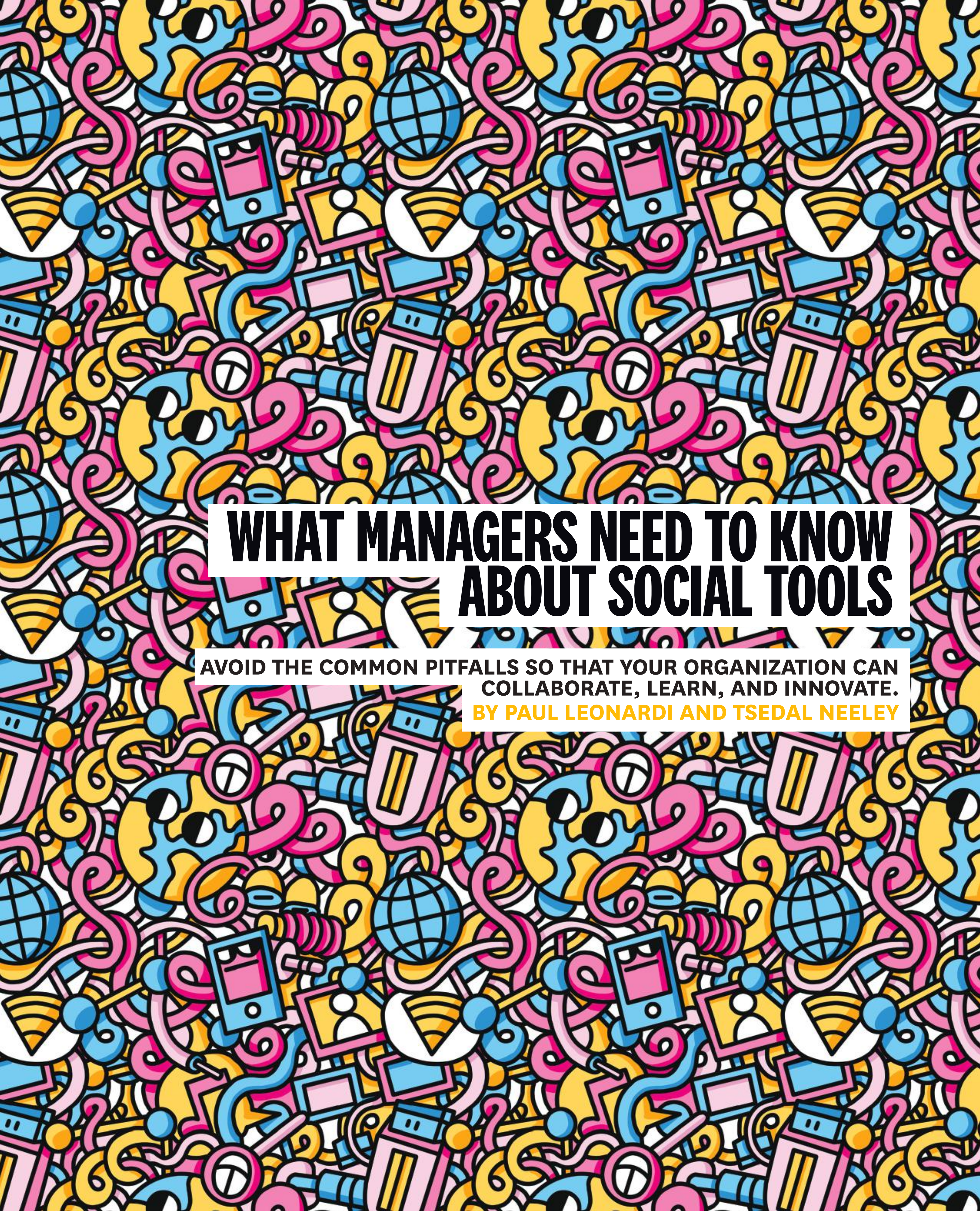
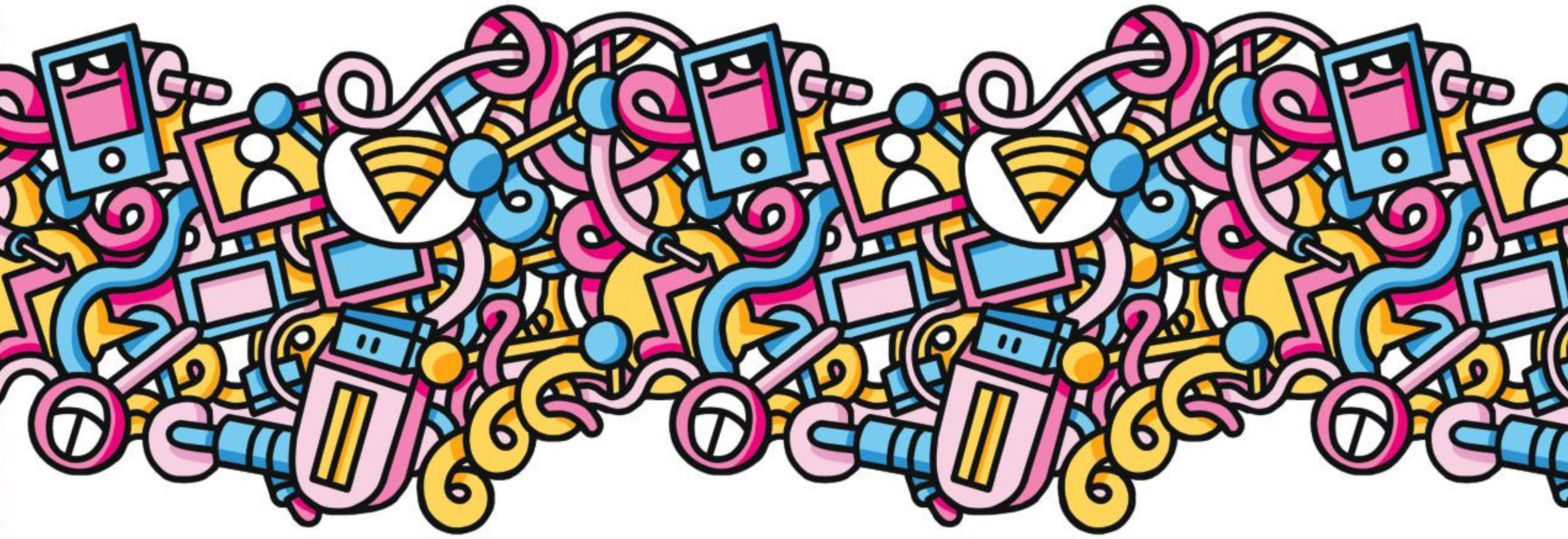


WHAT MANAGERS NEED TO KNOW ABOUT SOCIAL TOOLS

AVOID THE COMMON PITFALLS SO THAT YOUR ORGANIZATION CAN COLLABORATE, LEARN, AND INNOVATE.

BY PAUL LEONARDI AND TSEDAL NEELEY



Workplaces have adopted internal social tools—think stand-alone technologies such as Slack, Yammer, and Chatter, or embedded applications such as Microsoft Teams and JIRA—at a staggering rate. In an ambitious study of 4,200 companies, conducted by the McKinsey Global Institute, 72% reported using them to facilitate employee communication. That figure grabbed our attention, so we asked leaders of both large and small organizations for more insight into why they were turning to social tools and platforms. They said things like "Other companies are, so we should too" and "That's what you have to do if you want to attract young talent." Although the bandwagon effect was not a surprise, this was: Few of the rationales were

ILLUSTRATION BY JUAN DÍAZ-FAES

based on a solid business case, which leaders normally require when considering other technologies, such as CRM software or computer-simulation tools.

To more systematically identify the performance value that social tools can bring to companies, we split employees at a large financial services firm into two groups and observed them for six months. The first group used an internal social platform called Jive-n, while the other group did not.

The results were remarkable. The employees who had used the tool became 31% more likely to find coworkers with expertise relevant to meeting job goals. Those employees also became 88% more likely to accurately identify who could put them in contact with the right experts. They made these gains by observing what their coworkers talked about on Jive-n and with whom. The group that had no access to the tool showed no improvement on either measure over the same period.

Since then we have studied internal social tools in various work settings, including banking, insurance, telecommunications, e-commerce, atmospheric science, and computing. The mounting evidence is clear: These tools can promote employee collaboration and knowledge sharing across silos. They can help employees make faster decisions, develop more innovative ideas for products and services, and become more engaged in their work and their companies.

Over the past two decades organizations have sought some of these benefits through knowledge management databases, but with limited success. That's because determining who has expertise and understanding the context in which it was created are important parts of knowledge sharing. Databases do not provide that type of information and connection. Social tools do.

But we have found that companies that try to "go social," as many of them call it, often fall into four traps. Here we'll look at those traps and share recommendations for capitalizing on the promise of social tools.

TRAP 1 FLAWED ASSUMPTIONS ABOUT MILLENNIALS

Leaders assume that young people "breathe" social media, as one senior executive at a large insurance company put it. This view of Millennials *outside* the workplace is certainly backed by good evidence—they're avid consumers of Facebook, Twitter, Instagram, Snapchat, Reddit, and countless dating sites. So managers often look to them to set an example in the organization, expecting that they will be pioneering users of social tools at work. But that's a mistake. In our extensive interviews and company surveys, we've found the opposite to be true. Millennials actually have a difficult time with the notion that "social" tools can be used for "work" purposes, the way they might use a spreadsheet or a PowerPoint deck. They see social media as a space for self-expression and communication with friends and family. It's integral to their personal lives but—aside from LinkedIn and other career-building sites—it has little or nothing to do with their professional lives.

This may be in part because few Millennials encounter workplace technologies before college or their first serious jobs—at which point they have been active on social media for several years. They're wary of conflating those two worlds; they want to be viewed and treated as grown-ups now. "Friending" the boss is reminiscent of "friending" a parent back in high school—it's unsettling. And the word "social" signals "informal" and "personal." As a 23-year-old marketing analyst at a large telecommunications company told us, "You're on there to connect with your friends. It's weird to think that your manager would want you to connect with coworkers or that they'd want to connect with you on social media [at work]. I don't like that."

Most managers we have worked with want employees to use internal social tools to communicate informally about work—but not to discuss personal matters. Millennials aren't interested in crossing that line either, but they have trouble imagining how they *could* use social tools without getting personal.

Another problem is the way organizational leaders talk about the social tools they're implementing. In nearly every rollout we've seen, senior executives—trying to provide a cognitive link to a familiar technology—have referred to them as "Facebook for the company" or "Twitter for the company." But after hearing that from a manager, a 22-year-old data analyst at the

IN BRIEF

A MISSED OPPORTUNITY
Internal social tools can improve collaboration, innovation, decision making, and employee engagement. But four common traps get in the way: Organizations make flawed assumptions about Millennials, struggle with personal and professional boundaries, overlook the learning that takes place, and derive faulty insights by focusing on the wrong data.

A BETTER WAY
To realize the potential of social tools, organizations should clearly define why they're adopting them, encourage informal communication and even "lurking" to promote knowledge sharing and learning, and articulate the rules of conduct. And leaders should exhibit the behaviors they'd like to see from employees.

insurance company mentioned above asked, "Why would I want to use Facebook at work? I don't think I necessarily want my boss knowing that I went to a party last night."

In our surveys, about 85% of young professionals said they struggle with social tools at work. Ironically, about 90% of older professionals viewed these tools as new and often useful modes of communication with their colleagues.

TRAP 2 REPRESSING INFORMAL COMMUNICATION

The second trap is related to the first: Managers and other employees are generally not interested in sharing details about their *own* personal lives on social tools at work. Many companies even explicitly prohibit the discussion of nonwork topics on their internal sites. And yet we find that a key motivator for employees to engage with their company's social tools is curiosity about *others'* personal lives. That's true for people of all ages and ranks.

Although such voyeurism might seem problematic at first glance, our research shows that it's a missed opportunity, because it can make work interactions easier and more productive. It's hard to strike up a conversation with someone you don't know well. It's even more difficult to ask that person for help or a favor. Employees feel better equipped for such exchanges when they have gained personal insights about their coworkers by watching them communicate on internal social tools. Our research at a large telecommunications company, for example, revealed that employees who do so are three times as likely as others to get pertinent *work* information from colleagues.

Jose, a mid-level manager in the telecom company's marketing division, shared an illustrative story about connecting with his coworker Alex: "I was following [on the company's Chatter site] this guy in the e-commerce division who posted about soccer statistics. I thought it was cool and interesting because it was a hobby of mine too. So I went to his page to see if he'd written anything about the Euro Cup, and I saw a communication between him and another guy in marketing about a promotion they were working on. I was like, 'Whoa, this promotion is a great idea.' So I called him up and introduced myself and told him I kind of stalked him because of his soccer posts, and we both laughed. And then I said, 'Hey, I saw [your posts] about this promotion you're doing. Can you tell me about it so we maybe could do something like this in my division?'" Like many other employees we talked to, Jose was drawn to a particular coworker because of a shared interest. That gave him material for his opening bid for important work-related knowledge.

By watching colleagues talk about hobbies and pastimes on internal social tools, employees can also assess whether their coworkers are likable. An engineer at a large e-commerce company told us that he often did this to "size people up" and determine how "safe" they were to approach. Others made similar comments. How coworkers responded to people's queries or joked around suggested how accessible they were; it helped colleagues gauge what we call "passable trust" (whether somebody is trustworthy enough to share information with). That's important, because asking people to help solve a problem is an implicit admission that you can't do it alone. It can make you feel vulnerable, especially if you're afraid of developing a reputation for lacking certain knowledge.

Still, as valuable as it may be to observe personal, informal communication at work, our investigation kept bringing us back to this paradox: The content that attracts people to their companies' social tools and keeps them coming back can also inhibit them. Employees often worry that interaction on these tools will be seen as wasting time—and many managers do assume that productivity is suffering when they see a lot of chitchat there. If internal social tools are to deliver on their promise, companies and individuals must become comfortable with both personal and professional interactions online.

TRAP 3 FAILURE TO RECOGNIZE LEARNING

Lew Platt, a former CEO of Hewlett-Packard, was fond of saying, "If only HP knew what HP knows, we would be three times more productive." Our work shows that internal social tools provide a space for employees to

BECAUSE LEARNING ON SOCIAL TOOLS HAPPENS AT A REMOVE, PEOPLE DON'T THINK OF IT AS LEARNING.

acquire knowledge by watching their colleagues. But when we asked more than 400 people across various companies to tell us what they had learned on these tools, we got blank stares. The most common response was "Nothing." That's because learning on social tools happens at a remove, while others go about their work, so people don't think of it as learning.

It's actually a bit like spying or eavesdropping. Research shows that people spend much more time as "lurkers" or "observers" on social tools than they do as content producers—writing posts, sharing information, or creating documents and videos. We've found that people can acquire at least two types of knowledge this way: *direct knowledge* and *metaknowledge*.

Employees gather direct knowledge when they observe others' communications about solving problems. Take Reagan, an IT technician at a large atmospheric research lab. She happened to see on her department's social site that a colleague, Jamie, had sent a message to another technician, Brett, about how to fix a semantic key encryption issue. Reagan said, "I'm so happy I saw that message. Jamie explained it so well that I was able to learn how to do it." Employees share this kind of information with one another all the time in hallway conversations and e-mails. But because Jamie and Brett decided to communicate via the company's social site, their exchange was visible to Reagan, too, and she learned something unexpected and useful.

Employees who gain metaknowledge don't learn how to *do* something; instead they learn who has the expertise they need or who knows someone who has it. Consider Amanda, a marketing coordinator at the financial services firm mentioned above. Her manager asked her to analyze trends in an enormous data set, and she was unsure how best to structure the report query. After trying (unsuccessfully) to figure it out by herself, she decided to log on to the company's internal social tool to see if anyone had posted documentation that would help her. She couldn't find any, but she did see an exchange between two employees in marketing—Rick and Alicia—who were discussing that very issue. Rick recommended that Alicia contact Mark, in the analytics department, because he knew how to write the proper script.

Excited, Amanda left Mark a voicemail asking for help. She didn't get a response, so she tried again the next day—still no response. Fortunately, by observing the conversation between Rick and Alicia, she had learned not only "who knows what" but also "who knows whom"—both important components of metaknowledge. So she asked Rick if he would broker an introduction. Rick texted Mark to ask if Amanda could talk with him about writing a script, and Mark texted back immediately to say that she could call him in five minutes. Amanda called, Mark wrote the script, and Amanda estimates that she saved nearly a week's worth of time on her project.

Employees who observe others' communications pick up bits and pieces of seemingly unimportant information over time. Eventually they begin to form a picture of who knows what and whom. As the tech writer Clive Thompson has observed, using social tools is like staring at a pointillist painting. No dot by itself makes much sense. But when you step back to see all the dots together, you comprehend a rich image. The slow process whereby people see the individual dots makes it difficult for them to realize they are learning. Unless managers explicitly highlight the potential for knowledge sharing and skill building when rolling out social tools—and have developmental conversations with employees—people may underutilize or even abandon them.

TRAP 4 FOCUSING ON THE WRONG DATA

Employees' communications and behaviors become highly visible on internal social tools, which can make it easier to collaborate. But not all that is visible is important or useful. Sometimes social content leads people to focus—and act—on the wrong data.

To illustrate, let's return to the atmospheric research lab. A reorganization brought together IT technicians who had never collaborated before. At first they relied on seniority as a proxy for expertise—they sought advice from their most seasoned colleagues. To help them share knowledge more effectively and learn who knew what and whom, the IT director implemented a social tool for the department. As is usually the case, employees started using it slowly. But as communication on the site increased, people began to read messages between coworkers about solutions they had devised for computing and network problems across the lab. Eventually it became clear that Jill, the most junior technician in the department, was actually the most knowledgeable in certain areas—and people started turning to her with questions.

Peggy, the group's most senior technician, quit after several months of this, frustrated that her coworkers, who had initially come to her for help and advice, no longer seemed interested in her recommendations. Her colleagues were very clear about why they had shifted from Peggy to Jill: Jill's messages and posts were chock-full of useful technical details. One coworker noted, "Jill just seems to really know a lot about the issues I face."

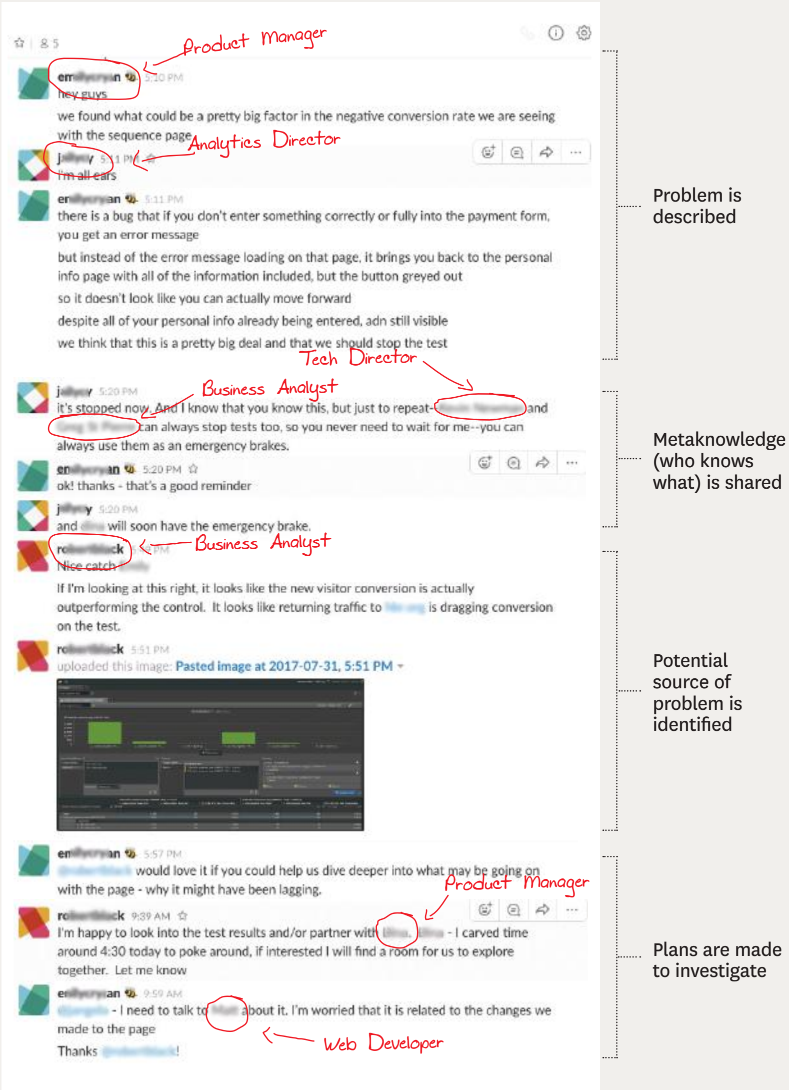
The IT director was not sad to see Peggy leave. He reasoned that the social tool had exposed the fact that she was not as knowledgeable as everyone had thought, and he was pleased that his employees were now going to the "smartest" person for help. But barely two months after Peggy's departure, the IT department's evaluations from scientists across the organization plummeted. Peggy might not have been the most technically sophisticated employee in the department, but she had the most cultural and political knowledge. She knew which scientists' problems should be highest priority, and she knew what preferences various scientists had for technology in their labs.

Because the technicians were thinking of "expertise" solely as technical knowledge, Peggy's value to the group was hidden. To salvage the department's customer satisfaction scores, the IT manager hired Peggy back at a 30% premium and began to encourage her and others in the department to diversify the types of knowledge they shared on the site.

Across all the companies we studied, the most visible information and knowledge were perceived as most important. If employees' contributions and strengths weren't showing up in their posts or messages, they were likely to be overlooked—and the organization

A SOCIAL SNAPSHOT

This real exchange illustrates how social tools can be used to solve problems and collaborate across functions. After a product manager at a midsize media company raised some concerns on Slack about an A/B test, colleagues in analytics stopped the test, provided valuable context for the results, and organized a quick meeting to explore what was happening.



INTERNAL SOCIAL TOOLS CAN GIVE GLOBAL EMPLOYEES A WINDOW ONTO BROADER COMPANY DISCOURSE THAT IS OTHERWISE UNAVAILABLE.

wouldn't benefit from them. Our findings support the old adage that what gets recorded gets remembered.

CAPITALIZING ON SOCIAL TOOLS AT WORK

Although these four traps are common, your organization needn't fall into them. In our consulting work we've found that to reap the benefits of internal social tools, companies can define the purpose, strengthen ambient awareness, spell out rules of conduct, and lead by example.

Define the purpose. Most employees don't know exactly why they're meant to use internal social tools. As a result, people may shy away from them—or, without realizing it, use them in ways that undermine rather than enhance performance. For instance, at the financial services company in which we did our experiment, executives hadn't made it clear that one of their goals was to strengthen employee relationships. Consequently, many employees grew afraid over time that management—after observing what they shared online—would think they were "socializing" too much at work. So they began to disengage from the site, even though they thought it provided value. It takes a critical mass of employees to make internal social tools useful. Thus leaders need to clearly explain what employees and the organization as a whole stand to gain through these new technologies. We have found the following to be the most significant ways social tools provide value in organizations:

Improving collaboration. Internal social tools can enable employees to engage with coworkers more widely, building awareness of expertise and increasing collaboration across the organization. That's what happened when Jose, the manager at the telecom company, parlayed his coworker Alex's love of soccer into a productive partnership. Their initial conversation sparked other discussions about common issues in their respective departments. They hatched an idea to develop a new branding campaign (using Jose's marketing expertise) for one of Alex's businesses (in the e-commerce division) that ended up increasing customer retention by more than 200%. Alex said, "No one from my department had ever worked with marketing before. Who knew we could complement each other so well?"

Enhancing knowledge sharing. Companies are increasingly using social tools to gain a competitive advantage through internal knowledge sharing. Often this benefit emerges organically and is then put to strategic use. For example, a group of engineers at a large e-commerce company struck up a useful conversation on Yammer. One engineer in the German office learned about a web-analytics application that the more advanced Tokyo office had implemented locally. He contacted a Tokyo engineer to get detailed information about the application and the network environment required to support it and then adopted the application and posted his satisfaction with it to the group. American and French engineers expressed interest in the tool for their local markets. Observing its success in Tokyo and Germany and its potential elsewhere, the manager of the group required that it be adopted across all markets. We observed a similar spread of knowledge in the marketing, sales, and legal groups.

Creating a connected global company. Employees who work in different locations around the world often have a hard time building relationships and forging a shared identity. Social tools can facilitate personal and professional connections, increasing trust and

rapport across geographic and cultural borders. Many global employees report that internal social tools give them a window onto broader organizational discourse that is otherwise unavailable to them. As Sam, who works for the e-commerce company, explained, "I get a feel for what everyone's doing over there [at headquarters], the types of projects, and how they're doing. So I definitely feel more connected." Others at the company echoed Sam's sentiment, saying, "I feel like I am part of the family" and "We're the same company. We're the same people. We look different, we might sound different, but we're doing the same thing at the end of the day." In a dynamic and global marketplace, far-flung employees value this sense of belonging.

Preventing duplication of work. Social tools allow employees to learn about existing projects and initiatives that overlap with their own and to coordinate efforts. This can reduce work duplication and free up time and money to generate new knowledge. At the insurance company we studied, one employee, Sheila, was asked by her manager to put a hold on her current project and perform an urgent analysis for a new vertical market. She told her manager that the analysis would most likely take two weeks, pushing her current project past the deadline and over budget. The manager was willing to pay that price. As Sheila began to dig into the problem, she remembered a series of exchanges on the internal social tool among colleagues in another department about a project they were working on in that same vertical market. With this metaknowledge, she sent them a note asking if they could suggest where to start. They replied that they had completed a market analysis and asked if she would like to see it. Sheila said that when she received the report, "I couldn't believe it. It was exactly what my boss asked me to do. This just saved me two weeks, and it saved my project over a million dollars. I had no idea they were working on this. Neither did my boss."

Increasing innovation. With the help of social tools, employees can sometimes borrow ideas and solutions from other parts of the organization and combine them in fresh ways to create new products or processes. A clear example of innovation comes from the financial services firm we studied. Tim, an employee in the consumer finance division, was working out the details of a new loan program. He couldn't quite figure out how to make his idea work. But then inspiration struck: "I suddenly remembered that I'd seen a communication exchanged between these two guys....One of them, Joe Franklin, who's in the pricing department, mentioned something—I forget the context—about rate variation depending upon risk factors. That caught my eye, so I read the history of the conversation he had, and it turns out that there was some flexibility in rate assignment based on risk class. I sent him an e-mail to see if I could learn more about it, and it made sense. So I developed the program around it, and it's been pretty successful so far—really innovative, so it made me proud."

Tim's director was very happy too. The product came in on time and under budget, and carved out a new niche for the company in a crowded market.

Social tools bring the greatest benefits when employees are exposed to ideas and insights from people across the organization—particularly people they wouldn't normally encounter. The challenge, however, is that focusing attention on content coming from multiple departments—many of which have different goals and may seem unrelated to one's own work—is difficult. For this reason, organizations tend to deploy social tools within departments. But if patterns of communication are too insular, the expanded network that these tools promise won't materialize.

Once you've defined your organization's key purpose and made a plan for deploying social tools, clearly articulate all that through internal marketing campaigns, messaging from the top, and one-on-one or group training sessions to focus employees' efforts.

Strengthen ambient awareness. Whatever purpose you define, you'll be more likely to achieve it if you allow the tools to hone employees' "ambient awareness"—a social-science term for awareness of communication and behavior around you in which you are not directly involved. You can do this in a couple of ways. First, make clear to everyone that management sees the value of friendly interaction—even when it has nothing to do with work. And then let it happen. That's how people make unexpected fruitful connections across the organization. If you see some chattiness online and start to worry about lost productivity, quash the urge to limit exchanges to "work only" topics. Encourage people to befriend and follow new coworkers—preferably in other departments or divisions—instead of solely paying attention to those they already talk to off-line. They'll develop a richer sense of who knows what and whom. Second, occasionally remind employees that it's productive to absorb seemingly unimportant or uninteresting details about their colleagues. Noticing that someone is working on closing a deal with a wireless antenna company may not seem immediately relevant to an employee. But it's still important to file that sort of detail away—it may become useful later. And every piece of information contributes to a full, vibrant picture of the organization.

FORMALITY MAY BE APPROPRIATE FOR OTHER CHANNELS, BUT IT THWARTS THE INFORMATION EXCHANGE AND KNOWLEDGE FLOW YOU WANT ON SOCIAL TOOLS.

Spell out rules of conduct. Companies often have three concerns about employee behavior on internal social tools: that it is too informal, that people can share confidential information, and that people might inadvertently violate externally mandated regulatory policies. The first concern is misplaced. The emerging norm is casual, brief communication, and for good reason: Though formality may be appropriate for other channels (such as e-mails to superiors or memos to the staff), it thwarts the kind of information exchange and knowledge flow you want to see on social tools.

However, it's critical to address the other two concerns—respecting confidentiality and adhering to regulations. This involves managing visibility. Not all social communications should be made public. Leaders must be clear about which types of information and data cannot be shared broadly—client account numbers and revenue projections, for instance—and which can.

Lead by example. Finally, people take their behavioral cues from above. If leaders aren't present on internal social tools, employees won't be either. And if leaders post mostly formal announcements about changes in policy or personnel (which happens often), employees will view the tools as just another vehicle for management to broadcast information, rather than as a way for them to communicate with one another. The organization will fail to achieve its purpose for implementing social tools.

As with any initiative that requires cultural change, leaders must model the behavior they would like to see. When they notice a good idea streaming on their company's social tool, they should publicly engage the person who posted it. And when employees share information that's not related to work, leaders should chime in with interest.

BRINGING SOCIAL TOOLS into a company may look simple. Most of them are cloud-based applications, so they require virtually no investment in infrastructure. What's more, today's employees have experience using social media in their personal lives, making the learning curve easy for most people. But belying this apparent simplicity is a much more complicated reality: To achieve the benefits of a social enterprise, companies must work hard to avoid the common traps we've described—traps that can ensnare even the most adventurous enterprise. Some of the organizations we've studied have succeeded by using the strategies in this article. As a result, their employees are more engaged with their global companies, do a better job of communicating and sharing skills and knowledge, and collaborate and innovate more effectively.

HBR Reprint R1706J

PAUL LEONARDI is the Duca Family Professor of Technology Management at UC Santa Barbara and consults with companies about how to use social media and other technologies more effectively. Twitter: @pleonardi1.
TSEDAL NEELEY is an associate professor at Harvard Business School and the founder of the consulting firm Global Matters. Twitter: @tsedal.