Mars attacks! About the introduction of social media in large organizations

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Abstract: One major strategy to incorporate social media in the organizational structure is erecting a ‘social media hub’, a relatively independent organization within a standing organization. The standing organization with its divisions do not change, but the hub has considerable possibilities to operate independently within and in between these divisions. The introduction of a social media hub has deep impact on the organization. New people with distinct competences are entering and have to find their positions. How to accommodate these ‘marsians’, these different employees claiming their autonomy to do their jobs well? Based on theory about ambidextrous organizations we formulated three hypothetical dilemmas, one about structure, one about behavior and one about leadership. These dilemmas have been input to interviews to four major companies erecting a social media hub. It is found that each company recognize the dilemmas, and each company has its own way out of the dilemmas, but just questions can be asked how durable these solutions are.

1. Introduction: the challenges of social media to large organizations

No matter their focus, social media are all around and within organizations. Social media are defined as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content” (Kaplan and Haenlein, 2010). Social media requires employees that are flexible enough to respond to unknown opinions and interventions and are sensitive enough to speak the language of the public involved while still serving the goals and image of the organization.

Some organizations have decided to adopt social media more intensively. As a result of this, many processes inside those organizations changed, and many conflicts had to be solved (Koch et al., 2013). Employment of social media poses many challenges. For instance resources had to be required to develop new multidisciplinary skills of employees for direct communication with clients and all social media auditors (El-Gohary, 2011; Pardo et al., 2013). This type of interaction requires organizations to be more flexible and responsive. This may be difficult for large organizations (Koch et al., 2013). They require to be efficient
and facilitate control, but hamper the flexibility and responsiveness. There is no common
organizational strategy how to adopt these new entrants, but one option is erecting a 'social
media hub' or stand alone center: a relatively independent department within a standing
organization (Chikandiwa et al., 2013; Weinberg et al., 2013; Robleki et al., 2013). The
functions of social media department differ from the standing organization, which are often
more standardized and pillarized. The main research question is “What dilemmas do large,
mature organizations face for incorporating social media hubs in their organizational
structure?”

Social media is halfway the process of entering organizations life. This means that
organizations have no foresight information available. Organizations adopt social media and
erect a social media department, while not exactly knowing if this is the way to go or what
the results of this will be. In fact, also scholars on organizations do not know an 'end state' of
social media embedded in organizations. Organizations are facing problems regarding
organizational structure that cannot be solved by authoritative knowledge. This suggests
that we are studying a running process. We will describe emerging structures in this process
by describing dominant dilemmas for those adopting social media.

For identifying the dominant dilemmas we adopt both an inductive and deductive approach.
First, we will take a look on two schools of theory. These are theory about social media
adoption and theory about ambidextrous organizations. The first school identifies
challenges of social media for large organizations requirements to adopt social media in a
companies’ strategy. The second school focuses on the ability of organizations to combine
disruptive, innovative activities (such as social media) with going-concern activities. A
flexible, innovative department ('the hub') will be embedded somehow in a standing
organization, which represents an exploitative environment. Main concern is how the
innovative and exploitative parts provide added value to each other.

We committed case studies to find out whether these dilemmas are felt in practice and how
large companies deal with them. This colours the picture provided by theory. The cases are
large companies erecting social media hubs to provide the in-depth information about social
media anchoring inside organization (Yin, 2009) and crucial characteristics of this 'alien'
department. The choice of interviewees was done based on the representativeness criteria.
The representativeness is the level of social media adoption within organization
represented by the table below (i.e. the number of followers on main platforms, organizational structure, type of communication, etc.). All the interviewed companies are
actively using several social media platforms for numerous purposes.
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**Information used in**
- Teleco-1: Marketing, R&D, HR, Legal
- Teleco-2: Marketing, CRM, R&D, HR, Communication
- Bank: Communication, PR, HR, Business
- Airliner: SM department, marketing

Table: Case studies characteristics

We conducted interviews with four companies represented by 12 interviewees: the heads of the social media departments or owners of social media processes. Additional source of information is documentation provided during interviews, reports, organizational structure and social media platforms that amplify and complete the interview data. We then validated the dilemmas by confronting them with the results of the case studies (Glaser and Straus, 1967). Triangulation of the information collected during the case studies and the company analysis phase has been used to prepare the conclusion and discussion section of the paper.

The paper is organised as follows: section 2 provides a broad prospective on existing literature about ambidexterity, and social media adoptions. It also defines the main dilemmas. Section 3 presents the results of the case studies, following the dilemmas. In section 4 the research results are discussed and the overall conclusions are presented.

2. The anchoring of a social media hub in a standing organization: a move towards ambidexterity

**Ambidexterity: navigating between an innovating trap and a competency trap**

The new social media hub is a bit of an alien unit in a large, more mature organization, because the people involved have distinct competences. A decision to adopt such a hub involves accepting different types of organizations under one roof. They might conflict, they might find synergies. Erecting a ‘social media hub’ therefore may involve a move towards an ‘ambidextrous organization’. Ambidextrous organizations adopt conflicting activities within one organization, accepting tensions among those activities. The word ‘ambidexterity’ is derived from the latin *ambos* (both) and *dexter* (right). So ambidexterity is the ability of humans to use both hands with equal skill. In management literature it has increasingly been used to refer to an organization’s ability to pursue two contradictory activities at the same time (Simsek, 2009).

Ambidexterity requires continuous efforts from mature organizations. The trade-offs necessary to balance this tension are difficult and most often tilted towards exploitation where positive local feedback in the form of customer demand and profits produce path dependence (Benner and Tushman, 2003; Gupta et al., 2006; Levinthal and March, 1993). March (2003, p. 14) argued that because of this short-term bias “established organizations will always specialize in exploitation, in becoming more efficient in using what they already know. Such organizations will become dominant in the short-run, but will gradually become
obsolescent and fail. In contrast, returns to exploration are more uncertain, more distant in time, and sometimes a threat to existing organizational units. For these reasons, organizations are often less effective at exploration and become vulnerable to technological and market changes (e.g., Siggelkow, 2001). For ambidextrous organizations two traps are lying just ahead. A competency trap means that the organization puts too much emphasis on exploiting their existing competences, products and services, risking to get passed by successful innovating companies. A failure trap involves putting too much emphasis on explorative trial-and-error-processes with the chance that the error-element proves to prevail.

Both traps pose important navigation challenges to organization. Simsek (2009) distinguishes three types of ambidexterity, that can be seen as ways to face these navigation challenges.

The structural navigator

In literature about social media adoption a recurring issue is the proper positioning of social media inside organization. Some researchers define it a ‘hub’ (Chikandiwa et al., 2013), some others prefer ‘competence center’ (Weinberg et al., 2013) or ‘digital department’ (Pardo et al., 2013, Roblek. et al., 2013). Moreover, it can be a part of the marketing, public relations, communication department (Kaplan and Haenlein, 2009; Linke and Zerfass, 2012) or even stand alone in organizational chart. However, no unique approach, characteristics or steps to follow have currently been proposed by literature in order to deal with a social media “alien” inside the organization.

This issue refers to structural ambidexterity. The organization introduces dual structures. Separate units are held together by a common strategic intent, an overarching set of values, and targeted structural linking mechanisms that enable a productive integration of independent efforts. Benefit is that structural independence ensures that the distinctive processes, structures and cultures of exploratory units are not overwhelmed by the forces of exploitative culture. At the same time, established units can focus on serving current customers and engaging in exploitation without the distraction and pressures of undertaking exploratory activities. The danger, of course, is isolation and inevitable questions about the added value of departments to each other and the possible benefits of outsourcing.

The issues lead us to a main dilemma about structure: How to integrate social media ‘marsians’ (stand-alone departments and their employees claiming their autonomy to do their jobs well) in traditional hierarchical organizations?

The behavioral navigator

A second form is behavioral ambidexterity (or contextual ambidexterity). This is the behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit (Gibson and Birkinshaw, 2004). This can be achieved by building a set of processes or systems that enable and encourage individuals to make their own judgments
about how to divide their time between conflicting demands for alignment and adaptability. Of course this introduces more conflicts and potential synergies at the decentralised level, with both their obvious advantages and drawbacks.

Here scholars researching social media adoption, find similar trade-offs. Fuduric and Mandelli (2013) distinguished two integration principles for social media departments. A first is *flexibility and discretion*, represented by open communication and participation. This acknowledges the flexible and network-like interactions needed to handle social media as well as the specific skills needed to participate in a social media hub. A second principle is *stability & control*, represented by measurement and systematic problem solving. This ensures alignment of the social media hub with management values such as efficiency and return on investment. Other scholars on social media paid their attention to the managerial tools that are required for the successful employment of social media (Linke and Zerfass, 2012; Roblek et al., 2013; Weinberg et al., 2013; Fuduric and Mandelli, 2013). Linke and Zerfass (2012) propose a framework of “Social media Governance” that consists of formal and informal concepts to regulate actions of the employees. These formal and informal concepts include social media guidelines for employees, blogging policies, training, best practices sharing and advices on “how social media communications shall be dealt” lead by competence social media center. Based on a Dell case study Weinberg et al. (2013) identified that the successful adoption requires creation of a social media excellence center, as well as the development of policies, guidelines and training for employees. Dell's vice-president mentioned the importance of role plays “sharing best practices... and coordinating social efforts across the organization” for achieving success. These suggestions mainly concern regulations, guidelines, policies and training programs and represent the need for some control. Following Fuduric and Mandelli this has some risks. The more the social media departments are managed by measurements, targets and systems, the less room for participation and flexibility will be left. That’s why the main dilemma about behavior is: *Are social media hubs managed for flexibility or control?*

*The leadership navigator*

Finally, leadership ambidexterity refers to the ability of top management to balance both current and new activities, combine short-term and long-term thinking, and craft emotionally engaging visions while staying focused on execution (Probst et al., 2011). Is ambidexterity the way to go and is top management willing to commit themselves to it? This refers to a classic dilemma between top down, bottom up or middle out adoption (Guina et al., 2013).

Current literature on social media adoption does not lead top managers to a single direction. It only underlines that effective employment could provide multiple benefits (Weinberg et al., 2013; Roblek et al., 2013; Durkin et al., 2013). The potential is considerable. Social media may foster internal and external collaboration, it may improve understanding of customers, and it will eventually improve innovativeness and productiveness (Roblek et al., 2013; Chikandiwa et al., 2013; Guinan et al., 2014). However, adoption of these tools transforms ways that companies carry out internal and external processes and can have a “disruptive”
nature (Sultan, 2013). These tools require additional effort for their employment. They also require changing existing working habits of the companies’ employees. (Sultan, 2013).

Much of the ambidexterity literature takes a bit of a top-down perspective wherein top managers decide consciously to introduce ambidexterity. Cosier and Hughes (2001) see creating an ambidextrous organization as a conscious response to the emergence of disruptive technologies. Rotemberg and Saloner (2000) find that the ability to explore and exploit at the same time requires that senior management articulate a vision and strategic intent that justifies the ambidextrous form. At the same time O’Reilly III and Tushman (2008) ask themselves how deliberate or conscious ambidexterity needs to be. They see this as an important but still unresolved issue. What is the role of top management to introduce ambidexterity? Is it codifying what already happened in the organization or deliberately modifying a standing organization into an ambidextrous one? Ambidexterity needs the willingness of all people involved, because it requires a high tolerance of tensions and significant flexibility. This favours the idea of codification, because by then people have shown in practice that they are ready for it. However, it is questionable whether ambidexterity emerges spontaneously if top management does not decide to it in some way. This brings us to the main dilemma on leadership: Is the move towards a social media hub made deliberately or is it an emergent development?

3. Four social media hubs, four ways to cope with dilemmas

All respondents recognized the dilemmas. In this section we will describe how the four companies dealt with them.

*The structural dilemma: Are the social media activities integrated in the organization or function separately in stand-alone departments?*

The approach to the social media department and its anchoring inside organization differs among the companies. Both telecommunication companies have stand-alone departments mainly following communication, marketing, client relationship services and research & development. At the same time, a specific employee in human resource department deals with his part of social media information that is usually derived from the stand-alone department. The Telco-1 department consists of communicational managers, people coming from the client relationship department and technicians. In Italy the social media hub is stand-alone department inside an on-line group with 6 employees. The analysis of social media information is outsourced. Currently the Telco-2-hub is a stand-alone digital department with 3 employees and outsourced technical analysis (content, sentiment, etc.). Instead, in the bank all the functions are presented within a stand-alone department that is divided according to different business activities of the bank. The social media hub in the bank is a tool used for communication and client service. It is a stand-alone social media communication department with 17 employees, of which 5 are working with business centers and 12 are doing social-caring. These employees have been assigned to deal with their part of social media information and communicate with the respective departments inside the organization. It has a particular structure divided into three sub-divisions
according to business activity: individual clients, enterprises and general management. The airliner works similar to both telecommunication companies. However, it has put the hub right below the management board and provided it with significant responsibilities and power. The airliner-hub consists of employees coming from different areas, mainly communication and marketing. Employees of this department cover all social media activities and collaborate with other departments to achieve goals and provide them with important information.

We can find a lot of similarities in where and how the ‘alien’ departments are positioned. In most of the cases it has a tight formal and informal connection with the management board that explicitly would like to maintain its reputation and direct communication with the social media auditorium. The composition of the departments are diverse: the number and mix of employees with technical, communicational, marketing and management backgrounds vary across companies. In both telecommunication companies and the bank there are specific employees that communicate and answer questions from the social media public. Information analysis could be outsourced or performed internally. However, there is always one or two employees with technical competence available to monitor information and assure its’ reliability.

The leadership dilemma: Is the move towards a social media hub made deliberately or is it an emergent development?

The process of the social media anchoring within interviewed companies was diverse and not always straightforward. For some companies it was a strategic decision of the management board. For some other companies, it was a long development process that resulted in the creation of a stand-alone department.

In the airliner case it was a distinct strategic decision of the CEO to create a social media department based on the precedent that occurred from the "hash cloud". Twitter helped the company during the tough situation with delayed and cancelled flights due to the eruption of Eyjafjallajökull-volcano in Island. By then the management board perceived a potential of social media communication channels with their customers and it saw a major opportunity to achieve customer satisfaction even in such difficult situations. The department was created and positioned directly below the management board and physically next door. Instead, in Telco-1 the process of social media hub adoption were much more evolutionary. The company started with the introduction of a game-based interactive platform to improve its service and collaborate with the end-customers. That resulted in the creation of an interactive platform for communication with stakeholders. Afterwards, the company realized the potential of this type of information and decided to focalize on social media in general and create a specific department that deals with social media. The social media hub inside Telco-2 is quite a new department. It was created in November 2013, based on the decision of the CEO and following the leading practices of other companies on the telecommunications market. The decision involved centralizing social media activities and picking up all the people responsible for it in different departments into one hub, to achieve synergies of this collaboration and to be able to react properly in order to meet clients expectations.
Different companies approached the introduction of social media in the different way. However, the process went in both way top-down and bottom-up. We see deliberate decisions by CEOs in every case. However, they are also a response to bottom-up processes that already took place. Examples of those processes are “a good practice” discovered in crisis by the operational level (airliner), a conscious experiment (Telco-1), an organization model to be copied to other divisions (Telco-1), and a copy of good practices of competitors (Telco-2). After introduction, evolutionary processes continue. The introduction of social media hubs influences other departments that collaborate and use social media data. In all cases the introduction of social media inside organization resulted in both foreseen and unforeseen changes. It also emphasized the need to introduce new procedures for communication inside and outside the organization that are not common to their hierarchical structure.

The behavioral dilemma: Are social media hubs managed for flexibility or control?

The management, control and flexibility issues are complex problems for managing social media hubs, because of both the rapidness and sensitivity of communication. Social media hubs require a high degree of flexibility for the employees and a wide understanding of different topics. Still a lot of procedures do exist. In Telco-2, Telco-1 and the bank several employees from call centers are currently working in the social media hub.

The reasons for control are threefold. First, the information collected from social media are precious for the organization. Therefore, inside Telco-1 frequent reporting to the management team from the whole on-line department was established, specifically from the social media hub. Weekly reports provided by the department to the management board. Informally, the head of the social media department is talking with management board on a regular basis. In both Telco-1 and Telco-2 formal reports are sent to all interested parties (management board, marketing, sales, human resource, research & development departments, etc.), while informally the head of the social media hub is frequently speaking with the head of the communication department and the CEO. Second, there are incentives for managers to control social media hubs because of reputational or legal issues. For all companies procedures have been developed on a central level ensuring that all employees of companies are aware how they ought to behave on social media, representing the company and its brands. Moreover, the bank and Telco-1 brought up the risk management issue that not all information could be disclosed and employees should be aware of the boundaries. Third, in the course of time efficiency reasons may get more prominent. Communication inside the airliner is more informal taking the physical closeness of social media department and management board into account. However, some formal information and indicators are getting important, for an example return on investments.

Still in both telecommunication companies and the airliner employees have a high level of freedom and flexibility in their actions, because the closeness to top management helps to react and align fast. Here a paradox emerges: the proximity between hub and top ensures both control and flexibility.

4. Conclusion and discussion
This paper brings up a very spiky theme for large companies trying to handle with social media departments. We provided additional understanding of the way companies are learning about adopting social media. We have seen that they face dilemmas, but also how they found solutions and customize these solutions to their own goals and conditions. All four cases have a stand-alone department dealing with the social media, but in some cases there are still some employees in other departments (often in human resources) that are dealing with social media separately. Cases confirmed a necessity of the transversal and multidisciplinary teams to efficiently deal with social media information and communication. However, some companies prefer to outsource some of the technical analysis to qualified ICT companies. Still, even in those cases one or two employees are in house to keep up with the data used and found.

All case studies show leaders introducing the social media hub top down. However, these interventions have to some extent been inspired by bottom-up processes. The mix differed per case. Top-down introductions have been inspired by both purposeful own ‘good practices’, by purposeful copying other organizations, and even accidents.

Finally, proximity – sometimes even physical – ensures a combination of control and flexibility. Top managers can keep an eye on things going, without having to codify too much in procedures. At the same time, proximity ensures enough flexibility through mutual adjustment between top management and the social media hub. Of course, this is not advisable for every process, because it takes a lot of commitment from top management to manage this. It is questionable what will be left of the flexibility if the priorities will shift and top management takes more distance.

The process of introduction of social media hub is unique for each company. Structure depends on the aim and ambition of social media initiatives inside organization and importance given by the management. However, for the telecommunication companies it is an evolutionary process. This may be explained by the fact that the telecommunication sector is in close connection with social media and internet by definition, as it is providing these services. For the bank and the airliner the motives were different and the intention to provide improved service to their clients played an important role.

Are social media a satisfier or a dissatisfier to the client? In other words: are they an unexpected nice extra or a must. This is of vital importance in the future, because expectations of clients are rising together with the performances, as signalled by all companies we studied. Social media services becoming a dissatisfier is only a matter of time. This will have an effect on the need for control, because for dissatisfiers a certain service level should be ensured. Smooth anchoring of social media inside organizations following its goals and internal culture may therefore be a matter of survival.
References


