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**Internal Corporate Social Network : What  
Impacts on Innovation?**

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## **Abstract :**

Since several years, Web 2.0 technologies are a part of our personal lives. The prodigious rise of social networks now not only concerns individuals but also organizations. Companies are more and more interested in the potential benefits of web 2.0 tools, it raised the concept of Enterprise 2.0. Recently, there has been an increased number of companies that have launched their internal corporate social network. Alcatel-Lucent is one of these companies, two years ago Engage, its collaboration platform was born. Collaboration and knowledge sharing have already proven their benefits. However, we are interested in identifying what impacts a corporate social network has on innovation. This study at Alcatel-Lucent provides first results on the impacts of a CSN on all the aspects of innovation in a company.

## **Key words :**

Corporate social network, innovation, enterprise 2.0, web 2.0.

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## **Introduction**

At the edge of web 2.0 tools, our ways to interact are evolving. We, Internet users have really experienced this participative, social and collective intelligence (O'Reilly, 2005) offered by the web 2.0 in our personal lives. However, this reality is still relatively unappreciated by most companies. Yet, a lot of companies that integrated the web 2.0 reality often focus on customers and not on their employees. Since June 2010, Alcatel-Lucent has launched a corporate social network for its employees called Engage. It is a platform of social and community networking which can link all individuals together with no limit of department, activity, geographic zone. Engage permits employees to collaborate through the organizations, it aims to break silos and drive innovation through the company. As this corporate social network is only for employees and not for customers, its approach is really interesting to study. Therefore, we can ask how an internal corporate social network impacts innovation and creativity in the company. With our study we would like to give first outcomes on how a social network within a company influences innovation. This research is based

on a participant observation of several groups within the company and three semi-directive interviews. First, we will review the literature concerning social networking and web 2.0 tools, then we will analyse the results of our study.

## **1. Double theoretical filiation : Innovation and Web 2.0 literature**

There are few literature studies on corporate social networks as the use of these platforms is fairly new (Sena and Sena, 2008). However, it is gaining in interest for more and more companies who are becoming aware of its benefits. A study lead by SelectMinds (2007) analysed the financial side of corporate social networks solutions in 60 organizations. The results outlined increases in productivity and retention contributions. Conscious of these great benefits, we are interested to study the impacts of a corporate social network on innovation.

### *Innovation*

To identify what impacts a CSN has on innovation, it is necessary to explain our conception of innovation. In the literature there is a tremendous amount of definitions of innovation. As Peraya and Jaccaz (2004) stated, there are as many definitions as authors have different backgrounds, experiences, interests, etc. Often, an innovation is seen as the effective commercialization of new product that necessitated a new technical knowledge (Afuah, 2003). We choose to adopt a larger definition of innovation, the definition created by Rogers (1983, page 11) “An innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption”. In terms of typology of innovation, we do not target a typical type of innovation, but in our research, we mainly came across incremental innovations. An innovation is incremental when the technology and the knowledge required for the development of a product already exists (Afuah, 1998). We oppose here incremental innovations to radical innovations. In this study we are clearly not referring to radical innovations. Leifer et al (2001) consider that “a radical innovation is a product, process or service with either unprecedented performance features or familiar features that offer significant improvements in performance or cost that transform existing markets or create new ones” (page 102). Now that we have settled the scope of our study concerning innovation definition and type, we will go through the literature of Enterprise 2.0.

### *Enterprise 2.0 and CSN*

Nowadays, the term web 2.0 is widely used. Nevertheless, as Wilson et al (2011) suggested, there has been very few attempts to define web 2.0 despite the numerous studies on the nature or impacts of web 2.0 technologies. They propose a definition which emphasizes that web 2.0 is composed of internet applications and services centred on the user that permits information sharing, social interactions and collaboration between individuals and organizations. McAfee (2006) asks the question why these technologies are interesting for companies as they already have

the necessary communication tools available. According to the author, web 2.0 technologies have a great potential for a company as they permit to create linkage within a company, spread and share knowledge and experience as it never was possible with the traditional tools. The term Enterprise 2.0 has first been identified by McAfee (2006), he used the term Enterprise 2.0 to refer only to the platforms bought or built by companies that aim to share experiences, practices and knowledge from their employees. According to Soriano et al (2007), there are more and more enterprise 2.0 collaboration platforms launched in companies. The authors clearly underlined that these types of platforms promote innovation, specifically operational innovation. As a matter of fact, the authors consider that as knowledge workers share their expertise on some situations it leads to innovating procedures, prompt problem-solving, faster application development, etc. In our study we are trying to go beyond these benefits and determine all the operational impacts other than product conception we can identify using a corporate social network.

## **2. Our study of a corporate social network and its impact on innovation**

### *Context and methodology of our study*

We are studying what impacts a corporate social network has in Alcatel-Lucent. This company is a telecommunication solutions provider headquartered in France. Alcatel-Lucent is the global corporation leader in mobile and fixed networks, IP and Optics technologies, and is a pioneer in applications and services. Alcatel-Lucent provides telecommunication solutions to its clients in more than 130 countries as Lucent had a strong presence in America and Alcatel in European countries. Since their merger in 2006 and after several employees' reduction Alcatel-Lucent now totalizes around 78 000 people all over the world. The global 2.0 initiatives in Alcatel-Lucent started at the end of 2008 when Ben Verwaayen replaced Patricia Russo as CEO. This orientation followed the new strategy and the new organization guidelines. In 2009, Jive Software has been selected to implement a corporate social network, it was the birth of Engage. We need to specify that by corporate social network, we are not referring to the use of facebook, twitter or social networks in a company, but a dedicated social network personalized for a company. Engage is a platform of social and community networking. All the employees can communicate with each other with no boundaries of organization, country or activity. People connect through a group and can discuss or share on the topic of the group. Engage makes employees collaborate on common subjects even though they are not direct colleagues. This platform diminishes silos, permits to work more as a community than an organization. For now Engage is dedicated to Alcatel-Lucent employees, but it is planned to try to integrate clients in the platform. Our study on the impacts of a corporate social network on innovation benefits from two years of presence in Alcatel-Lucent. In order to determine what impacts has a corporate social network on innovation, we collected data in Alcatel-Lucent which had launched a corporate social network since 2 years. We realized three semi-directive interviews with Alcatel-Lucent employees involved in community management in engage and innovation. Moreover, our study is also

based on a participant observation of 24 months of access to engage. We were able to study some communities and groups which had innovation for topic or as an interest.

### *Results of the study*

With our study, it appears that a corporate social network can have several impacts on innovation in an organization. Our participant observation and semi-directive interviews identified that a corporate social network can have impacts in four different spaces of innovation. Indeed, this web 2.0 tool has an impact on management, creativity, participation and communication concerning innovation.

First, we identified that some groups were used specifically to manage innovation. For instance, some employees adhere to a group or a project to organize the innovation initiatives, innovative ideas, or innovating projects of a community, activity, technology or department. There, we can find meeting minutes, technical discussions, collaborative work and decisions, information sharing. In the specific use of innovation management, the corporate social network is appreciated for the possibilities to share, organize and collaborate in one single space, with no limits for the remote teams. Let us precise that in a global company no longer organized in geographic areas but in activities, there is a large majority of remote teams.

The second impact of a corporate social network on innovation is creativity. There are groups which are dedicated to a technology, an activity or a common topic of interest regardless of members' initial activity. We can take the example of a group that aim is to revitalize a local site of Alcatel-Lucent. Employees are voluntary to help to revitalize the site. They created an engage group to know who would volunteer and to work in one space. Once they created their task force they used this group to brainstorm on potential actions to achieve their goal. There are several other examples of groups that used this collaborative space to brainstorm and be creative on one common topic of interest. Creativity has already been used concerning naming, marketing, actions, etc.

The third impact we have discovered is the participation in innovation. What was new when engage was launched two years ago is that people had the possibility to interact directly with one another. It is possible to follow the CEO, to contact him directly and publicly, and to be in the same group that your N+3. One of our interviewee stated that engage is used also to have a direct contact with experts. This way, employees, hierarchy, experts can participate equally in innovative projects or innovation initiatives. People can comment, discuss, give their opinions concerning these innovations. In one of these groups concerning an innovation initiative we have witnessed people commenting and pointing out problems concerning the topic. The group's governance team this way could benefit from information and advices they wouldn't have thought of in the end.

Even if we can discuss the figures concerning the members who are really active, there is still the fourth space in which a corporate social network has an impact on

innovation. Indeed, the last impact corresponds to the communication, diffusion of innovation. There is far more employees who consult engage than employees who are active in engage. Consequently, there is a great potential of communication on innovation initiatives or innovation projects. For example, we have created an innovation event where we invited employees of a department in Alcatel-Lucent to brainstorm on their activity and propose ideas. We created an engage group before the event where we invited all concerned employees. At the end of the event, employees chose twelve ideas within the hundreds they came up with. Then, they had to vote for three of these twelve ideas. In order to make people follow the group and the communication we would make within this group, we decided to post the results a week later only on the engage group. This way if people wanted to know which ideas were chosen they had to look at the group. Once they registered to the group, we were able to communicate all relevant information concerning innovation in this department. People would post a question or a comment on the group rather than come and ask a question directly to the governance team. We can say that engage became a working place, a collaborative space so as a communication channel.

Interviewees and group observation made us conclude that Engage had largely promoted innovation in various forms since its launching. These impacts are all positive, we did not come across negative impacts of a CSN on innovation. There are more generally linked to the proper limits of a CSN such as too much information, not always relevant, time-consuming, notifications spamming, etc. But when there is a true willingness to innovate, it is always possible to bypass these limits by a strong community management.

## **Conclusion**

To identify what impacts a corporate social network has on innovation, first we placed our research in the Innovation and Web 2.0 literature. Then, we explained the context of the study and the methodology we chose to use. Finally, we exposed our results and identified the main impacts a corporate social network can have on innovation in an organization. Our study outlined that these collaboration platforms are not only interesting to help in product conception or to diminish operating procedures, they also have major other impacts on innovation. Our research on the enterprise 2.0 tool engage showed that it had impact on the management, creativity, participation and communication of innovation. We would suggest future researches to determine if corporate social networks suffer from the same lack of structure and quick access to relevant information.

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