Impact of Social Media on Organizational Culture: Evidence from Pakistan

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Abstract

This paper investigates the impact of social Media on Organizational culture. The approach used in this paper was to give the application and significance of development of Social media for organizations. With an introduction to social media, organizational culture is focused by studying communication, business focus, workplace harmony, workplace behaviors, and business discipline. A self-administered survey is used to collect responses from employees working at different organizations through e-mail and various social media tools. The main result of the research is the validation of the research framework of employees operating in the SME's of Pakistan. It has been found that organizational culture is considerably affected by development and application of social media for business related activities in organizations.

Keywords: Socail Media, Pakistan, organizational culture

1. Introduction

The concept of Social Media is top of the agenda for many business executives today. Decision makers, as well as consultants, try to identify ways in which firms can make profitable use of applications such as Wikipedia, YouTube, Facebook, Second Life, and Twitter. Yet despite this interest, there seems to be very limited understanding of what the term ''Social Media'' exactly means; this article intends to provide some clarification. We begin by describing the concept of Social Media, and discuss how it differs from related concepts such as Web 2.0 and User Generated Content. Based on this definition, we then provide a classification of Social Media which groups applications currently subsumed under the generalized term into more specific categories by characteristic: collaborative projects, blogs, content communities, social networking sites, virtual game worlds, and virtual social worlds.

As of January March 2012, the online social networking application Facebook registered more than 900 million active users. At the same time, every minute, 10 hours of content were uploaded to the video sharing platform YouTube. And, the image hosting site Flickr provided access to over 3 billion photographs, making the world-famous Louvre Museum's collection of 300,000 objects seem tiny in comparison. According to Forrester Research, 75% of Internet surfers used ''Social Media'' in the first quarter of 2012 by joining social networks, reading blogs, or contributing reviews to shopping sites; this represents a significant rise from 56% in 2011. The growth is not limited to teenagers, either; members of Generation X, now 35—44 years old, increasingly populate the ranks of joiners, spectators, and critics. It is therefore reasonable to say that Social Media represent a revolutionary new trend that should be of interest to companies operating in online space——or any space, for that matter. Yet, not overly many firms seem to act comfortably in a world where consumers can speak so freely with each other and businesses have increasingly less control over the information available about them in cyberspace. Today, if an Internet user types the name of any leading brand into the Google search, what comes up among the top five results typically includes not only the corporate webpage, but also the corresponding entry in the online encyclopedia Wikipedia or a Facebook Page most of the times followed by a Twitter account!.

On the other hand organizational culture exists on many levels and can be described by examining organizational structures and policies, stories and rituals, and behavioral norms and espoused values. Organizational behavior, decisions, and actions are guided by the core values and beliefs found at the deepest level of the culture (Schein, 1992).

In the industrial development of a country the importance of the SME sector cannot be overemphasized. SMEs constitute nearly 90% of all the enterprises in Pakistan; employ 80% of the non-agricultural labor force; and their share in the annual GDP is 40%, approximately. However, unlike large enterprises in the formal sector, a small and medium enterprise is constrained by financial and other resources. This inherent characteristic of an SME makes it imperative that there should be a mechanism through which it may get support in different functions of business including technical upgradation, marketing, financial and human resource training & development.

This paper determines to what extent social media effects organizational culture in SMEs. The