# COMPANIES' INTEREST IN ENTERPRISE SOCIAL NETWORKS IN THE CZECH REPUBLIC

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**Abstract**

To a degree, the development of organizations in the current competitive environment of an information society depends on the abilities to share and use employees' knowledge on all business levels better and faster than the competition. Findings from international studies and research that have been conducted show that enterprise social networks can provide a range of advantages for modern human resource management. The reasons mentioned reveal the necessity of primarily determining interest in using the enterprise social network in the Czech Republic. A poll was conducted on the basis of intentional non-random choice, and research questions were posed to company managers. An overall comparison of the data gathered indicates two main resulting tendencies and point to an incipient trend in the Czech Republic.

**Keywords:** Enterprise Social Networks, Enterprise, Human Management

**Introduction**

A company that demands prosperity in the current turbulent and globalizing environment should pay particular attention to information technology in managing human resources (Pitra, 2007). As of 1998, Belcourt and Wright had already supported the following statement: "*An intelligent and effective work force can be a competitive advantage for a company.*" [2] On the basis of their research, Christidis, Mentzas and Apostolou (2012) present the advantages resulting from the use of the enterprise social network from the perspective of firms and employees. The reasons documented include the following: increased cooperation between employees, knowledge transfer and greater visibility not only between co-workers, but also directed towards company leadership. A case study by the authors Riemer and Scifleet (2012) investigates developing knowledge of work processes on the Yammer platform. The results show that the enterprise social network, among other benefits, provides space for innovative ideas and a conversational medium for building relationships. Figure 1 graphically illustrates a 5-C model of the location of ESN among information and communication technologies for supporting knowledge-intensive work, where the basic factors of the Yammer enterprise social network are coordination, cooperation and communication. These factors are mutually interconnected and correlate tightly with each other.
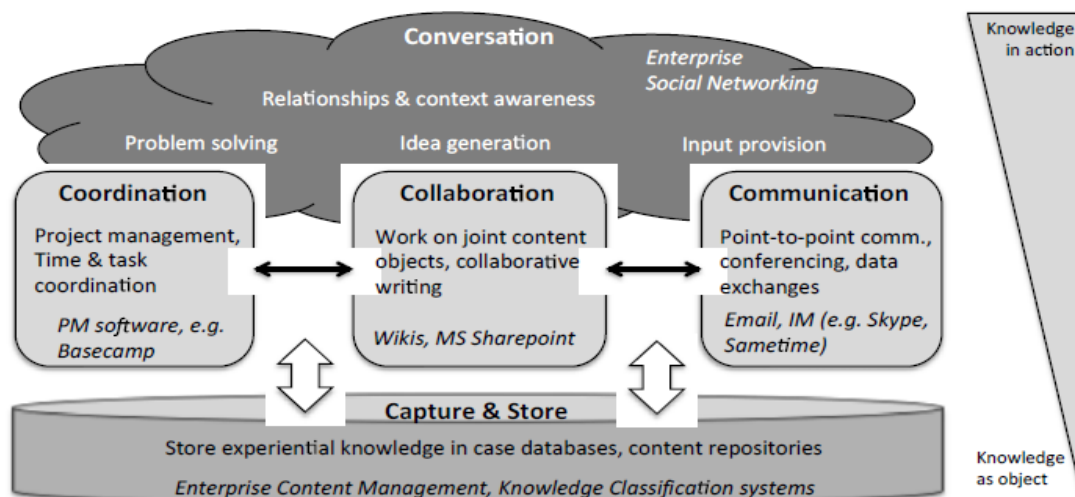
Fig 1 The 5-C model: placing ESN among established concepts and ICT for supporting knowledge-intensive work

The company Microsoft published research in cooperation with the company Ipsos on a sample of 4,787 employees across Europe (Microsoft survey on enterprise social use and perceptions, Ipsos, 2013). The research was aimed at the enterprise social network and its perception by employees. As shown in Table 1, respondents believe (overall 37%) that their manager understands the added value provided by social tools with the goal of increasing employee cooperation, but still currently underestimates this benefit (overall 34%).

| | | Gender | | Age | | | |
|---|---|---|---|---|---|---|---|
| | Total | Male | Female | 18-24 | 25-34 | 35-44 | 45+ |
| My supervisor understands the value of providing social tools in order to improve employee collaboration. | 37% | 38% | 37% | 50% | 41% | 36% | 33% |
| My manager underestimates the benefit of social tools in the workplace. | 34% | 35% | 32% | 40% | 40% | 34% | 26% |

Tab. 1 Enterprise social use and perceptions

On the basis of the studies mentioned above, the goal of this paper is to determine whether managers of Czech companies are interested in using enterprise social networks.

**Research and the Results of Companies' Interest in Enterprise Social Networks in the Czech Republic**

For determining enterprise social network interest and actual use, a poll was conducted on the basis of intentional non-probability sampling. The investigated sample used businesses that participated in the Kontakt 2014 trade fair in Pardubice. A total of 30 Czech companies participated in the trade fair, and a managed interview was conducted with each manager of the given firm.

The investigated sample was comprised, according to legal form of business, of 16 limited liability companies, 12 joint-stock companies, 1 general partnership and 1 state-owned company. The breakdown of the investigated sample by company size is the following: 5 medium-sized companies (50-250 employees), 17 medium-large companies (250-5000) and 8 large (5000 or more employees). The breakdown by OKEČ (The Branch Classification of Economic Activities) is the following: 1 company of type C – Mining and quarrying; 12 companies of type D – Manufacturing industry; 2 companies of type G – Wholesale and retail trade, repair of motor vehicles and the production of personal goods,

mostly household goods; 2 companies of type I – Transporting, storage and communications; 4 companies of type J – Financial intermediation; 9 companies of type K – Real estate activities, Business activities.

For verifying enterprise social network (ESN) interest and actual use, the following research areas were established:

RA1: Whether managers understand the concept of the enterprise social network.

RA2: Whether businesses use ESN and are interested in further information about ESN.

From the answers to the research questions focused on the first research area, it was shown that 57% of respondents do not know the difference between online and enterprise social networks. After processing the acquired information relating to the second research area, it was shown that 30% of respondents use an enterprise social network in their company, 13% of respondents use only elements of ESN and the remaining 57% of respondents do not use any enterprise social network. Among the ESN products mentioned were Yammer, Chatter, Sharepoint, and the company's own ESN. Of the respondents, 43% expressed interest in further information concerning enterprise social networks.

A comparison of the relationships between ESN knowledge and interest was conducted. Fig. 2 shows that respondents who are familiar with and use ESN also are interested in further information about ESN. Respondents who are not familiar with and do not use ESN are not even interested in further information about ESN. It is possible to explain this result by the fact that the respondents are not acquainted with the attributes and possible advantages of installing ESN in a company.
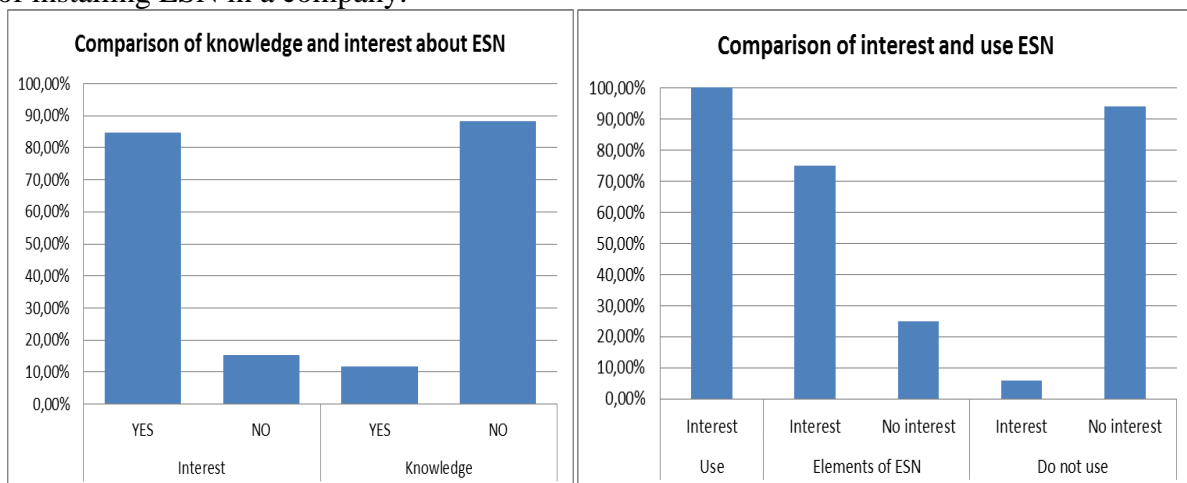


Fig. 2 A Comparison of ESN Knowledge and Interest; A comparison of ESN Interest and Use

Furthermore, an overall comparison of the three following factors was conducted: ESN knowledge, its use and interest in ESN. Fig. 3 graphically depicts the two main resulting trends that illustrate the results described above.
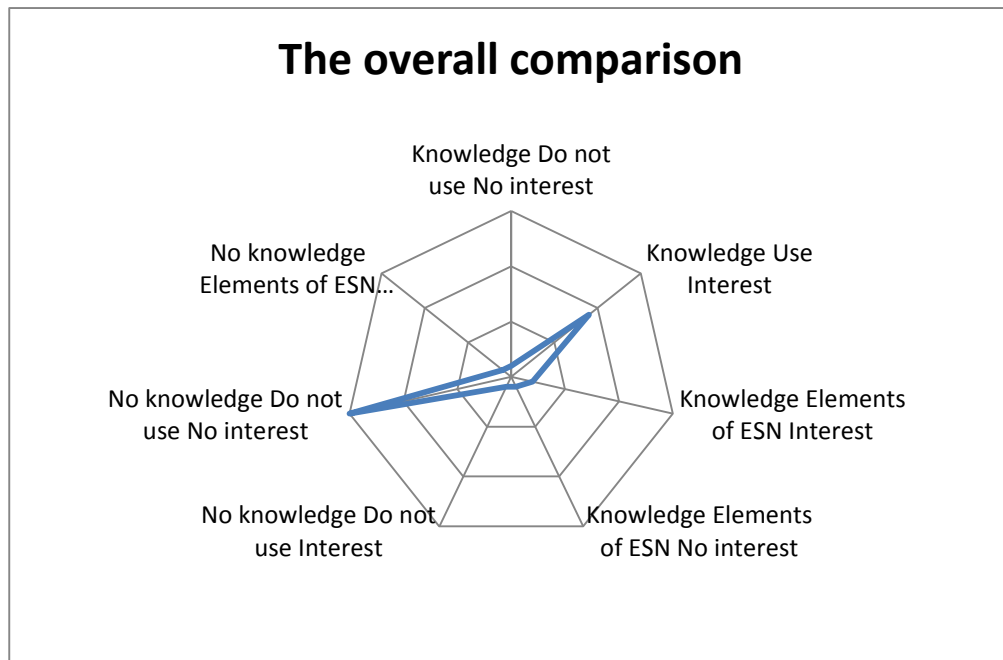
Fig. 3 Overall Comparison

From the overall comparison, it is possible to come to the conclusion that it is possible to see research potential in companies already using an enterprise social network and to determine why management implemented this internal network within company management. In contrast, it would be interesting to determine what method to use to persuade companies and management to implement ESN.

**Conclusion**

This paper addresses information technology and actual managerial trends that carry over into human resource management. The results of international studies show an incipient corporate trend towards using enterprise social networks. A range of firms already understand the advantages via successful implementation. It is necessary to mention that even enterprise social networks have their shortcomings in the form of insufficient acceptance by management and employees as well as insufficient IT support and circumspect fears concerning a decrease in employee performance (Ward, 2012).

As Pitra (2007) says, it is necessary to overcome aversion to changes and unwillingness to learn new methods and to accept a sophisticated modern tool for streamlining the company's overall system of management.

Enterprise social networks can offer managers in the Czech Republic sophisticated business software for managing human capital and worker performance. The question is whether enterprise social networks will show a rising or falling trend in the Czech Republic.

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