Sustainability Challenge: Social Networks as a Factor for Improvement of Organizations Today

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The development of Information Technology is present in different areas of business. Very popular forms of it are social networks. Social Network Manager or Social Network entrepreneur represents a new type of employee that is needed in both; small and large companies all over the world. The demand for human resources that are capable of adjusting to modern trends in the market is huge. There is no doubt that the number of these type of workforce is increasing that this kind of work helps organization to improve in many aspects. This is especially true for the area of marketing. Ability to survive in modern business is the key point of any organization. The purpose of this paper is to explain role and importance of social networks as they become very powerful tool of organizational improvement and sustainability in the business. In this paper, we are analyzing different social networks from different business perspectives and how does Bosnia and Herzegovina stand in this regard.

Keywords: business, competitive advantage, human resources, social network, sustainability.

Design/Methodology

In this work an objective investigation of this issue is done by analyzing social networks, some companies and using a case study method to present social network examples. Structural analysis of the content, design, communication
tool with key users is one more category which was analysed through this paper.

**Value**

The most valuable output of this research is not to identify the best social networks, but to see that for the business sustainability and improvement of organizations, they present extraordinary tool which was not present before in business. These findings will be useful for practitioners, researchers, business people and others which want to understand better and to practice social networks in their business.

**Business Organizations require a new type of employees**

The topical issue related to employees and organizations today is the notion that the organizations need new employees adjustable to the modern trend of today's world – social networks. This has created a need for so called social network employees entrepreneurs and managers. This need is stemming from the concept that in the future the advancement of the organizations will depend on the type of people who are skillful in use of social networks.

Vice President in Cisco Global Innovation, Rick Hutley believes that social networks are offering significant benefits for the organizations, but only if they are used in a proper manner. They can also enrich and improve business processes, and significantly increase productivity of employees. The experts believe that, on one hand, social networks are an excellent tool for sales and marketing of services and products, while on the other hand they believe that the organizations need employees who know how to use social networks.

This is how Alex Pentland, Toshiba Science and Technology Professor and MIT Media Lab Director in Cambridge, presents it: Social networks and operations on those can be compared with activities of insects: bees and humblebees. They have an elegant way of organization decision-making. One of the most important issues and group decisions made by a bee colony is where to locate the hive. Bees use a kind of “idea market” to
guide their discovery. The colony sends out a small number of scouts to survey the environment. The exploration continues until so many scouts are signaling in favor of the best site and a tipping point is reached. The bees’ decision making highlights both information discovery and information integration, two processes that are crucial to every organization but that have different requirements. A centralized structure works well for discovery, because the individual’s role is to find information and report it back. In contrast, a richly connected network works best for integration and decision-making, because it allows the individual to hear everyone else’s opinion about the expected return from each of the alternatives. This process alternates between the centralized structure and the richly connected network and can shape information flow to optimize: discovery and information integration.

Recent studies at MIT reveal that this sort of oscillation is a characteristic of creative teams in organizations.

The social networks are being used for personal and professional purposes, however, they did not reach that usage level yet where all organizations have social network manager or coordinator. Nevertheless, the technology and the tools offered to the users by social networks are good basis for sending messages to remote users and organizations all over the world, exchange of information with fast information flow and also they are easy to use.

Europe’s Information Society points out that the social networks are world’s reality which offers a lot of possibilities. They represent a space for creation of different content and invention of new forms of art.

Disregarding the definition, the social networks are actually innovation in business organizations. At one point, when presenting his great thoughts, the guru of modern management Peter Drucker said: “The entrepreneur always searches for change, responds to it, and exploits it as an opportunity.” This is the task for today’s organizations and employees, to adapt to changes brought by modern times, and at this point of time those are the social networks which contribute to the success and sustainability of the business of many organizations in the world.
Figure 1: Picture of national entrepreneurs

New trend...

The Information Technology development is present in different areas and sectors, and one of its forms is definitely the social networks. These are free on-line services enabling the users to have different type of communication with the world and to do self-presentation. Social networks are being used by a large number of people, and apart from general use there are also services with special purpose in terms of their content and user profile. If you are wondering why the European Commission is active in the domain of social networks, here is the answer: namely, the European Commission have opinion that social networks represent economic opportunities and possibilities for European industry and they are offering the possibility for expression of creativity to the society at large. This can be applied on sustainability spheres: economic opportunities and social development. Apart from that, there are a lot of profiles on social networks that are advocating for the rights of minorities and in such a way are promoting the content that was hidden before the appearance of the social networks.

An individual or an organization can access any social network. They are used for personal and business purposes and they are also new marketing phenomena. They are changing the way of organizations’ business, changing the business environment, offering the possibilities for the promotion of a company, products and services, but also the possibility to get feedback from target audience and clients. Parallel to that, they are also interactive media which provide the users the opportunity to create their own profiles and groups, to edit topics, content, photos, and videos,

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1 Picture is taken from the National Entrepreneurs Facebook page www.facebook.com/NEN. Date of access 04.06.2013.
friends with determination of the privacy for every individual, group or organization. Hence, they are giving broad spectrum of opportunities with continuous rhythm in “launching” innovations and tools.

There are a dozen of popular social networks on the Internet today, and the most well-known are: Facebook, Twitter, LinkedIn and others. The EU made an overview of the social networks according the areas that they are used for:

- General social networks such as MySpace, Facebook, Skyrock, Bebo, Netlog, Hyves, StudiVZ.de, Piczo, Zap.lu, MSN, Giovani.it, Arto.dk, Yahoo, One.lt, Grono, Tuenti, Aha, etc.
- Platforms and portals for specific content such as YouTube, Flick.
- Business networks: LinkedIn, Ecademy.
- Mini blog networks such as Twitter and
- 3D Virtual portals, i.e. Games such as Second Life.

This selection presents a landscape of social network which is shown in the picture below:

![Social Media Landscape](http://api.ning.com)

**Figure 2:** Picture of social media landscape

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According to Europe’s Information Society in 2008 there were 41.7 million users in Europe, and in 2012 this number increased to 107.4 million. In its report: It is a digital world, from December 2011, ComScore Inc leader in measuring and research of digital world points out that the visits to social networks reached 82% of the population, and that Facebook as the most popular social network has reached more than half i.e. 55% of the population.

What was the path of the development of social networks? CARNet underlines that the first social network was created in 1997 under the name Six Degrees. The users of this network had the possibility to create user accounts, lists of friends, and a year later (in 1998) to search the lists of other users. All of these options were available even before, but Six Degrees had consolidated all of them into one whole. In 2000 Six Degrees went down due to the inadequate number of active users and insufficient income. In the period between 1997 and 2001 a number of social networks were created, such as Asian Avenue, Black Planet and MiGente were the users had the opportunity to create personal, professional or profiles for match making. The options grew over time, i.e. new options were added such as creation of Guestbook or personal notes and texts available to other users. The new development was marked with the launching of Ryze.com network for the establishment of business and scientific contacts. Over the time additional similar services were set up like Tribe.net, LinkedIn and Friendster. Only LinkedIn network was successful and it is being used today as one of the largest business social networks and it has millions of users. In 2002 the social network Friendster was launched and it was successful and attracted significant number of users, however, due too poor computer equipment and limited computer resources the users were gradually leaving the network.

Since 2003, a large number of social networks developed, and the popularity was kept by: Facebook, Twitter and LinkedIn.

The purpose of the social networks varies from friendship making to professional and business services. Business-wise the contribution of social networks to different companies is large and it includes fast flow of information, free use of social networks and their tools, free promotion and marketing of services and products, invitations for promotional events for a large number of people, etc.

However, there are organizations which operate on a “face to face” basis and do not follow social networks trends, but those organizations
rarely meet their missions. The adaptation ability of every organization to modern trends is very much valued, and it is possible that the companies which are not ready to embrace this interactive media will be at loss!

**Challenge: Sustainability in business**

Ability to sustain in business is the most important aim for any organization. How can they do that, depends from top management or entrepreneurs which develops new methods and approaches to worldwide market place. One of the interesting approaches is how to use social networks and incorporate it into three main spheres of sustainability: economic, social and environmental.

If we observe one chair with three legs, all have the same task: to sustain strong with the influence\(^3\) of weigh.

![Business Sustainability](http://serc.carleton.edu/images/integrate/sustainability/business_sustainability.v2.jpg) Date of access 05.06.2013.

**Figure 3**

But if we observe social networks as pedestal in which business sits, we can for sure say that it relies on three legs: economic, social and environment. Through the using of social networks, business organizations

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\(^3\) One part of the picture is taken from the http://serc.carleton.edu/images/integrate/sustainability/business_sustainability.v2.jpg. Date of access 05.06.2013.
don’t invest any money, so it is free. Social sphere is present through the creation of networks, education of how to use social networks and their tools, increasing number of users and similar things. And the last leg called environment, also participate in this sustainability. If some organization use social networks for promotion, it doesn’t produce waste, doesn’t use cd, dvd for creating video, doesn’t print leaflets or brochures for promotion of organization, it just use social networks which is placed on internet. The concept of business sustainability through the using of social networks is present, but if organizations are not aware of it, they are on their lost!

**Communicating with the Social networks and creating sustainability**

Social networks became an alphabet for the sustainability in business. Communication online is indispensable part of everyday living or working environment. Business organizations indeed didn’t want to use social networks to talk about sustainability, but from number of 60 companies in 2010, the number has raised to 176 in 2012. Resources of social networks are huge, as one of the entrepreneurs said:” Social networks doesn’t represent pretty face. It is not a case of great design, but it is a case of learning what can they do in business, or in ordinary life. Education through the social networks will be the most powerful weapon which will change the way of thinking, communicating and using social networks in business or personal life in the future”.

It is not surprise that social networks are wheels which drives people to use it as cars. Facebook and Twitter are favorite channels of many people, even for business organizations. Website newspaper Guardian mentions that social networks and sustainability are authenticity, transparency, community, innovative and they use creativity. At the Wizness Social media Sustainability index web, we can see that the most rated companies which use sustainability in social networks are:

- Levi Strauss
- BancoBilbao
- eBay

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4 Statistic presented in www.guardian.co.uk. Date of access 05.06.2013
5 Companies rating is taken from the www.publisher.wizness.com. Date of access 05.06.2013.
These companies are walking with the sustainability process through the using social networks while others are just using it without the purpose. Which social networks businesses or individual use the most, it will be presented in a next chapter.

**LinkedIn as the superior business and professional tool?**

LinkedIn is the largest business and professional network on the Internet. It contains superior set of tools that are enabling people to find jobs, to link with other professionals, to communicate with companies, etc. By creating the LinkedIn profile one is presenting to the people and to the companies his/her knowledge, skills and experience, and those serve as a basis for search on this social network. Also there is an opportunity to connect with colleagues and to exchange experience and opinions on IT, economy, projects of non-governmental and international organizations, etc. The companies interested in employing good quality personnel are using LinkedIn social network and the scoring programme to analyze profile of the candidate and to select the best candidate. The networking opportunities are growing in proportion to the completeness of one profile.

The social network LinkedIn is being used in Bosnia and Herzegovina, but not to the extent that it is used abroad. The interesting thing about LinkedIn network is that it offers statistics for the companies: the number of employees, gender ratio, list of ex and present employees, but also the statistics for personal networking with other people.
Figure 4: Example of LinkedIn user network: Glen ONel

This picture shows that the centered box represent a person or a business. The network is growing with a number of followers. The sustainability factor is in hands of creator. If the creator of his profile wants to design sustainability of its business profile, it can, but if he/she wants to design poor profile without purpose, and also with the possibility to close it, then sustainability will be on the border of break. Another plus for LinkedIn is because it has a possibility to present visually networks with friends, family, companies in such a way you can have overall image which will give an opportunity to create another strategy for sustainability. The LinkedIn has set a new standard for companies and employees all over the globe.

Unfortunately, this is still not the case for Bosnia and Herzegovina, but we should have in mind that LinkedIn is very motivating business and professional environment which can be used by any new or existing user of this network.

Picture is taken from https://intelligentmeasurement.files.wordpress.com/2011/02/linkedin.gif. Date of access 12.04.2015
New one: Pinterest-Pin in the future?

Pinterest\(^7\) is social network whose development begun in 2009, and launched in 2010. It is similar to older social networks and it uses pin-board style which allows users to repin or like photos, events and other sharing’s. It is interesting social networks who became a large one, with a rating of 10 the largest social networks in 2011. One of the data which comScore reported is that Pinterest had 11.7 million users in January 2012 that put this social network in the round of fastest growing site in history.

Pinterest had a great role in 2012 US presidential elections. Except design for free activities, it has an opportunity for the business, to promote their own products and services online. Also, Pinterest gives possibility for anybody to use affinity analysis. This analysis is data mining technique and process of finding connections between dissimilar things based on subjects’ view of the items. Research needs to define a subject or group of people that share for example the picture. Researcher observes behavior of this group and through the records draws similar or different patterns of habits or behaviors.

Pinterest promotes social and environmental sustainability. Also, economic value is present because it is free network but on another side many investors funded this social network because they saw the one great social invention. Business organization use Pinterest as a great visual communicator with customer’s or users.

![Pinterest page of IBM](https://www.pinterest.com/IBM/)

**Figure 5:** Pinterest page of IBM\(^8\)

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\(^7\) Ben Silbermann is Internet entrepreneur who founded Pinterest, a virtual pinboard which gives users possibility to organize images, recipes and to create and manage theme-based image collections (events, interests, hobbies etc).

\(^8\) Pinterest page of IBM is available at [https://www.pinterest.com/IBM/](https://www.pinterest.com/IBM/)
Except promotion and sharing pictures, Pinterest have boards for showing sustainable ideas. For example: recycled paper, reusing materials, sustainable households etc. This is a great way to spread worldwide sustainable ideas!

Even Pinterest is great social network, small countries use only the basic social networks, and such is the case in Bosnia and Herzegovina. The statistics shows that increased number of users is present at the end of 2012 and in beginning of 2013. The most popular is Facebook, and less Twitter. Next chapter will show overview of one case in BIH which use Facebook for communication with citizens.

**Overview of BiH EU Delegation to BiH on Facebook, Twitter and YouTube?**

Citizens' participation and their involvement in discussions and research on important issues related to their state represent one of the important segments of the governmental services. This can be achieved through the social networks, and the EU Delegation to Bosnia and Herzegovina is offering such an approach.

Similar to majority of international companies, the EU Delegation to Bosnia and Herzegovina is using Facebook, Twitter and YouTube for the communication with citizens. The Social Network Coordinator does monitoring of the content, placing of new and management of existing information on Facebook. The main purpose of this approach is: publishing of news, information and content on past or future events, raising of awareness of the BiH society on BiH’s accession to EU, motivation of citizens to participate in dialogue, announcement of seminars, forums, etc.
The Facebook used by the EU Delegation to BiH is enabling citizens from different sectors, media, NGOs and others to establish communication with the EU Delegation in a simple manner, and to obtain required information, leave contact information in order to initiate cooperation and to find educational content. Moreover, the published content is not limited to the City of Sarajevo and it includes information related to other towns in Bosnia and Herzegovina. In this way the citizens can get information on developments in other towns in BiH, and this is very useful for Federation agencies, media, NGOs and other international companies interested in investments or in launching of projects which are important for the whole BiH.

The EU Delegation also uses Facebook and Twitter for structural information flow and this is extremely significant for BiH society. It offers

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9 Facebook page available at https://www.facebook.com/europa.ba
the possibility to citizens to discuss and obtain information on topical issues, as well as the opportunity to give proposals for solutions to specific problems. This is provided through the communication sustainability principle!

The YouTube channel used by the EU Delegation to BiH is providing the citizens with imagery presentation of the EU stories, positive examples of the EU member states, and it is also providing positive messages or invitations to the authorities to builds table society.

This is a positive example of the EU organization using social networks as at wo-way communication channel, and hopefully it will motivate other BiH state agencies to follow this model and to show the ability to adapt to the new way of communication sustainability on the Internet, instead of the resistance to it.

**Election Campaigns and social networks – a change of the model of communication with voters**

Metcalfe, Robert – *the law reads that the value of the network grows with the increase in the number of the users.*

Apart from application in the business world, the social networks became an interesting tool to attract voters for many political parties. They became a battlefield for a large number of users, and at the same time a free tool that provides the political parties with the opportunity to network with potential voters without a need to spend a single penny.

The local elections will soon be held in Bosnia and Herzegovina and the political parties have started the attack on social networks. The printed media are used only to a small degree for the promotion of political parties, and other promotional strategies to a greater extent. The social networks are mostly used for promotion, marketing, communication and debates on political parties, potential municipal council members and voters. The Facebook is widely used since it is the most popular social network in BiH. The profiles of municipal election campaign headquarters, main political parties and the parties that are not so well know are being created, as they all want to connect with a large number of people who are using social networks. Political parties that have Facebook profile or group are becoming inferior to those who do not have those. They have the opportunity to reach
a large number of young people since they are using social networks which are attractive as a communication tool. The example that illustrates this is the case of Turkish leader Erdogan. Namely, his sudden leave from the panel discussion in Gaza in 2009 was video recorded and subsequently placed on YouTube. Following that placement of the video hundred thousands of people visited YouTube, and the same link was shared on Facebook, and it was commented and discussed, the fun groups were created as well as other Facebook applications and all of them were named after Erdogan. His gesture in Gaza got a huge media attention, and especially on social networks and among youth.

Therefore, the politicization of social networks is evident all over the world and especially in Bosnia and Herzegovina. The Facebook is widely used for pre-election campaigns since it is highly efficient – there is a possibility to communicate with a large number of voters from one single place, and this was not possible in the past, except during the meetings with vast number of audience. This is creating virtual world of political voters, and they will cast their votes without any face-to-face communication, since the social networks are doing the job for the political parties. Many politicians believe that social networks are effective long-term tool for creation of good policies together with voters, a tool for raising social awareness with voters and an efficient manner to present capabilities and skills of political leaders. And they really are! We just need to wait and see how successful political leaders will become with the assistance of social networks during the local elections.

**Move forward...**

The social networks challenges that are ahead of business, professional, political and other organizations require actions of competent persons with good quality knowledge who know how to use so called social network tools. This all is requiring social network managers, coordinators or entrepreneurs. The key role here rests with three cycles:

- the information are sent via social networks to all Internet users, and if they are not on-line the message is sent through social network or e-mail registered by a user, then
- the organization or an individual provides the information assessed as the ones required by the general public, also it is possible at this stage to obtain feedback,
- the third cycle is when people are searching of desired content.

The final question to raise here is Do the social network managers, coordinators or entrepreneurs contribute to the overall development of business organizations? Rick Hutley, V.P. at Cisco Global Innovation, believes that social networks are an excellent tool for business development and sustainability. Also, he pointed out that the recent research conducted by the Western Ontario University showed that the individuals who have mastered the social network use skills are at the same time proficient in e-learning skills. The social network workers who use social networks in their companies are experiencing personal satisfaction of the use of networks and at the same time they are achieving very good business results compared to the ones who do not use social networks. He also illustrated this with another example, namely, the consulting company Hewitt Associates, involved in human resources, which also uses Facebook social network not only for their business operations, but also for keeping in touch with former employees of the company.

This style resulted in a high quality employment because they were able to hire former employees who were very familiar with the operation principles of Hewitt Associates. The level of use of social networks varies, based on the type of business activity of the companies. It is possible to talk about the use of social networks by governments, politicians, ordinary citizens, etc. as this provides all of them with the opportunity to reach a large number of people with their messages. For example, during the campaign of Barack Obama social networks were used to attract the attention of public, to get support and to send messages to a high number of people. Also, many politicians are using social networks and media in the course of different campaigns in order to get familiar with the wishes and interests of their target audience. Besides that, the social networks are used in health sector as well. There is an increase in the trend of use of social networks in health sectors all over the world. They are mostly used as forums for discussion between doctors and patients, as well as for posting questions and answers related to certain health issues. Hence, the social networks are programmed in such a way that they can be used by anyone at any time.
The selection of social networks depends on many elements including a corporate culture; however, there are several basic elements that companies find useful:

1. **Presence** - the ability to locate associates and organizations, as well as the ability to determine the best way that they can be contacted.
2. **Cooperation** - the use of tools that allow individuals or organizations to share the information, presentations, connect with others, post video clips, etc.
3. **Access to information** – specific teams are given access to project information while the access is restricted to others.
4. **Communication** - provides online communication, via chat, putting posts on the walls, and even sending a message, if the user is currently not available.
5. **Access to the expertise of action**: Facebook platform provides the users with the option to post the information on the expertise of an organization or individual and in that respect share the information on common interests.
6. **Monitoring** - provides the monitoring as to development of specific information flow among profiles, i.e., individuals or groups – organization. Monitoring also means following the trend of business development and understanding the interests of the target clientele.

Certainly, there are many other functions that social networks provide, which are deemed useful for business organizations, improvement of their business or creating a strategy for sustainability success.

As many have learned from various examples, it is much better to ride the rapids than face the flood. If business organizations and entrepreneurs want to reach the goal, they will accept the social networks as a platform for good business sustainability and create strategy for their use. This is what the leadership guru, John P. Kotter once said: "Managers create a vision and create a strategy for the coming future."

**Conclusions**

The risks of using social networks certainly can be reduced through daily monitoring and by individuals in charge – the social media coordinator, manager or entrepreneur. Many state institutions and companies have their
Facebook, Twitter and other profiles and pages, among them the EU. The situation is the same in Bosnia and Herzegovina. The Delegation of European Union to Bosnia and Herzegovina updates its Facebook profile daily, while the other governmental departments are establishing their profiles.

The Center Municipality updates its Facebook profile regularly, informing the users about vacancies, public tenders, new developments etc. There are also common citizens and many companies. For example, the international company ComTrade, headquartered in Bosnia and Herzegovina, and launched a Facebook Jack application, based on a server for online games. This application keeps the current customers and attracts the new ones, with an aim of promoting the ComTrade brand itself.

These are all positive examples of using social networks. They can assist in the design of new strategies for business as it is a case with new one-Pinterest. It issues sustainability principle and promotes great ideas about sustainability, green business and similar things.

However, social networks can also destroy the business of a company as seen in the example of a protest song against United Airlines on YouTube. During his United Airlines flight, Canadian Musician Dave Carol experienced a nuisance - his guitar got broken and he received neither apology, not compensation. After that, Dave Carol, recorded several songs with the band United Breaks Guitars and posted them on YouTube on July 6, 2009. The same day, the video had about 150,000 views, about 0.5 million by July 9 and about 5 million views by mid-August that same year. The Times have reported that in four days after positing United Breaks Guitars, the business of United Airlines dropped significantly. Therefore, in some ways, social networks can be lethal for business, such as in the given instance. However, if a company properly runs its business, then the social networks can only improve operations, raise performance to the next level.

If companies and their workers adapt to turbulent changes and contemporary business conditions, such as social networks, with a certain monitoring whereby operational risks are removed, they can expect a “successful expedition today,” as in the case of the EU Delegation to Bosnia and Herzegovina. Using social networks every day, it is possible to enhance
the work of the organization, create sustainable environment, establish a two-way communication with the target audience, better sell a product or service, find out what customers want, learn about the latest news of other relevant companies and it’s all free. As the use of social network expands, the business organizations raise their rating among the competitors, especially among those that have not dipped their toes into the social networks wave. Whether or not, driving force in the future will be developing sustainability strategies for businesses through the social networks. It is most likely that if the companies want to survive, they will adopt new sustainable process through the social networks in the future.

Once again, it seems that all roads to improving the performance of various organizations lead in one direction – social networks. Therefore, get to it!

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