



The Double Edge of Social Media: Employee and Customer Engagement

Social media is a tool for deepening relationships between the business and customers and employees when it is embedded in the organization's processes.

Social media began as a convenient means of connecting friends and family, but it did not take many years for it to transform into a valuable business tool. It has become so valuable that it needs to be embedded in almost everything the business does because of its ability to enhance collaboration, engagement, and knowledge transfer. Social media can strengthen relationships with employees, customers, and other stakeholders, but many companies are still not fully utilizing the social tools across the organization because they see it as a mostly customer-facing communication tool. As social media and other social technologies mature, the next stage of transformation is to utilize networks of people to create business value by leveraging connections and information.

Across the Enterprise

Some of the best minds are studying how social media is transforming into a business value creator. PricewaterhouseCoopers (PwC) conducted a survey of firms and found that leading companies integrate social media into their networks with all stakeholders. Approximately 30 percent of top performing firms use social media for external communications and 59 percent invest in mobile technologies. PwC also estimates that 66 percent of U.S. adults who are online are using social media.

The real power of social media for businesses is realized when the technology is used across the enterprise. McKinsey & Company conducted a recent survey and found that social technologies, which includes social media, is used extensively in customer-relationship management, public relations, and marketing. The reason is these particular areas have a high level of social media integration because social technologies are a natural extension of existing systems. The conclusion was that the success of social media (and other social technologies) can be replicated across the business if businesses are better able to engage employees and customers, capture the information, and measure results.

Removing Restrictions



Connecting with employees and customers is the easy step since social media is so pervasive. Engaging them and turning them into partners is a different matter all together. A social business, as IBM defined it several years ago, is a business that embraces people networks to create business value.² It is the words “to create business value” that changes the strategy for managing networks. Social media should be an engagement strategy for creating new business opportunities and tapping into the innovation and creativity of employees and customer. To succeed, people inside the organization must feel willing to share ideas, and to share ideas they need to connect. Instead of restricting networks, management needs to encourage the formation of new networks that will foster innovation and the flow of ideas. IBM suggests enabling the networks by giving participants access to the analytical, gaming, and collaborative tools needed to develop and expand on ideas.

Connecting with the marketplace or customers to produce similar results requires a different strategy. The innovators and idea creators inside the company need to connect with marketplace experts participating in social media. The real benefit to the company is realized only when leadership puts tools in place to capture the flow of information between employees and the marketplace. With the right tools, a business has the ability to gain early insight into shifting customer opinions and needs, and employee sentiments, but they also enable the organization to identify employee sentiments. Analytics can give insight into operational deficiencies and proficiencies.

There is ongoing discussion about the importance of developing relationships, but it is equally important for the business to develop a way to capture and assess information, turning it into knowledge and then action. Allowing the free flow of information is now enabled with mobile technology and the Cloud. People can conduct business when and where it suits them, and have the freedom to communicate and share whenever it is convenient. It was not that long ago that customer service operations were open from 8 AM to 5PM, frustrating customers who only had time to interact with the business before or after working hours. Though a simple example, the lost business value of limited access showcases the remarkable advantages of social media because it has no limits as to when people can communicate and share ideas.

Getting Closer

Getting closer is the name of the business game today. Deepening the relationship between the business and its employees and customers drives innovation and business value. Managers are tasked with utilizing social media to better understand how customers interact with the business and to capture their thoughts, ideas, and even complaints. A business case is made that managers are tasked with using social media to interact with employees in an equally productive manner. Social media should be integrated into business processes and the results measured and analyzed. While the survey by McKinsey &



Company found that social technologies are used mostly in public relations, conducting marketing activities, and public relations, the next two top uses are developing customer insights and recruiting and hiring.

Getting more specific, businesses are incorporating a number of strategies to fully leverage social media. On the customer end, they include capturing customer feedback from social media (transparency and truth), publishing personalized content, develop consistent branding, and offering personalized branding experiences via tools like instant messaging. Internally, managers can encourage networks that encourage diverse perspectives and opinions, capture employee social media conversations with the marketplace, and form agile innovative teams tasked with problem solving. Human Resources is critical to this effort because the organization needs talent and expertise that adapts easily to the free flowing organization.

If social media is managed just right, it extends deep into the organization's processes that include new product development, strategy development, talent management policies and procedures, supply chain management, brand management, and risk management, all of which impact competitiveness and finances. Social media becomes an integrated strategy for developing deep relationships with employees and customers, and using the information to create a lean, competitive business. One thing for certain is this: Social media is still truly coming of age.