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IMPACT OF THE NEW MEDIA KNOWLEDGE ON THE ORGANIZATION MANAGEMENT

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Abstract

Due to globalization new media strongly impacts organizations and management approaches. Access to social media platforms, open source movement, online collaboration, rapid communication and increasing power of consumers push hierarchical organization towards flexibility and adaptability. New media offers a wide range of channels for information on competitors, for brand promotion and to new markets. But competitors have also access to the same instruments.

Globalization in terms of communication on collaborative platforms, determines organizations to adopt cross-cultural and cross-organizational approaches to ensure sending the right message to the right market at the right time. Maintaining organization globally competitive implies top human resources with a trans-disciplinary background and knowledge of using the new media infrastructure sustained by a right organizational structure.

This paper aims at demonstrating, with some examples too, how new media is leading decision making process to a new level for protecting organization’s image setting new norms and principles for organization and people in order to achieve best results.

In a new global environment, characterized by increasingly rapid and global communication, organization management is challenged more than ever by the diversity of information and the ways to manage that information. The main question is whether and how new media technology, with the multitude of channels, social media platforms, blogs and software, should be integrated in the development of organizations.

Organizational structure as described by Taylor (19, in the industrial age, when the top technology was industrial machinery put at work towards selling products to a mass, without analysing their needs and desires, is totally different our days. It would be interesting to know what kind of organisational structure would be more functional in Taylor's vision, considering that we use now:

- communication on personal computers or Smartphone, or PDA,
- messages transfers via electronic mail or voice mail,
- reviews in social platforms comments, blogs or Facebook to see if consumers are happy or unhappy,
- Skype to talk with business partners,
- Single, common, remote accessible data base of knowledge on clouds to work in the same team with people from different countries in the same time in different location.

It looks that the scientific management described and studied by Frederick Taylor a century ago (Taylor, 1911), evolves and becomes now more scientific than ever.

Technology determines important changes to the existing economic, political, social and even organizational environment. It creates new actors reshaping existing patterns of relationships and inter-organizational collaboration, and competitors (Geels, 2005).

New media is now a key factor in marketing, and a consumer is already a

prosumer (Toffler, 1970) as actively and directly participates to the assessment or the development of the products, along with the companies. The voices of the consumers are now inputs to evaluate, to renew or upgrade products and services through open analysis and comments about their experiences related to the respective products or services. In this context, Philippe Kotler (Kotler & Armstrong, 2010) is observing that in just few years, consumer-generated marketing or consumer-generated media had an exponential growth. More than 100 millions Web sites contain users' generated content. Anybody can be a contributor, be it through posting a comment on a blog, publishing a review on Amazon.com, uploading a video on YouTube, or sending a video format from a smartphone to a news Web site such as CNN.com or FoxNews.com. (Kotler & Armstrong, 2010).

In this environment, it is a hard job for an organization to protect its brand, as the influence of the consumers is getting more and more important. In the industrial age, marketing was "just" a simple voice of companies to communicate customers which are the products or services they sell. Today marketing means permanent interactions between the brand and the customers and not only some communication once in a while for research and development.

It is necessary for brands to induce desire and engagement at customers' end, to identify themselves with the brand (Engeseth, 2005). The results would mean bigger number of followers and "likes", and consequently a wider spread of information and increased brand awareness. Engeseth also gives two examples of successful CEOs, who are allocating time for communication with potential customers on social networks and recommends this for any organization. Both Michael Dell (Dell) and Ingvar Kampard (Ikea) spend 40% of their time to

talk with their Facebook followers (Engeseth, 2005).

Social networks are offering brands the opportunity to communicate directly with end users as an integral but natural part of their daily life. Every brand manager nowadays should find new ways to convert followers, potential customers into buyers and promoters of the brand.

An interesting opinion regarding the evolution of new technology and ability to change we find in Dolata's work (Dolata, 2009), who analyses the level and importance of sectorial impact induced by technology change and the importance for respective organizations. Related to this idea, it is very important to identify the manner in which the influence of social media acts on organizations and on the dynamics of sectorial structures, institutions and actors facing the challenges of new technologies. It is all about structural and institutional openness and flexibility of the respective sectors (Dolata, 2009).

The trends in modern marketing are to migrate more to online space. Online commerce (e-commerce), is a fast growing channel. A forecast of online sales in the United States projects an increase of 7 to 8 percent per year, reaching \$ 250 billion in 2014, as online sales allow entrepreneurs to perform business faster, at lower costs and easier access to millions of potential customers, thereby promoting innovation and creating new jobs (nist.gov, 2013). At the same time the impact of new technologies could also lead to an increased risk for organizations, for example due to lower barriers to entry, thus resulting in higher competition (Porter, 2001).

Another aspect of organisational management in our days is the evolution of required qualifications of personnel. Previously education in specific fields was satisfactory, now employees have to combine expert knowledge with the capability to work with new technologies, replacing traditional work flow with

software and virtual messages. Additionally they need cross cultural and cross organisational knowledge and abilities, with a transdisciplinary background rather than being just expert in the specific field.

The optimal organizational structure allows good ideas to come from different parts of organization without being conditioned by the hierarchy. The hierarchy can prevent good ideas from moving up through the chain. A dynamic hierarchy recognizes and rewards innovators, commentators and content creators. Creating a "social media culture" is a must in modern organizations. Voices of juniors, if they are heard, can make a difference to the organization. Innovative thinkers could be from different levels in an organization (technocrati.com, 2014).

Based on the aforesaid considerations, this paper aims to introduce an analytical framework:

- to enhance companies' capabilities to protect themselves from new media
- to take advantage of new media for the better being of the own organization
- to demonstrate the importance of specialized human resources.

COMPANIES' POLICIES AND SOCIAL MEDIA

The goals of social media in branding (Yan, 2011) are to build and enhance positive brand associations, to build greater awareness and to increase the perceived quality of a given brand. It is a must for every organization to go for a broader reach and spread of information, in order to enlarge the audience.

Another aspect every organization should have on the agenda is to protect the brand from outside attacks. The drawback of the new technologies is that the risk of inside information disclosure is considerably increased.

Social media typically ranks highly in all search engines, so it is very important for an organization that the opinion of customers expressed in social media is positive towards the brand. The explanations lay in the fact revealed by statistics which confirm that, if Facebook were a country, it would be the third largest population of the world (Blakeman & Brown, 2010). Possible conflicts that appear in social networks must be solved very quickly and with a lot of tact and decisiveness by well trained employees, as things can get out of control very fast and possibly with serious impact on the company and its perception by potential consumers.

For example, if a customer is not satisfied with a certain product or service, and the request is not solved timely and in an appropriate manner, the customer may write negative comments on a blog or post the experience on a social platform. In the case the given customer is an influencer in a community or network the post may become viral and the company is at risk to lose potential customers.

A survey conducted by Proofpoint (marketwire.com, 2012) traced that 8% of companies have terminated relationships with employees due to social media improper use; common causes included sharing sensitive information on social networks. Organizations may have to consider updating their policies regarding access and use of social networks and initiate training programmes particularly for employees, who may be using social networks for work. A better understanding of technology challenges and of the way they determine organizational changes, would allow organizations to take more timely measures to face challenges successfully and to utilize opportunities more effectively (Stoica, 2013).

Uncontrolled, unregulated social media exposure is a gold mine for competitive intelligence experts. The lack of social media policy at companies is opening a

gate for information collectors and analysts.

In an analysis of Eurostat in December 2013 (Eurostat Press, 2013), is mentioned that 30% of enterprises used at least one type of social media in 2013, although only 8% of enterprises had a formal policy for social media use. In this context it is also mentioned that only 5% of enterprises in Romania have a *formal policy for social media use* (Eurostat Press, 2013). Generally, European enterprises are amongst the most vulnerable in facing data protection in the global reach on internet and analytical systems.

Although in general European organizations are seemingly not very quick in establishing and implementing formal social media policies, American multinational companies such as Coca-cola, CISCO, Dell, Marks and Spencer have well established and very clear social media policies. Policies to be respected by employees typically include clarifications and regulations for employees with respect to the association of company's name and nick name to various events or ideas and its usage on social media platform. Employees should understand that social media is widely used for marketing purposes, for increasing brand awareness, and that any post, if is private or on behalf of the company, should serve the same purpose.

EMPIRICAL STUDY ON NEW COMPETENCIES REQUIRED BY TO FACE THE NEW VIRTUAL WORLD

In January 2014, Facebook announced about 1,310,000,000 monthly active users (statisticbrain.com, 2014), so the Facebook platform shouldn't by any chance ignored by any business and marketing manager. Companies have to adapt their marketing and communication strategies in order to reach key customers, who are no longer responding to traditional advertising. Every day Google answers more than one billion questions from people around the

globe in 181 countries and 146 languages (google.com, 2014). A big amount of that information is consumed every day and posted every day by potential clients.

In the annual report of Technorati (technoratimedia.com, 2014) it is stated that, blogs are the most influential media, ranking high with consumers for trust, popularity and influence in comparison with brand managers and highly recognized by brand managers because of the popularity of blogs amongst consumers. All information posted on blogs or social platforms are analysed and compared in order to create more effective marketing campaigns.

Customers tend to highly respect recommendations from virtual friends posted in social media. Social networks such as Facebook have the great advantage that information is shared very fast and that shared information is typically of interest, as users generally “like and share” only information they consider valuable for their lives. The quality of the information that organizations and managers can obtain from social media is seemingly more authentic and valuable than from traditional sources because of this “like and share” filter.

Nowadays an organization has to hold capabilities for obtaining and analysing the huge amount of available information. Moreover they need to process, manage and prepare the information for decision making, turning that information into a powerful marketing, sales and product development tool. Obviously all the aforesaid, the successful utilization of virtual information requires flexible organizational structures and a particular type of employee. We wanted to learn more about the expectations and requirements organizations have regarding this kind of employees, in terms of skills, and conducted an analysis on job posting on LinkedIn (linkedin.com, 2013), for the position of social media managers.

This analysis is quite relevant in the context of polarization of occupations, a trend studied by David Autor in a research work applied in United States, and European Union too. According to this research, the structure of job opportunities in United States was polarized over the past two decades, “with expanding job opportunities in both high-skill, high-wage occupations and low-skill, low wage occupations, coupled with contracting opportunities in middle-wage, middle-skill white-collar and blue-collar jobs” (Autor, 2010, pp.1).

The preliminary analysis of 50 job postings for social media managers and related position on LinkedIn in 2013 (LinkedIn.com, 2013), revealed similarities with respect to required experience, competencies and capabilities as follows:

- Working in *cross cultural* teams;
- Working in *cross functional* teams;
- Virtual collaboration;
- Project management experience;
- Creativity;
- Communication and presentation skills;
- Experience in creating and managing virtual communities;
- Linguistic competencies - fluency in at least two major languages
- Working experience in international business environment.

Another important group of knowledge and skills regarding social media jobs relates to analytical capabilities and use of software for analysis, which can be structured in three categories:

- Using the right platforms and software for collecting information (Facebook insights, YouTube Insights, Google Analytics etc.); monitoring and reporting traffic, rankings leads, tracking performance and proactively establishing website analytical;

- Conducting on-line market, competition and customer research, quantitative and qualitative analytics;
- Analyzing, developing and implementing new opportunities for the brand to reach new online target groups and markets and improve lead flow.

Social media managers should preferably have competencies in competitive intelligence, enabling them to monitor, collect, analyse information and allowing them to create practical reports for strategic decision making.

“Regardless of the tools you use, the single indispensable element to Competitive Intelligence is the human factor: the smarts, experience, and instinct that can turn huge collections of dead facts into live intelligence that plays a central part in making business decisions. The best competitive intelligence team, experts agree, is one that is distributed, involving the company’s entire workforce” (Evans, 2001, pp 4).

CONCLUSIONS

Social media is providing endless opportunities to companies, due to the incredible amount of valuable information, available market research resources, competitive intelligence, interaction with existing customers and potential new clients, to develop business through enhanced services and products.

Managers should keep in mind that all those benefits have a downside too, new media equally placing important risks too, like theft of data, improper messages, quick spread of bad news, real or made up by competitors or detractors.

In this environment, management should focus on human resources, in recruitment, in adopting social media policies, and in implementing more flexible organizational structures in order to act fast for avoiding

and managing risks and taking advantages of the opportunities

Bad social media communication strategy and social media monitoring could be, in the context of globalization, a great opportunity for competition and a big risk for own organization.

Specially trained employees are hired to take care of brand communication. This new job, social media specialist, appeared in the last few years as a response to the increasing importance and number of social media platforms. Tremendous risks are attached to brand communication, as those employees may make errors while playing with the image of the brand, so big companies hire entire teams to represent the company in the media platforms.

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