
Social media improves internal communication!



By Andrew Shipilov , INSEAD

This is the final instalment of the presentation of our survey results on the impact of social media on the competitive advantage of organizations.

In the survey, we asked about the impact of organizations' using social media for internal communication (e.g. internal blogs, internal wikis, internal social networking) on three processes:

- a) speed of decision making
- b) vertical communication (i.e. communication between different levels of organizational hierarchy, for example between CEOs and employees)
- c) horizontal communication (i.e. communication across different functional areas, such as sales and marketing)

What we learned, surprised us:

Internal social media use had a dramatic positive impact on the vertical and horizontal communication in organizations. In other words, different functional departments inside companies talk better to each other as a result

of using social media use.

CEOs in companies that use social media appear to have easier time communicating with lower level employees (and vice versa) than in companies where social media is absent.

However, if companies used social media to increase their speed of decision making, well, there is a negative surprise for them. In most cases, internal use of social media did not improve the speed of decision making.

Ultimately, social media is just another tool in the box of a company's strategist. It will not solve all organizational problems, contrary to what some evangelists might propose.

Social media will help information flow better in an organization, but it will not make an organization faster in making its decisions.

However, the increase in the quality of information exchange across functional areas might lead to the increased organizational innovation and creativity. So, this is good news.

Find article at

<https://knowledge.insead.edu/strategy/social-media-improves-internal-communication>

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