DETERMINING THE CHALLENGES OF ORGANIZATIONAL SOCIAL MEDIA ADOPTION AND USE

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DETERMINING THE CHALLENGES OF ORGANIZATIONAL SOCIAL MEDIA ADOPTION AND USE

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Abstract

Organizations often face challenges with the adoption and use of new information systems, and social media is no exception. In this exploratory case study, we aim to identify internal and external challenges related to the adoption and use of social media in a large case company. Our findings show that internal challenges include resources, ownership, authorization, attitudes and economic issues, whereas external challenges are associated with company reputation, legal issues and public/private network identity. We add to the knowledge created by previous studies by introducing the challenges related to ownership and authorization of social media services, which were found to be of high relevance in corporate social media adoption. In order to overcome these obstacles, we propose that organizations prepare strategies and guidelines for social media adoption and use.

Keywords: social media, Web 2.0, adoption, challenges
1 Introduction

The growing popularity of social media and Web 2.0 applications is making its mark on companies as well as individuals. With more than 500 million people using Facebook, for example, organizations have realized that they need to be where their customers, future employees and other stakeholders are. The potential benefits of social media for organizations are several: in addition to customer contact, social media can be used for facilitating knowledge work within the organization, faster and easier information transfer, and increased co-operation between departmental barriers (Fuchs-Kittowski et al. 2009). Despite the possibilities social media offers for organizations, many companies also associate challenges and problems with its adoption and use (Bugsin et al. 2008).

These challenges may arise from social media being more than just another new tool or information system being implemented by the organization. Web 2.0 is a paradigm shift in how users use the web, designed to enable collaboration and break down information silos to help aggregate and publish information (Mande and Wigand 2010). Social media brings with it a new way of thinking about content production, in which consumers and other external stakeholders become active content producers and information relayers. As a result, companies adopting social media have to relinquish some of the absolute control they previously had over their web presence. In some companies, this type of change from a closed to an open organization marks a big change in the organizational culture.

The aim of this study is to develop a classification of the challenges faced by organizations when adopting and using social media. The research question of this study is formulated as follows: What are the challenges in the adoption and use of social media in a large corporation? This question is answered based on a literature review and an exploratory case study in a large multinational organization in the metal industry.

The main contribution of this study is the classification of challenges related to social media adoption in organizations. This classification can be used to identify barriers in companies and in future research. When barriers are identified, it is easier for organizations to find ways to overcome them. In the remainder of the study, we will first define concepts related to Web 2.0 and social media, and review literature on the topic of challenges in social media and Web 2.0 adoption and use. We then describe the case company and discuss data collected via management interviews and an interactive full-day workshop in 2010. Finally, we summarize our findings, and discuss implications for both research and practice.

2 Related Literature

In the following sections we review three major areas that are central to our analysis of the case company and the associated framework: definitions of the central terms used throughout this study, and internal and external challenges in social media adoption and use.

2.1 Web 2.0, social media and enterprise 2.0

Several definitions exist for the concept of Web 2.0. For example, Web 2.0 can be defined as a revolution in the computer industry caused by the move to the internet as a platform (O’Reilly 2005), a paradigm shift in which users create content (Mande and Wigand 2010), and more practically as a personalized, communicative form of the Internet that emphasizes active participation, connectivity, collaboration and sharing of knowledge and ideas among users (McLoughlin and Lee 2007). The ambiguity of these definitions reflects the relative newness of the concept, as definitions evolve with its continuing development.

Meanwhile, social media is often 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). Web 2.0 is often described as a platform while social media typically refers more directly to the content created by users. The prefix “social” or the suffix “2.0” is often tacked onto more traditional business terms to imply that companies use Web 2.0 technologies or social media in their business, as is the case with “social business” or “Enterprise 2.0”.


Enterprise 2.0, on the other hand, is defined as Web 2.0 technologies being used in an organizational context (McAfee 2006). Enterprise 2.0 applications explicitly exclude many of the platforms typically associated with Web 2.0 and social media (Facebook, Wikipedia and YouTube for example), as they are aimed primarily at individuals rather than organizations. In organizational use, some companies prefer to use the term “social business” in order to show that they use social media not only for dialogue with customers but also inside the organization, in business partner co-operation, stakeholder communication and recruiting.

2.2 Challenges in organizational social media adoption and use

Various challenges exist in the adoption and use of social media in organizations. For the purposes of this study, we have divided these into two categories: internal challenges, consisting of management challenges within the company, and external challenges, which typically relate to company image, brand or external relations.

While several studies have been conducted on the topic of challenges faced by organizations during the adoption and use of various enterprise systems, very few of them relate directly to the unique challenges of social media adoption and use. For this reason, the following sections incorporate findings from adoption and use studies on various topics: social media, Web 2.0 and managerial information systems (IS) in general.

2.2.1 Internal challenges

Fuchs-Kittowski et al. (2009) identify a number of internal barriers to the adoption of Web 2.0 technologies and applications in organizations, stating that the most important of them is the fact that cost-benefit analyses yield unclear results. This is because pinning down costs related to new technologies is easy, but future financial benefits are often uncertain. Similarly, Fuchs-Kittowski et al. (2009) believe that Web 2.0 projects are rarely given high priority by top management, and that the use of Web 2.0 technologies can be seen as a potential source of distraction for employees.

This is in agreement with our analysis of 33 social media policies collected by Papworth (2009), which indicates that the main internal challenge perceived by companies adopting social media is that of how employees use their working time. Based on our analysis, several companies expressed concerns over employees using social media more for personal than organizational purposes, with 30% of the company guidelines referencing working time use in some way. As an example of this, IBM’s social media policy goes as far as to request that employees “don’t forget their day job” (IBM 2009).

Another perceived internal challenge to the adoption and use of social media is corporate culture. Fuchs-Kittowski et al. (2009) believe that the Web 2.0 mentality is rarely seen as conforming to a company’s prevailing organizational culture. This is believed to be the primary reason behinds why management and employees are initially often skeptical about adopting it for doing business.

In practitioner literature, Li (2010) believes that the major internal challenges in social media adoption and use can be divided into two categories: system problems (such as incompatible databases), and bureaucratic problems (such as restrictive company policies). Li (2010) points out that the biggest obstacle to organizational social media adoption and use is likely to come from efficiency-minded managers. According to Li (2010), middle managers are likely to be unwilling to dedicate resources to collaboration initiatives such as social media, and may be threatened by the power that employees accumulate through the relationships created through increased social networking and information flow that social media enables.

While some of the challenges faced by companies adopting social media are new, it is also worth noting that that many of these challenges have been seen before in other contexts. Thus, the challenges faced by organizations when adopting other types of managerial IS, such as electronic commerce, can also be applied to the adoption and use of social media.

For example Farhoomand et al. (2000) have identified internal challenges in the adoption of electronic commerce as technical issues (such as the lack of adequate infrastructure), organizational issues (such as resistance to change, negative attitudes, lack of knowledge and lack of management commitment) and economic issues (such as cost justification). Similarly, Strom et al. (2002) list internal challenges in e-commerce adoption as a lack of knowledge or awareness within the organization, and resource limitations.
These issues are also relevant in the context of social media: although infrastructure for social media is typically easily available, organizational resistance and the justification of costs and resource usage are still relevant topics (Strom et al. 2002).

Overall, it can be noted that many of the internal challenges faced by companies in the process of adopting and using social media are quite similar to those found in earlier studies related to the adoption of e-commerce, as well as other types of managerial information systems. These do not, however, cover all the aspects of social media, and so there is a demand for determining the challenges faced by organizations in social media adoption and use. Also, as Raeth et al. (2010) point out, the adoption of Web 2.0 differs from other enterprise system adoption projects in two ways: in the roles performed by management and the IT function, and in the amount of attention paid to the users, data and technology of the implementation process.

2.2.2 External challenges

External challenges, such as those related to company image, brand or external relations, are also present in the adoption and use of social media in the organizational context. For example Fuchs-Kittowski et al. (2009) consider the most important of these to be a perceived lack of control over content in social media and its reflection on company brand image, coupled with perceived high security risks related to Web 2.0 applications.

Similarly, our analysis of 33 corporate social media policies collected by Papworth (2009) indicates that the primary external challenge related to social media adoption and use in organizations is company reputation management. Reputation was mentioned in 100% of the analyzed social media policies, with the primary concern being that employee’s status updates, tweets or blog posts might have an unwanted effect on the company’s reputation. This sentiment is also reflected in Cox et al.’s (2008) study, which states that employee blogs limit the control corporations have on information, and that misguided or malicious employee blogs have the potential to damage a corporation’s brand.

As with internal challenges, external challenges to social media adoption also share several traits with the challenges faced by organizations in other contexts, such as e-commerce adoption and use. For example Farhoomand et al. (2000) classify external challenges to electronic commerce into three groups: political issues (such as limited access to the internet in certain parts of the world), cultural issues (such as resistance to online shopping in certain areas) and legal issues (such as the acceptance of electronic signatures worldwide). While the examples used are not directly applicable to the context of social media, the classifications behind them still apply: limited or restricted internet access still limits the use of social media in China, for example, and new legal issues such as privacy management and the use of social networking in recruitment have emerged in the field.

On the other hand, Strom et al. (2002) classify external challenges to the adoption and use of e-commerce as technical questions (such as infrastructure), external influence and support (such as industry influence and a lack of accepted standards), as well as legal questions. Again, as with Farhoomand et al. (2000), the examples used do not apply to the specific context of social media, but the classifications behind them are still valid.

In practitioner literature, Li (2010) believes that the primary external risks related to organizational social media adoption and use are related to the lack of guidelines and monitoring in social media services. According to Li (2010), guidelines are essential in controversial situations, as they make it easier for managers to recognize problems and turn to advice for potential next steps. Li (2010) also believes that organizations need to clarify how discussions on social media services are monitored, and that it is important to reach an agreement on how information and responsibilities should flow.

From this literature review, we can conclude that several types of challenges exist in the adoption and use of social media in organizations. These challenges can be divided into two broad categorizations: internal and external. The following section outlines the case company and research method used to help determine further challenges in social media adoption and use.
3 Research Method and Case Company Description

3.1 Research method

In order to answer the research question “What are the emerging challenges in the adoption and use of social media in a large corporation?” we use a case study. According to Benbasat et al. (1987) and Yin (2003), a case study examines a phenomenon in its natural setting, employing multiple methods of data collection to gather information from one or a few entities (people, groups or organizations). In the empirical setting, we study a case company dealing with issues related to social media adoption and use. The following subsection introduces the case company in more detail.

3.2 Case company

The case organization used in this study is a multinational company specializing in metal manufacturing and related services. The company’s customers include a wide range of businesses that use metal as part of their products or services. In 2009, it had an operating income of €438 million, and staffed 7,610 employees.

In late 2009, the company decided to investigate potential uses of social media as part of its strategy, particularly in relation to HR, marketing and communications. The investigation was initiated by the company’s board of directors, who were aware of competitor presence in social media, and wanted to benchmark the company’s own presence. The findings of the study concluded that competitors in the metal industry had found social media to varying extents, but that usage seemed to be uncertain and somewhat aimless, with no obvious strategies or clear objectives.

Previous to the investigation, social media use had been restricted in the organization, with access to social media websites being blocked to all employees on company-owned computers. This policy was gradually changed during 2010, with restrictions being lifted from groups of employees, leading up to full access for all white collar staff. No notifications were given to employees regarding this change in policy until the autumn of 2010.

3.3 Data collection

Data collection began with informal discussions with company representatives to define the research question, and continued with six expert interviews of company employees, who were selected in collaboration with the marketing and communications departments of the company. These were supplemented with a full-day workshop with nine company representatives, as well as text-based material such as policies and other company documentation regarding social media.

Interviewees and workshop attendees were selected based on function in the company and its potential relevance to social media. They were managers from HR, marketing, communications and R&D. The reasoning behind interviewee and workshop attendee selection was based mostly on recommendations derived from informal discussions with company representatives. HR staff was included in the interviews as company representatives believed that social media will play an increasingly relevant role in recruiting in the future. Similarly, communications staff was included as the company representatives believed that social media will become increasingly relevant to both external and internal communications. Marketing staff were included due to the fact that customers had been asking questions about the company’s products in various social media, and R&D staff were involved as the company deals with the development of specialist products, and would like to see its experts engaging more with customers through social media. Both recently hired and more established employees were included in order to gain a well-rounded view of the company’s current state.

The interviews were recorded and the parts related to challenges in social media adoption were transcribed. The interviews included open questions like “describe the use of social media in your company”, as well as more specific questions related to ownership and related issues.

Interviewees based in Finland were interviewed face to face, while international interviews were conducted using the company’s videoconferencing facilities. The majority of the interviews were conducted in Finnish and translated into English, while non-native Finnish speakers were interviewed in English. The workshop
was conducted in English. Notes from the workshop were kept by two attendees and reviewed by the two authors for consistency, and written material produced by the attendees during the workshop was transcribed.

As this is an exploratory study, data collected from the interviews and workshop was analysed by the two authors for emergent issues. Emergent issues were defined as challenges related to social media adoption that could be mapped to our categorization of internal and external challenges. Appendix 1 contains a list of interviewees and case study participants as well as their functions in the organization.

4 Analysis of Findings

In this section, we discuss the challenges to organizational social media adoption and use identified in the case study, and classify them into two categories: internal and external. The majority of the challenges identified in the case company were internal, but some external challenges were also expressed.

4.1 Internal challenges

Five categorizations of internal challenges were identified in the case study: resources, ownership, authorization, attitudes and economic challenges. The boundaries between these categorizations are not perfectly distinct, however, and thematic overlaps exist between the different categories.

4.1.1 Resource challenges

The concept of resources was discussed in the majority of the interviews and throughout the workshop. Several interviewees expressed concerns regarding the fact that no human resources had directly been assigned to work with social media, and time taken to work on social media-related tasks was time taken out of doing other things. Adding on to this, the concept of using social media for work purposes was new to the company, with many interviewees fearing that using social media during work time would not be considered “proper work”.

“Working time needs to be concretely reserved [for social media use], so far it has perhaps been seen as having fun and has not been understood as work....” –HR

Social media adoption in the company had so far been done on an ad-hoc basis, with little thought being given to continuity, partly due to a lack of defined resources. As no clear resources had been assigned and no responsibilities determined, some of the interviewees saw the future of social media use and particularly content production for social media purposes as being clearly tied to future resource availability:

”I see it as a downside or threat that, if we decide to enter social media, we can’t [try it and then decide to] leave just like that. We should internally resource it so that somebody is responsible for it, maybe not full-time but so that it is a clear part of somebody’s job description” -HR

In addition to human resources, knowledge as a resource was also discussed. In 2009, the case company implemented a project for scoping potential benefits of social media in for the company, as well as benchmarking competitor presence in social media, and in 2010 it collaborated with a consultancy to help develop a social media strategy. Despite this, relatively little action has been taken to build on these initiatives, and interestingly at the time of writing the company was not planning to invest in any social media training for employees.

4.1.2 Ownership challenges

The concept of ownership was a recurring topic in the case study, but received little attention in the reviewed literature. Social media encompasses many functions, and as a result the case company had no clear owner for social media. As no department or person was directly responsible for developing social media, efforts for its adoption were not streamlined. The issue of allocating costs related to social media was also unclear.

“Ownership has not been defined here. /.../ If ownership was to be defined and the existing Facebook profiles and YouTubes and Twitters and so on were defined, what is done with them and why, we could we could really benefit from them. As they are, I don’t believe that they are useful at all.” –HR
Typically, when questioned about who should be in charge of social media in the company, the interviewees would respond by listing a number of departments including marketing, communications and HR. They also highlighted that there should be no single owner for social media, but that a group structure would be preferable.

4.1.3 Authorization challenges

Another central theme encountered in the case company but not in the literature was the question of authorization. Many interviewees expressed concern regarding authorization for social media use among potential social media users within the company:

“It has been argued that people don’t have the authority to do stuff: oh, we didn’t know we could comment on some of these social media forums and places like LinkedIn. We didn’t realize that we were allowed to do that.” –Marketing

One of the aims of the company regarding social media use is engaging experts from research and development in conversations with customers. This, however, has proved difficult:

“These people [experts in product development] don’t know that forums exist. They don’t come in. If they do know that they exist, “we’re not authorized, it’s not my job.” –Marketing

As a consequence, finding employees with the right match of expertise and willingness to contribute to social media has been difficult for the company. Interestingly, when discussing social media interaction with a R&D specialist, the main reason for not contributing to social media was the fact that no direct benefits could be seen from the R&D perspective. Interest in receiving customer feedback through social media was established as a potential motivator, but expectations of this happening were low.

4.1.4 Attitude challenges

Another central challenge encountered in the interviews and workshop was the concept of attitudes towards social media use in the corporate context. Several interviewees expressed concerns regarding the perception of social media being seen as fun rather than work:

“Well, that’s not really work is it, it’s not really something we should be doing, and if my boss looks over my shoulder and sees me reading such and such a forum it’s not proper work” –Marketing

Corporate culture was considered to be one if the major factors behind this attitude. Despite implied upper management support for social media adoption, the organizational culture of control was seen by many interviewees to be hindering its use:

“[We are dealing with] the remnants of a hierarchical organization, where control is quite dominant. We have lots of managers and people who have lived with this culture for decades, and for them it’s just incomprehensible that people could be given the freedom to produce content for the organization’s own channels” –Communications

Thus, it can be argued that corporate culture has a strong impact on the attitudes of the people working in the organization, no matter what their own attitudes towards using social media in their private lives may be. The concept of a generation gap impacting willingness to use social media in the organization was also mentioned, and when workshop attendees were requested to name three people in their own department who would make good candidates for pilot users, the individuals were predominantly younger employees who used social media in their private lives.

4.1.5 Economic challenges

Finally, the last internal challenge identified in the case study was the concept of economic challenges, such as justifying the cost of social media implementation and use. The cost of implementing social media is typically lower than the cost of implementing more traditional organization-wide information systems as the services are often free or can be used with very small monthly payments, but they still incur measurable costs in terms of resource usage and time. However, measuring benefits from social media can be harder:
"I wouldn’t know what success looks like as far as [the company] on Facebook is concerned.... what would we define success as?!.../ You want to know what success looks like? 570 (members in the company Facebook group)!" –Marketing

Of course, it is easy to count the members in the company’s Facebook group, but measuring social media’s impact on goals such as customer loyalty or brand recognition is harder to measure. As the case company has yet to define measurable goals for its social media activities, measuring success and therefore justifying costs is difficult.

4.2 External challenges

In addition to the internal challenges discussed in the previous chapter, we identified three major external challenges to social media adoption and use in the case organization: company reputation management, legal issues and public/private identity challenges.

4.2.1 Reputation challenges

Based on our literature review, concern about company employees posting things in social media that have a negative effect on the company’s reputation should have been one of the central issues encountered in our case study. Interestingly, this was not the case. The interviewees and workshop attendees were more concerned with customers, rather than employees, potentially complaining about late deliveries or similar issues on the company’s Facebook page:

“One obvious threat is on the reputation management side. One threat could be that, for example in this group on Facebook... a few disgruntled customers turn up and start complaining about late deliveries or stuff like that” - Marketing

One of the reasons behind this might be the fact that social media has yet to take off in the company, and very few employees were actively using it at the time of the interviews. Interestingly, our literature review did not highlight the fact that reputation management challenges can come from multiple directions- from customers and other stakeholders as well as employees.

4.2.2 Legal challenges

Another important issue raised in our case study was the concept of legal issues related to social media. Based on our literature review, we expected the legal issues encountered in our case study to be mainly related to the governmental perspective (see for example Farhoomand et al.(2000)) than to the behavior of individual employees, but found the opposite to be the case:

“[We are] listed on the stock exchange, and as such are regulated by laws and rules. There are things which we cannot discuss outside the company, and sensitive information might get leaked because not everybody necessarily understands what can be said [publicly in social media]” -HR

As no guidelines or policies on how to use social media had been written within the company at the time of interviewing, the possibility of employees leaking sensitive information due to ignorance was high. Writing guidelines is important, as they not only help prevent potential leaks, but establish follow-up steps should information security be breached.

4.2.3 Identity challenges

Another significant external challenge encountered in the interviews and workshop was the question of distinguishing between a person’s professional and private identities in social media. Some of the interviewed case company employees expressed reluctance to use their own (privately established) Facebook profiles for business purposes:

“I don’t want to appear under my own name. If my boss asked me to administer the company’s Facebook page using my own [privately established] profile, I would say no. If it was for internal use only, I might consider it.” - HR
The level of reluctance was highly dependent on the individual, as the company’s existing social media presence had been entirely set up by employees using their own private profiles acting on their own initiative. This issue was also dependent on the topic being discussed: some employees expressed unwillingness to comment on controversial topics related to the company (such as the use of nuclear power) under their own private identities, preferring to use a generic company representative profile.

5 Discussion

For the most part, the challenges identified in the case study align with the challenges found in the literature review on external and internal challenges related to social media adoption and use in organizations. There are, however, some exceptions. The case study revealed topics that were not mentioned in previous literature, namely social media ownership and authorization. Similarly, our literature review pointed out some issues that – according to our interviewees and workshop attendees – were not relevant in our case organization: technical issues, cultural issues, system problems and power conflicts. These could, however, emerge later, as the social media initiative is fairly new to the company. In this section, we describe the relationship between the challenges presented in literature and the challenges identified in the case study, dividing them into two categories: internal challenges and external challenges. This is followed by a discussion on the role of strategic planning in social media adoption and use.

5.1 Internal challenges

Internal challenges can be divided into two categories: those which were found in earlier research, encompassing economic, attitudinal and resource challenges, and those which emerged through our case study, namely ownership and authorization.

First, economic challenges were mentioned in our case study, but not in the same context as in previous studies. For example Li (2010) points out cost justification as an example of an economic challenge. We expected this to hold true for our case study as well, but this turned out not to be the case: our interviewees and workshop attendees did not consider economic issues to be a major challenge to social media adoption and use. Reasons for this might include the fact that social media services are often free or available for very small monthly payments, and therefore costs related to social media use are incurred through time spent by employees on social media projects, rather than the cost of purchasing information systems. Nonetheless our interviewees and workshop attendees were aware of the fact that social media is not entirely free of charge, as when discussing the ownership of social media, they generally believed that costs should be divided among different departments.

Second, attitudinal and resource-related challenges were identified in both the literature (Farhoomand et al. (2000), Fuchs-Kittowski et al. (2009), Strom et al. (2002) and our case study. For example Fuchs-Kittowski et al. (2009) pointed out that using Web 2.0 technologies could prove to be a source of distraction for employees, and 30% of the social media policies collected by Papworth (2009) expressed concerns related to employee use of working time. Interestingly, in our case study, we found that employees did not criticize each other’s use of social media at work, but were more concerned with how others perceive their own social media use.

Finally, in addition to the literature-based economic, attitudinal and resource-based challenges, we identified two challenges in our case organization that have previously received little attention in social media adoption literature: ownership and authorization.

Determining social media ownership is challenging because it has several different uses. Previously, it has been relatively easy for organizations to segment their different types of outreach: the divisions between communications, marketing, HR, IT and R&D have been relatively well established. These divisions were accepted and followed a set organizational structure with relatively little overlap. Social media challenges this structure by fitting into many different traditional hierarchies. This causes difficulties, since if ownership is not established, costs cannot be allocated fairly, and disagreement about rights and responsibilities can lead to power struggles. On the other hand, nothing may happen as everyone assumes that someone else is responsible. This has a hindering effect on the adoption of social media, and can lead to disagreement between departments and individuals. Consequently, we argue that social media will impact organizational
structure by encouraging bridge building between traditionally isolated departments and silos. Tasks that were previously performed by a single department need to be reconsidered, and ownership allocated depending on the needs of the company and the target of the social media outreach.

Another central issue encountered in this study is the effect of authorization of organizational social media usage. If companies wish to have their employees engage stakeholders such as customers in conversations in social media, they must first be given authorization, as speaking on behalf of an organization on the internet carries a responsibility which many employees may be unwilling to take on their own initiative. Similarly, employees may not be aware of the fact that their contribution to social media is relevant, as in the case of marketing expecting R&D experts to answer customer inquiries in social media. When contacting people for interviews in this study, we encountered three individuals who considered themselves to be poor interview candidates, as they were unaware of how social media is related to their own job description, or were simply unaware of the phenomenon of social media in general, despite being identified as potential key contributors by management. If potential key contributors do not know that their contribution to social media is important, authorization is the first step towards awareness.

5.2 External challenges

In addition to the internal challenges discussed in the previous section, the literature review and case study identified three external challenges to social media adoption and use in organizations: reputation challenges, legal challenges and identity challenges.

First, reputation challenges were present in both the case study and the literature reviewed (Fuchs-Kittowski et al. 2009). The topic was also commonly mentioned in the social media policies we reviewed. Second, legal challenges came up in the cases study in a slightly different context than in theory. In Farhoomand et al.’s (2000) study, legal issues were discussed at the governmental level, but in the case study, legal aspects were discussed at the employee level, with interviewees and workshop attendees discussing the possibility of employees breaking insider regulations. Similarly, some of the social media policies analyzed as part of the literature review reminded employees about not breaking the law.

Finally, network identity challenges came up in the case study but were not found in the earlier studies. In more traditional organizational information systems, people’s network identities have typically been framed in the context of the organization. Social media changes this, as people often have established private profiles, which they then choose to use or not use in the context of business as well. In our case study, we established that the majority of users wish to keep their private and business uses of social media separate. This situation is not clear cut, however, as some employees find it acceptable to have customers as social media contacts, for example as Facebook friends, while others prefer to limit them to personal friends, colleagues and relatives.

It is also interesting to note that the technical and cultural problems identified in the reviewed literature weren’t mentioned in the case study. For example Li (2010) identifies the lack of adequate infrastructure as a potential challenge, and considers system problems like incompatible databases to be barriers to social media adoption. Our case study did not identify these topics as challenges to social media adoption and use in the case organization. Reasons for this might include the selection of interviewees and workshop attendees, as we did not include IT staff, or the fact that infrastructure is at a good level in the case company.

5.3 The role of strategic planning

There is great interest – also in our case company – in the utilization of social media services. As with implementation of any new information system, identifying and reducing the challenges related to its adoption and use are of critical importance to its successful implementation. Based on the recommendations of earlier research on IT strategy and strategic planning (Henderson and Venkatraman, 1993), we suggest that, to help overcome these challenges, companies should create strategies and guidelines for social media use. This applies to our case organization as well, where despite management support for social media adoption being in place, no guidelines or strategy had been set, and ventures into social media had been implemented on an ad hoc basis.
According to Porter (2001), the most critical element of strategy is defining clear goals, and we believe this to be true for the organizational use of social media as well. Whatever the goal — whether it is to increase the visibility of the organization or to increase loyalty among existing customers - it should be in line with business objectives. One way of ensuring that the social media strategy aligns with the other strategies in the organization is, as suggested by our case study, to create a cross-functional team for steering the social media activities in the organization.

If goals for social media adoption and use are not set, measuring results and development is difficult. In the case organization, an interviewee admitted to not knowing what constitutes as success of social media, and then checked the amount of members in the company’s Facebook group. The number of members in a social media group may be the right measure if the goal is to increase the company’s visibility in social media services, but if the goal is something else, other measures need to be put in place.

Besides defining goals and how to measure them, defining resources is also critical when developing a social media strategy. In the case company, managers mentioned that employees did not know who was in charge of social media in the organization (lack of ownership), or whether they were authorized to use social media, especially when historically the company has blocked social media channels from employees (lack of resources and authorization, attitudinal challenges). Social media strategy should clearly define all of these issues, reducing confusion among employees and empowering them to use social media as a tool in their work.

In addition to the issues of defining goals, ownership, resources, authorization and dealing with attitudinal challenges, social media strategy should also discuss issues related to training and information security. As with the introduction and implementation of any ICT system, the company’s employees are likely to need some training, and some of our interviewees expressly requested it, preferably in the form of individual mentoring for key personnel. Similarly, issues related to information security and company reputation (what can be said and where) should be discussed. In addition to this, the consequences of breaking these rules should be defined, in order to have a consistent policy for dealing with problems.

6 Summary

The aim of this study was to determine challenges in social media adoption and use. This was done by reviewing literature related to the organizational adoption and use of social media, Web 2.0 applications, and electronic commerce, as well as analyzing the social media policies of 33 organizations. The literature review identified several internal and external challenges, which were then evaluated using a case study. The internal challenges identified in the literature review included economic, resource-related and attitudinal challenges, while external challenges were associated with company reputation, legal issues and technical or system challenges.

The results of the case study (which was conducted in a large multinational corporation operating in the metal industry) indicate that the challenges found in previous literature only partly align with the challenges discovered in the case organization. Of the internal challenges, two types of challenges were identified that received no mention in previous literature: ownership challenges, defined as difficulties in determining owners for social media within the company, and authorization challenges, defined as providing employees with the authorization to use social media in their work. Of the external challenges, technical or system-related challenges were not found to be relevant in the case organization. This may be due to the fact that social media services are often hosted on external platforms, and that their user interfaces are designed to be relatively simple. Our case study also brought up an additional challenge: that of network identity in social media. Several of our interviewees and workshop attendees expressed a desire to not mix their private and professional identities in social media. We believe that creating a structured social media strategy can help organizations overcome these challenges.

The contribution of this article is in identifying challenges in organizational social media adoption and use, and classifying them into external and internal issues. For practitioners, the results of this case study show the importance of strategic planning in social media adoption. We believe that even if social media tools are inexpensive or free, how they are used by the organization needs careful planning, and that employees need clear guidelines on what the expectations of the organization are regarding social media use.
On the other hand, there are limitations to this study. First of all, our findings are based on a single case organization, and as such cannot be extrapolated to apply to all companies in the process of adopting and using social media. The interviewees were also hand-picked from the organization with the help of company representatives, and may as such be biased. Additionally, the shortage of literature on social media adoption means that we have incorporated literature from other types of IS adoption literature, which may not be directly relevant to the specific needs of social media.

The authors intend to follow up on this research by extending the study to cover more than one case organization, and discussing strategic planning and governance in organizational social media use in more detail. The alignment of the issues outlined in Henderson and Venkatraman’s (1993) framework on business, information systems and information technology strategy with the social media environment is also an interesting area of study. Other potential interesting research topics include evaluating barriers to using social media on a personal level, and the competences of organizational users in social media: just because a person has a profile on Facebook does not mean that they are capable of using it effectively in their work.

References

Appendix

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<th>Function</th>
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<th>Location</th>
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<td></td>
<td>HR Officer</td>
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<td>Senior Vice President of Communications and Investor Relations</td>
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<td>Marketing</td>
<td>General Manager of Cluster Marketing</td>
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<td>Segment Solutions Manager</td>
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<td>R&amp;D</td>
<td>Manager Technical Market Development</td>
<td>Sweden</td>
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Table 1. List of interviewees by function and location

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<th>Function</th>
<th>Attendee title</th>
<th>Location</th>
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<tr>
<td>HR</td>
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<tr>
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<td>Vice President of External Communications</td>
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<td>Marketing</td>
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<td>Brussels</td>
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<tr>
<td></td>
<td>Sales &amp; Marketing Trainee</td>
<td>Brussels</td>
</tr>
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Table 2. List of workshop attendees by function and location