reputation and have the freedom to apply their knowledge to projects that advance their career. They will therefore be 'care-full' in their involvement to protect their personal reputation. Their care and willingness to apply their knowledge to organisational problems can build business reputation, which in turn becomes an attractor for the sort of talent and custom that fits with organisational strategic capability. This mutual contract based on shared interest builds a flexible organisation that can thrive and learn in a volatile world.

## Social media in action

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**Conversations between individuals can be encouraged** to help solve problems. Examples in the study included one company that needed a professional photographer. Someone posted a request on a microblog and got a response from another employee (previously a professional photographer in the RAF) offering to do the event.

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**Social media can be used to convert individual knowledge to resources the whole business can use.** Stanley Black and Decker have a massive product inventory. Sales people need to be able to explain their pros and cons to retailers. The director of sales training provided video cameras and editing software to several dozen sales people in the training programme. It was such a success that now the company gets up to 20 videos a month made by its sales people, and training times have been halved.

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**Individuals can share knowledge with customers and partners to strengthen value-generating relationships.** When faced with the challenge of managing its reputation following the Deepwater Horizon disaster, BP encouraged individual employees to share pictures of their involvement in clean-up activities on Flickr. It then incorporated this into its website.

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Social media enables the organisation to **save time and money through integrated knowledge management systems and processes.** The investment bank, Dresdner Kleinwort, uses wikis to streamline team coordination. Over 50 percent of employees use the tool for project management, calendar sharing and keeping knowledge standardised and in one place.

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**Making organisational knowledge accessible** improves peoples' ability to learn material relevant to their jobs more quickly and improve performance. Pfizer has created its own internal social network called Pfacebook. The aim is to increase visibility of the talent base and help employees reach out to one another.

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**Knowledge sharing between industry players drives advances.** KLM has created online customer clubs for passengers to talk and share advice with one another about the countries they are visiting.

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**Individuals accessing knowledge from external relationships** keeps them abreast of market opportunities and ideas and helps them to contribute to the business more productively and innovatively. Amazon's personal recommendation systems for books helps individuals select the most relevant books for their interest.

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Accessing bodies of knowledge through external relationships helps the organisation **innovate more effectively.** Some businesses monitor external traffic in the blogosphere for incidences of their name. For Kryptonite, a manufacturer of bicycle locks, it proved a useful defence mechanism. One blogger posted a video of how easy it was to pick these expensive locks. Kryptonite quickly solved the problem but they now monitor blogs like Engadget for possible problems.

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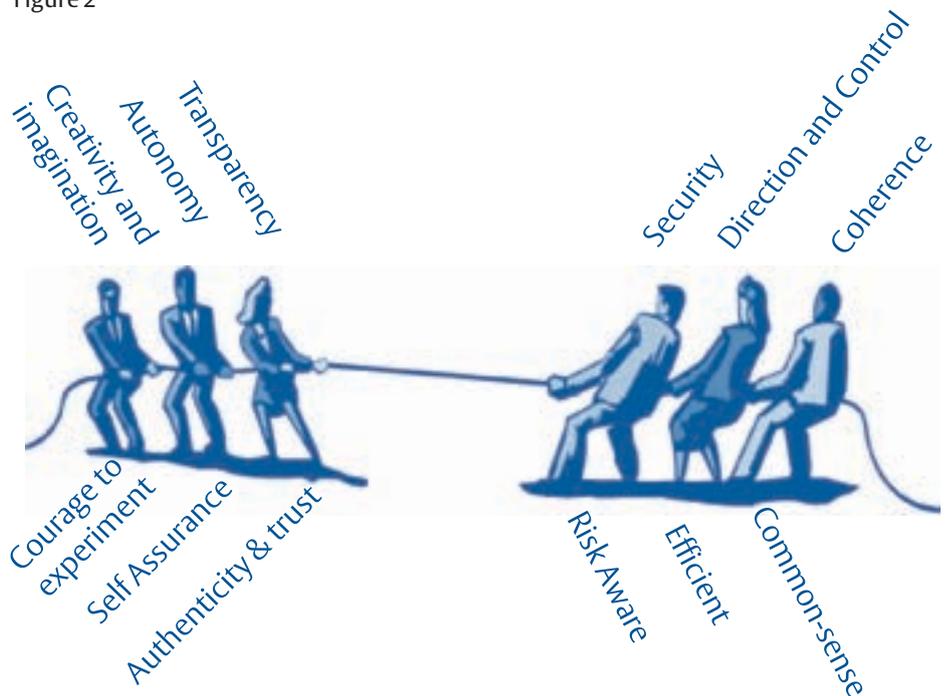
In practice, embracing social media is no different to any other organisational change programme. It is about creating conditions to encourage desired behaviours, without throwing the baby out with the bathwater by abandoning what has worked historically. For example, there is still a place for face to face interaction, because there are times we need the rich sensory input we get from being together to ensure sound understanding and build trust in relationships.

Social media will gain traction in organisations through a combination of top down AND bottom up action to evolve an ecology that encourages both flexibility and freedom alongside order and management of risk.

People who manage knowledge within organisations can get involved at both levels by helping to:

- Establish which alternative behaviours should be encouraged,
- Reconcile the obvious power tensions (Figure 2),
- Assess when social media works better than hierarchy for making decisions, <sup>ii</sup>
- Support self determination through means and opportunity and relatedness <sup>iii</sup>,
- Change people management practices,
- Figure 2: Tensions between traditional management concerns (right) and social media behaviour (left)
- Encourage and practice authentic leadership.

Figure 2



Learning and adaptation will happen faster and more productively for both individual and organisation when experimentation and reflection on experience occurs through shorter, faster and more open and constructive feedback loops. This will allow breadth of ideas and diverse perspectives to be integrated into a deep capability to be flexible and responsive to volatile conditions.

The full research report is available to purchase. Please contact Marina Hart on (0)1491 418723 or email her at [kadmin@henley.reading.ac.uk](mailto:kadmin@henley.reading.ac.uk)

<sup>i</sup> Shirky, C., *Cognitive Surplus: Creativity and Generosity in a Connected Age*, 2010, London: Allen Lane - The Penguin Group.

<sup>ii</sup> Malone, T.W., R. Laubacher, and C. Dellaracos, *The Collective Intelligence Genome*, Sloan Management Review, 2010, 51(3): p. 21-31.

<sup>iii</sup> Gagne, M., *A model of knowledge sharing motivation*, Human Resource Management, 2009, 48(4): p. 571-589.

## White Paper

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