Managing the open
How organisations can use social media to open up
The rise of social media is constantly and profoundly changing the environment businesses and organisations operate in. Employees are using twitter and Facebook to share their views, at times unwittingly disclosing confidential information and conflicting the organisation’s goals. Business partners and customers have access to a wealth of information as competitors and markets become more transparent. These rapid changes in communication technology and behavior put pressure on organisations to embrace more openness.

This change offers tremendous opportunities. Organisations can improve their every day operations and boost their sustainability and competitiveness. Wikis that enable efficient online collaboration, weblogs and discussion boards that allow global knowledge sharing or the joint development of software in open innovation processes are just some examples for social technologies.

At the same time, organisations are facing the fact that the widespread use of social technologies undermines traditional hierarchy structures and threatens an organisation’s traditional power structures. They need to find ways of dealing with the challenges of social technologies and make conscious decisions on how and to what extend a wider degree of openness can be integrated into their existing structures.

This publication describes how organisations can open their infrastructure to be prepared for the new information and communication behavior of their employees and other stakeholders. Developing a strategy for openness does not mean that an organisation should freely share all its information over the Internet. A strategy for openness should guide management in dealing with new technological challeng-
es, in encouraging new relationships and in adapting the organisational structure to the stakeholders' new behavior.

The focus of this publication are the new social capabilities rather than the social technologies themselves. As Clay Shirky, the American writer and thinker on the impact of internet technologies, puts it: “We now have communications tools that are flexible enough to match our social capabilities (...). We are living in the middle of a remarkable increase in our ability to share, to cooperate with another, and to take collective action, all outside the framework of traditional institutions and organisations.”

This publication first describes the three main types of open organisations. It then describes the two areas of information sharing and decision-making, which allow analyzing the existing openness of an organisation. The third section discusses how organisations can handle conflicts resulting from more openness, that is the key conflicts between loss of control versus empowerment and management versus motivation.

“A major challenge in dealing with social technologies is in fact how management can develop an organisational structure to inspire and support employees and partners while at the same time being able to monitor and control the impact of greater openness. One starting point is to find out who an organisation’s influential people are and what impact they have on the distribution of information and important decisions. Therefore the distribution of information and the regulation of decision-making are the main pillars in all three models that describe possible ways of efficiently using social technologies: the organic, the centralised and the coordinated model.”

One example is the Twitter account of German public broadcaster ZDF. Two students registered the account in 2009 and started to tweet without the knowledge or approval of ZDF. The account was very successful and the station’s employees started to follow it as well. Only when ZDF journalists were trying to locate its authors for a new program they realized that the account was run by outsiders. After talks with the students ZDF decided to hire them and the two became responsible for the official Twitter account.

**MODELS OF OPEN ORGANISATION**

“There’s a mismatch between the logic of participatory media and the still-reigning 20th-century model of management and organisations, with its emphasis on linear processes and control,” authors Roland Deiser and Sylvain Newton have said in an article on the social media skills leadership needs.

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**Organic Model**

The organic model is the most primitive form of integrating social technologies into organisational structures. It typically develops without official permission or direct oversight by members of the management and usually goes unnoticed at first. For example, service-blogs are set up through the initiative of employees or external partners create unofficial business pages in social networks. This form is organic because structures arise spontaneously where a specific need arises. This spontaneity is both an advantage and a major disadvantage of the organic model. The use of social technologies depends on the self-interest of departments and employees and not on management decisions.

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The organic model can be a useful way for organisations to make first steps in the use of social technologies. It is flexible and requires little control. After an organisation’s first encounter with the use of social technologies, it is often replaced by a coordinated organisational model.

Centralised Model
The key feature of the centralised organisational model is that management makes a conscious decision on how to use social technologies in a more open exchange with its stakeholders. It strategically plans the use of social technologies. A small number of decision makers controls the activities of all employees involved. In this way, the centralised model enables a rapid, targeted and coordinated action. Although the decision is made at the top, it is important that employees are willing to use social technologies and that they learn to be more open with the organisation’s stakeholders.

Traditional forms of information sharing still dominate corporate culture.

Coordinated Model
Basically, the coordinated model is organized centrally. Management sets general rules of conduct and provides guidelines. At the same time, all departments or individuals have a maximum of freedom on how to use open communication. In particular, decentralised organisations can use this model as an effective way to encourage initiatives of their employees while still maintaining an appropriate level of control.

One example is the German development aid agency GIZ. Its management first commissioned a survey of those who were already successfully using social media technologies in their work. This survey formed the basis for developing a social media strategy. The institutions’ existing, but randomly spread knowledge was incorporated into the operating structures of the organisation.
An ongoing exchange with those who pioneered the use of social media technologies within the organisation also helped to keep them motivated.

Another example for a decentralised but coordinated approach is German tire maker and automotive supplier Continental. The company developed an internal social media platform called ConNext to enable the exchange of information between employees worldwide. During the implementation stage, the company sought out employees who already had some experience in using social media to support the platform’s roll-out. Some 400 employees around the globe were named ConNext Guides who at their respective location in turn assisted 200 colleagues in using the new platform. Each guide can devote ten percent of his working hours to train and engage the 80,000 employees who can be reached through this decentralised, but coordinated approach.

The coordinated model often evolves out of the organic model. But it can also be derived from the centralised model. The coordinated model is introduced once an organisation has gathered sufficient experience in the use of social technologies, allowing it to be extended to the entire organisation.

**OPEN ELEMENTS: INFORMATION SHARING AND DECISION-MAKING**

The three organisational models present general options. In order to choose the right degree of openness and to plan the use of social technologies, it is necessary to analyse an organisation’s current structure based on the way it shares information and makes decisions. Management can then decide how much control and how much coordination it desires. Neither this decision nor the selected model is irreversible. The status quo of the organisation should continuously be reviewed in order to adapt to changing needs.

> **TRANSPARENCY CAN SPARK A VIRTUOUS CYCLE.**

After modeling the organisational structure, specific decisions on information and decision-making policies need to be taken in a second step. How will information spread inside and outside the organisation and how does the open flow of information affect decision-making?

Describing different ways of information sharing and decision-making show the different degrees of organisational openness.

Jeff Jarvis, a self-proclaimed advocate for openness, claims that “transparency can spark a virtuous cycle: Publicness demonstrates respect, which earns trust, which creates opportunities for collaboration, which brings efficiency, reduces risk, increase value, and enhances brands.”

He imagines a radically open organisation that “would encourage all its employees to use the tools of the public net to have direct and open relationships with customers - answering questions, hearing and implementing ideas, solving problems, and improving products. The clearest lesson of the social web is that people want relationships with people, not with brands, spokesman, rules, robots, voice mails, machines, or algorithms.”

Jarvis argues that the management of open organisations should open up as much data as possible, including design specifications, sales and repair data and customer feedback. He also points out, though, that management has to make a decision on “whether greater value lies in its secrets or its relationships. It needs to calculate what benefits might accrue from transparency.”

Jarvis envisions complete openness, but openness can also be realized on a smaller scale. Open information sharing and open decision-making does not necessarily mean “total transparency and complete openness, whereby everyone from customers to competitors has access to all information and everyone is involved in all decisions.” It would be equally unrealistic to run a “completely closed organisation, in which information and decision making is centrally controlled and everyone follows every instruction.”

In her book Open Leadership, author Charlene Li defines ten elements of openness that can be divided into information sharing and decision-making.

**INFORMATION SHARING**

Traditionally, an organisations’s management distributed information along a well-defined, top-down channel. Today, due to the spread of social technologies, information can be shared with great ease and almost no effort. This ease of information sharing makes it very difficult to assure that all information travels along the defined channels. Thus, many organisations that already use social technologies to a wider extend are facing the problem of how to adopt their policies to the new nature of information sharing.
Open information sharing means to “establish an organisational and technical infrastructure that encourages free exchange but also enforces controls that mitigate the risks of irresponsible use,” according to authors Roland Deiser and Sylvain Newton. There are six different concepts of open information sharing (see box on page 9).

### Decision-Making

Open forms of information sharing are only one side of the coin. The full potential of openness only becomes visible when open information sharing changes the way an organisation makes its decisions. While the use of social technologies has already seen major adoption in the area of information sharing, the field of decision-making still poses significant challenges.

**»Decision making does not change just because social media are introduced.«**

“In many cases, you aren’t giving up control – you are shifting it to someone else in whom you have confidence,” Li Charlene has described an attitude that allows overcoming resistance to changing traditional decision-making.

The following comparison of four concepts of decision-making types helps to evaluate the current situation of an organisation and to explore the potential impact of more openness in the future.

1. Centralised

Centralised decision-making is usually related to strategic planning or used in situations that call for a quick response and decisive action. This requires strong communication as decision-makers must first possess accurate information from all relevant stakeholders. Experience shows that even organisations with open information policies still take most of their decisions in a centralised way. Decision making usually does not change just because social media are introduced to an organisation.

2. Democratic

If a decision is taken on the basis of a majority within a group, for example a vote among all employees, it is a democratic decision. The group size has almost no limits when social technologies or the internet are used for voting. This is the case when a large online-community has to choose between some centrally or user-generated alternatives. One example for this is the creative community jovoto. More than 40,000 creatives are solving problems for organisations of all kinds. For instance, Unicef has used the community to commission campaign designs for an anniversary of the Convention on the Rights
of the Child. Designers submitted their proposals and the entire community could then vote and choose the best proposals.

3. Consensus-Based
Consensus decision have the advantage that in principle they are supported by each person involved. They also have a disadvantage, namely that the decision-making process can be extremely slow. Technologies that support consensus decisions are wikis that enable collaborative editing. In principle, an article in an open wiki expresses the consensus of all editors involved.

4. Decentralised
The fourth concept of decision-making is a combination of the previous ones. The basic idea of decentralization is to make decisions where and when those involved possess the appropriate and relevant knowledge. The decision method itself is similar to the centralised method with the difference that the decision makers are decentralised and that they make their decisions with greater autonomy.

HOW TO DEAL WITH OPENNESS

There are different strategies to implement a greater degree of openness, efficiently use social technologies and deal with the opportunities and challenges of being an open organisation.

Understanding Individuals
The first step to deal with openness is an analysis of individuals involved, for example employees, executives, or competitors. What are the experiences they have previously made, are they skilled in the use of social technologies? Are they willing to use social technologies in their daily work? The main pillar of an open organisation is the technological literacy and mentality of the organisation’s stakeholders. Even in very small organisations colleagues might have different perspectives on openness and different attitudes when it comes to using social technology at work. Some would love to participate in public discussion and to spend a lot of time in using new communication technologies. These are usually a minority. And yet they are driving the use of social technologies and they are generally likely to support openness.

There is a second group of individuals that is of no less importance. This is the group of the skeptic. These are employees or managers who are full of doubts and who are uncomfortable with the idea of an open organisation. They don’t want to use new technologies and they do not believe that openness can contribute to the success of the organisation. One important way of getting skeptics on board is using case studies to demonstrate the benefits of social technologies and outline promising scenarios for the future of the organisation.

Defining the Impact
After analyzing the individuals involved, the next step in dealing with openness is to define the organisation’s objectives of introducing a greater degree of openness. In addition to the ten elements of openness described above, which could already serve as internal objectives for an open organisation, it is very useful to look at the general impact of social technologies. According to brand management consultant and book author Olivier Blanchard, there are two impact categories: vertical impact and lateral impact.

Vertical impact refers to the direct relationship between the organisation and external stakeholders. Traditionally, the vertical impact was unidirectional from top to bottom – but social technologies also enable a bidirectional impact in both directions, e.g. an equal exchange between management and employees or between employees and customers.

The greatest potential of social technologies, though, lies in a lateral impact, that is, in the exchange of external stakeholders themselves. The urge for more openness could eventually arise from lateral developments. Because those who were previously customers, for instance, can now “use technologies to get the things they need from each other, rather than from traditional institutions like corporations,” as authors Charlene Li and Josh Bernoff have put it.

Formulating Objectives
Once the desired impact is identified, the organisation should clearly spell out the objectives it wants to reach with the use of social technologies. It is important to integrate openness di-
rectly into existing organisational functions. The following list of examples should serve as an orientation of how objectives could be described:

- An important vertical objective is called listening. Is it important that the management of an organisation is always up to date about the latest developments in certain areas? Is it difficult for management to find this information via the traditional communication channels of an organisation?

- Finally, a mixture between vertical and lateral objectives is to engage internal and external individuals, e.g. employees and partners, in solving problems that are usually solved in-house only. In comparison to the concept of outsourcing, this last objective is also known as crowdsourcing: Outsourcing to the crowd of users.

- A second vertical objective is open dialogue. An open organisation does not only enable new possibilities to spread messages. Unlike Emails, others can write comments to the original message and start an open dialogue. Social technologies make it possible to follow discussions from the very beginning and to observe how opinions evolve. The organisation can directly see if a certain message has an impact or not.

- A classical lateral objective is to enable individuals to support each other. The organisation steps back. It does not focus on its own relationship with these individuals but it serves as an open platform for the exchange and collaboration of others. One example are large tech companies that publish their software code, which allows user communities or smaller companies to develop add-on applications or products. This turns the original software code into an indispensable environment and massively increases its value even though its owner has given it away for free.

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Taking small steps
Another question the organisation should answer before making decisions on the use of technology: Where should the journey lead to in the long term? What is the desired degree of openness in three or five years from now? Managers and employees should imagine how their working day in an open organisation might look like in five years from now and what role social technologies should play in the near future.

Looking at strategic planning two more recommendations can be drawn from practical experiences with organisations that have been striving for more openness. First, the most important people in the organisation must fully support the philosophy of openness. Second, the plan towards more openness should be developed step by step. The strategic success largely depends on the level of experience of the individuals involved. These individuals should make their first experiences with small steps, before they increase the pace.

After analyzing the employees and the management of Unicef Switzerland and their readiness for more openness, a team of students at the University of St. Gallen came up with a surprisingly simple idea: Once a month, team meetings should begin with a new topic: five minutes for social technologies. For five minutes, the organisation should discuss issues related to openness. Five minutes is not a lot - but it is enough to bring more attention to the idea of being an open organisation.

Don’t Focus On Technology
Over the past years, social technologies changed far too quickly to rely on a single application. A strategic approach to an open organisation should therefore not depend on a single technology. The opposite is true and a good strategy for more openness should survive today’s fast-paced technological change.

CONCLUSION: A TREMENDOUS OPPORTUNITY
The rise of both social media and of technologies that enable a rapid and comprehensive distribution of information are above all a tremendous opportunity for businesses as well as public, social and media organisations.
the inner workings of products forces companies to be the best in their field by constantly innovating. Engaging online communities provides constant feedback on what users expect from products and services. They become cost effective product testers, they are part of the innovation process. In contrast, an innovation process that takes place behind closed doors greatly increases the risk of products that nobody wants. Outside the private sector, government institutions ranging from statistical offices to law enforcement agencies can also increase their efficiency by engaging the public in dialogue, assessing its needs and expectations.

At the very least, organisations can not ignore these changes all together. Because employees, competitors and customers are embracing them and organisations who don’t will fall behind.

But despite the opportunities, these changes are often perceived as a threat and are met with resistance. Most businesses are still built on proprietary knowledge. Company secrets are still seen as an asset that is more important than, for example, customer loyalty and trust won through openness, even though there are few industries today in which it is the technological edge that decides over a company’s success.

It is therefore crucial for organisations to design and implement a conscious strategy, defining above all how open it would like to be. An analysis of the existing ways of information sharing and decision-making is the first step. This analysis can later also serve as a useful guideline when it comes to formulating the specific objectives that a greater degree of openness is supposed to achieve.

Importantly, an organisation should engage its stakeholders, and its employees in particular, during the entire decision-making process. Social media has been so dynamic that their use slips into an organisation long before it really takes notice – as described above in the organic model. But this is also an opportunity because when the time has come for an organisation to hammer out a formal strategy, it already possesses some experience and knowledge it can work with.

Finally, technology should take second stage to organisational structures and the humans involved. Applications change quickly, and the focus should instead be on the flow of information and the culture of decision-making within the organisation.
References
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