The Effectiveness of Enterprise Social Media Use: Impact of National Culture and Organizational Culture

Emergent Research Forum Paper

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Abstract

This paper develops a research framework to show how national culture, organizational culture, subsidiary-specific characteristics, and the design of Enterprise Social Media (ESM) influence the effective use of ESM through organizational affordances. Our model is based on Hofstede's cultural model for national culture, Quinn's competing values approach to organizational effectiveness, and Treem and Leonardi's four affordances of social media. The model provides researchers a novel and relevant theoretical framework to understand how to incorporate national and organizational culture into our understanding of the effective use of ESM. Future work based on the research model is explained.

Keywords

Enterprise Social Media (ESM), national culture, organizational culture, affordances.

Introduction

This study will establish a framework that accounts for the impact of both national culture and organizational culture on the effectiveness of Enterprise Social Media (ESM). We use a subsidiary of a multinational corporation to study the inter-plays between national and social culture.

ESM is a third party software package or a proprietary solution in which an organization uses as a collaboration enhancing and repository tool with similar features and functionings of a public social networking site such as Facebook (Weber and Shi 2016). Leonardi et al. (2013) notes that, “ESM allow workers to (1) communicate messages with specific coworkers or broadcast messages to everyone in the organization; (2) explicitly indicate or implicitly reveal particular coworkers as communication partners; (3) post, edit, and sort text and files linked to themselves or others; and (4) view the messages, connections, text, and files communicated, posted, edited, and sorted by anyone else in the organization at any time of their choosing”. Therefore, ESM use has significant impact on the correctness of identifying what and whom a coworker knows, and breadth in terms of correct identification of coworkers with whom coordinated information and knowledge sharing can ensue (Leonardi, 2015). Recently companies have deployed ESM that runs internally (Chui et al. 2012) in addition to traditional enterprise software including corporate Intranet and SharePoint. ESM has evolved from public social networking sites (PSNS) such as Facebook and Twitter and has adopted features such as profiles, uploading content, and facilitating conversations. PSNSs are typically used by companies as a consumer-facing platform for branding, marketing and operations and to communicate with employees. While PSNSs have been still prevalently utilized by the companies, ESM have quickly gained prominence as a key form of information and communication technology (ICT) in many modern organizations for sharing knowledge and coordinating activities. In 2015, HootSuite sampled 1600 global organizations and found that 72% were increasing their ESM use, and investment in ESM by 2017 is expected to reach $2.7 billion (Weber and Shi 2016).

Previous studies discussed various aspects of ESM with regard to, but not limited to, the level of metaknowledge (knowledge of “who knows what” and “who knows whom”) in an enterprise (Leonardi, 2015), outcomes and benefits of using ESM (Chin et al. 2015; Kane 2015; Ellison et al. 2015; Kügler et al. 2015), and influence of affordances of social media (Leonardi 2013; Vaast and Kaganer 2013; Fulk and...
Yuan 2013; Ellison et al. 2015; Ostervink et al. 2016). Ellison et al. (2015) theorized what affordances ESMs may provide for knowledge sharing in distributed multinational corporations. However, this study’s scope was restricted with surveying their employees working at corporate headquarters. Ostervink et al. (2016) examined how institutional complexity influenced the use of ESM for knowledge sharing purpose, and interviewed employees at various subsidiaries. Although most interviewees were from Netherlands, professionals from India, Belgium, France, and the UK were also interviewed. However, characteristics of these different country cultures were not examined. Impact of national culture and organizational culture on knowledge management was also discussed by Magnier-Watanabe and Senoo (2010) and they found that organizational characteristics are a stronger prescriptive factor compared with national culture. Similarly, Jacks et al. (2012) indicated that while national culture does have an impact on KM implementations, the impact of organizational culture is much larger than national culture. Kügler et al. (2015) suggested that researchers should further examine the interplay of cultural characteristics [at the national, organizational, and individual levels] on employees’ social connectedness. Finally, Steinfield et al. (2009) demonstrated that multinational corporations could benefit from ESM by accessing to expertise and new people by establishing global connections, and this paper could serve as a guideline how to conduct a survey at a multinational corporation.

The role of ESM in multinational corporations are unique due to their complicated and diverse organization structure. This distinct characteristic distinguishes them from organizations that carry out their operations only within a country. Multinational corporations conduct their operations in several countries each with various cultures, languages, religions, and demographics. This must be considered to understand the social interactions in ESM in a multinational corporation. We argue that implementing ESM at a multinational corporation will enhance internal communication and social interaction, and in turn coordination and collaboration by providing affordances, which are the perceptions of an object’s utility rather than what this object is (Treem and Leonardi 2012). While social interactions and knowledge management, and to some extent their relationships with national and organizational culture, were examined extensively in previous studies, effects of national culture and organizational culture on ESM use within multinational corporations largely remain overlooked. We consider language proficiency and technology infrastructure, as well as subsidiary-specific characteristics and ESM design, which affects how quickly employees become familiar with and adopt ESM. Regional and ethnic cultural discrepancies within a country will not be considered. Without considering national culture and organizational culture, researchers and managers will not be able to understand how employees across the countries where a multinational corporation runs its operations could make use of ESM and benefit from the shared information and knowledge by means of ESM use. Thus, this paper aims to establish a research framework to improve our understanding of: “How do national culture and organizational culture influence the effectiveness of ESM use at a subsidiary of a multinational corporation?”

Theoretical Foundations

Hofstede’s National Cultural Model

Hofstede (1980) defines culture as “the collective programming of the mind that distinguishes the members of one group or category of people from another”. Hofstede’s cultural model establishes culture composed of six dimensions which are power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, long term/short term orientation, and indulgence/restraint. In this study, first four dimensions that were discussed in the original study are discussed to unfold the impact of national culture on the effectiveness of ESM use at a subsidiary of a multinational corporation.

Competitive Values Framework

Multinational organizations are dispersed worldwide. They apply structure in the form of rules, instructions and guidelines in order to maintain a uniform implementation throughout their subsidiaries. Compliance with policies, business and IT strategies and operations at all business units of a multinational corporation is facilitated by organizational culture. Organizational culture is defined as "the pattern of shared values and beliefs that help individuals understand organizational functioning and that provide norms for behavior in the organization" (White 2003). In current study, Quinn and Rohrbaugh’s
Competitive Values Framework (CVF) is used in order to examine the effects of organizational culture on affordances and eventually on the effectiveness of the ESM use. This framework provides three dimensions which are depicted as focus dimension (flexibility and discretion vs. stability and control), structure dimension (internal focus and integration vs. external focus and differentiation), and means-ends. Dimensions of focus and structure defines four cultural types – clan, adhocracy, market, and hierarchy (Hartnell et al. 2011).

**Affordances**

In order to review literature on social media use in organizations, Treem and Leonardi (2012) adopted James Gibson’s “The Theory of Affordances” (1977) that explain how users perceive and use the same object in very different ways in that users perceive affordances of an object rather than the material object itself. Affordance is a relational concept that links the technology’s features with the user’s subjective goals and perceptions. The same technology may provide different affordances to different users (Ellison et al., 2015). Treem and Leonardi (2012) identified four affordances of social media that can help understand how social media affect organizational practices. These include visibility, persistence, editability, and association. That is; (1) social media afford users the ability to make their behaviors, knowledge, preferences, and communication network connections visible to others in the organization; (2) when a person posts to a blog or social networking site, that information remains available to users; (3) editability refers to the fact that the individuals can spend time and effort to crafting communications, and it can also refer to the ability of individuals to revise previously communicated content; and (4) associations are established connections between individuals and content (Treem and Leonardi 2012).

**Research Model**

Figure 1 shows a research model showing relationship between four independent constructs (national culture, organizational culture, subsidiary-specific characteristics, and ESM design), a mediating construct (organizational affordances), and consequently a dependent construct (effectiveness of ESM use).

Hofstede provides comparative indices of national culture for 76 countries taking into account all the six dimensions. These will be used to categorize countries where subsidiaries are located. Organizational culture is important in multinational corporations and impacts affordances. Effectiveness of ESM use at a subsidiary of a multinational corporation is determined by the mediating construct, affordances, which are affected by four independent constructs. For more inclusiveness and explanatory power in terms of impact of subsidiary-specific characteristics other than national culture, foreign language (language preferred and used by the headquarters) proficiency, and technology infrastructure and adoption at a subsidiary are considered.
ESM design comprises some primary features such as content support, digital trace, profile authenticity (Kane 2015), and ease of use and mobile accessibility (Christie et al. 2015). These affect how quickly employees can become familiar with and adopt ESM platform. In the research model, the meaning of all the constructs and variables is assumed to be fixed over time. Change in the values does not change the meaning of the constructs over the time (Burton-Jones et al. 2015). Interactions between the independent variables will not be taken into consideration in order to measure the overall impact of four independent constructs on the mediating construct. Interactions between the national and organizational cultures, and effect of organizational culture on subsidiary-specific characteristics and ESM design are not assessed in this research. These relationships can be evaluated in our ongoing research.

**Hypotheses**

Based on the figure 1, we provide twelve hypotheses for future research. Since the relationships between constructs have not been explicitly examined and tested in the literature, we hypothesized their association as follows:

National culture, as the first construct in our research model, will be studied by investigating its four dimensions (power distance, uncertainty avoidance, masculinity, and individualism).

H1: Higher power distance in a country will be negatively associated with organizational affordances at a multinational corporation’s subsidiary.

H2: Higher uncertainty avoidance in a country will be negatively associated with organizational affordances at a multinational corporation’s subsidiary.

H3: Masculinity in a country will be negatively associated with organizational affordances at a multinational corporation’s subsidiary.

H4: Individualism in a country will be negatively associated with organizational affordances at a multinational corporation’s subsidiary.

Organizational culture, as the second construct in our research model, will be studied by investigating four organizational culture types (clan, adhocracy, market, and hierarchy).

H5: An organization with a clan culture type will be positively associated with organizational affordances at a multinational corporation’s subsidiary.

H6: An organization with an adhocracy culture type will be positively associated with organizational affordances at a multinational corporation’s subsidiary.

H7: An organization with a market culture type will be negatively associated with organizational affordances at a multinational corporation’s subsidiary.

H8: An organization with a hierarchy culture type will be negatively associated with organizational affordances at a multinational corporation’s subsidiary.

Subsidiary-specific characteristics, as the third construct in our research model, will be studied by investigating foreign language proficiency and technological infrastructure and adoption level at a subsidiary.

H9: Foreign language proficiency at a subsidiary will be positively associated with organizational affordances at a multinational corporation’s subsidiary.

H10: Technological infrastructure and adoption level at a subsidiary will be positively associated with organizational affordances at a multinational corporation’s subsidiary.

ESM platform design, as the fourth construct in our research model, will be studied by investigating how it is related to organizational affordances.

H11: ESM platform design will be positively associated with organizational affordances at a multinational corporation’s subsidiary.

Consequently, organizational affordances identified as visibility, persistence, editability, and association will be studied as a mediating construct that influences the effectiveness of ESM use.

H12: Organizational affordances will be positively associated with effectiveness of ESM use at a multinational corporation’s subsidiary.
**Future Research**

Our future research implements this study with a multi-method approach using a survey and interviews with appropriate quantitative and qualitative analyses from multiple subsidiaries to analyze individual and subsidiary level effects. We look forward to presenting preliminary results at the conference.

**REFERENCES**


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