

Impact of Social Networking on Employee Performance

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Abstract

Purpose: The purpose of this paper is to find out impact of social networking like Facebook, Twitter, Slideshare, LinkedIn, etc at employees performance.

Design/methodology/approach: Model presented in this article which shows the function and format of working of key variables. Model showed that social networking affect the productivity, skills, knowledge, productivity and motivational level of employees of banks. Data is collected from different bank's employees so that the real scenario can be presented. Data collected from The Bank of Punjab Pakistan, National Bank of Pakistan and Habib Bank of Pakistan.

Findings: This study shows that social networking become an integral part of everyone's life and have a strong impact. Social networking affects working situations of employees of banks too. For exploring key issue literature of different authors was studied and thoroughly discussed. Views of different authors and personalities (which as having high designations in well reputed organizations) presented in this article. Correlation and Regression analysis is done for primary collected data.

Practical implications: It showed that using of social networking have strong impact on

employee performance. Social networking by employee's affect their skills/ability, knowledge/qualification, productivity/outcomes and motivation level.

Originality: This paper identifies the social networking needs of employees and its usage for better performance. It provides bases for organizations to use social network for their employee performance in interesting ways rather than boring and typical training programs.

Keywords: Social Networks, Facebook, Twitter, Slideshare, LinkedIn, Skills, Productivity, Knowledge and motivational level of Banks employees

1. Introduction

“Social networking is creating changes dramatic or dynamic in the environment but it’s obvious it is creating changes.”

Social networking an online medium of interaction which let people build relations, share ideas, communicate information and bounding society in sentimental stream. Social networking is making dramatic growth in dynamic environment of now a day. People use social networks for catharsis of their human emotions. Motives of social networking can be different for person to person like; people connect to LinkedIn for professional purpose, Facebook and MySpace for personal motive, Twitter for social networking, Personalized Blogs for personal thoughts and view point. Motive of using social networks can be change but the ultimate logic of connecting is building social contacts and sharing (Ehrlich, S.Z. 2011). ‘How Social Media Affects HR: Uses, Abuses and Self-Protection’ Available: ‘<http://fiveoclockclub.com/2011/03/how-social-media-affects-hr-uses-abuses-and-self-protection/>’

Social networking is not only targeting young generation. It’s tempting and hitting all age groups and generations. The way to use and respond social networks is not a good thing, nor a bad thing, it’s just a different thing. Using and connecting to social networks is part and parcel now a day of everyone’s life. Now people never ask for mail addresses or mobile numbers instead of that people ask each other for their social network IDs for carrying on long term contacts (Avalos, S. 2011), ‘How Social Media Affects HR: Uses, Abuses and Self-Protection’ Available: “<http://fiveoclockclub.com/2011/03/how-social-media-affects-hr-uses-abuses-and-self-protection/>”

Every organization is using social network sites for their professional benefits like creating customer relationship. So it becomes the need and it’s the time for organizations to design workforce according to changing environments. Organization’s productivity and profits base on its employee’s performance, and its employees are strongly connecting to social networks. In other aspects Social networks are creating risks, opportunities, threats, weaknesses, and strengths for organizations. Risk in a way that social networks are real time communication mediums, It can communicate and disseminate information of organization instantly in real timing which organization may never want to share with people outside the organization. Opportunity in the context that competitor’s employee shared information about upcoming strategy at social medium which can be used for organization’s benefit. Threat can be faced by organizations when its employees discuss internal information of organization at social networks which can be used by its competitors. Social networking can be weakness of organization when it affects its productivity negatively. Same social networking become strength for organizations when it’s used to build good relationship with employees, to direct them is right way, to collect information about employee behavior and to train them (Flynn, J. 2011), ‘How Social Media Affects HR: Uses, Abuses and Self-Protection’ Available: “<http://fiveoclockclub.com/2011/03/how-social-media-affects-hr-uses-abuses-and-self-protection/>”

Social networking affect banking sector as it affecting employee's skills, productivity, qualification/knowledge and motivational level. Banks practice social networking for building employer-employee relationship by increasing employee's skills, productivity, motivational level and knowledge. Banks evaluate their employees and manage their contributions to keep bank's image high through social networking. Banks direct their employees for ethical behavior in using social networks while they are representator of the organization. For doing all this banks are formulating some sort of policies regarding using of social networking (Flynn, J. 2011), 'How Social Media Affects HR: Uses, Abuses and Self-Protection' Available: '<http://fiveoclockclub.com/2011/03/how-social-media-affects-hr-uses-abuses-and-self-protection/>'

According to the above discussion, it can be said that social networking has strong impact on employees' performance in terms affecting skills, productivity, knowledge and motivation. This study is conducted in Pakistani banks, either at what extent they are using social networking to increase skills, knowledge, productivity and motivation of their employees.

1.1 Purpose of Study

The purpose of this study is to explore that either social networking have impact at employee performance variables like knowledge, abilities/skills, productivity and motivational level. Here is the study undertaken in Pakistani banking sector to assess how social networking impacting at employee performance. This study checks that banks use social networking to intact their employees with organization by increasing their motivational level. Banks use social networks to share latest information with its employees at real time for increasing productivity and knowledge of employees. This study also investigates the phenomenon that either banks use social networks as training tool for increasing abilities or skills of its employees.

1.2 Hypothesis

- 1: There is positive relation between use of social networking and employee's performance (skills, knowledge, productivity and motivation).
- 2: There is no relation between use of social networking and employee's performance (skills, knowledge, productivity and motivation).

2. Literature Review

Some literatures were reviewed in regard of this study. This includes previous study on performance management of employees, its variables, social networking and its impact on employee's performance.

Somani and Gupta (2012) find that a lot of organizations try to keep employee working with high motivational level in their daily working. Organizations do so because organization's productivity, supply of goods or services and image depends on employees working and motivational level. Organizations keep close contact with its employees for their performance

management. Now a day's social networking plays a role of daily diary in every one's life. Companies can have a look on employee's social networking activities to monitor their performance. For performance review, engaging employees within company activities and sharing organization's information at real time they can create informal social network groups.

Purdy, C. says that in little older time it was very simple for companies to contact with employees by sending emails and posts. Now social networking has been changed this scenario as everyone become addicted to it. So organizations keep following social networks to communicate within organization activities and information to its employees. For this purpose organizations design social networking communication strategies, so that they can keep eye on employee's activities which can affect their performance, sharing information on real time bases, increasing their knowledge and using these platforms as a training learning mode which will increase employees' work performance.

Jim Flynn (2011) concluded that social networking affect employee's performance by increasing their knowledge, abilities, motivational level and close association with organization. At social networks people associated with organization create stories about companies, sometimes with intensions or sometimes without intensions. These stories can bring outcomes in term of high performance by employees or vice versa. Organizations are creating policies about who can write and share about organization's information at social networks, at what extent and with whom this information can be shared.

Sien Avalos (2011) elaborated that organizations divide employees in five different categories according to their habits of response on social networks and manage their performance productivity by designing programs for them.

- 1: Creators (those employees who give ideas on their status up dates).
- 2: Critics (those who assess and criticize other's ideas to make perfect implication of ideas).
- 3: Collectors (people those collect good information by scanning environment).
- 4: Spectators (these are silent readers who can follow ideas and strategies of other workers).
- 5: Inactive (these are kind of people who never do anything their self just follow instructions blindly).

Collins and Clark (2003) find that use of social networks by top management build competitive advantages for the company. They say that firms consciously develop social networks through HR and for HR performance management. This method creates strong relationship between top management and employees and also help in betterment of employee performance.

Bosch, T. E. (2009) found in their study that firms design employee training programs based on social networking which help their HR workforce to teach, learn and share information at real time bases and give feedback. These performance training method have strong impact on

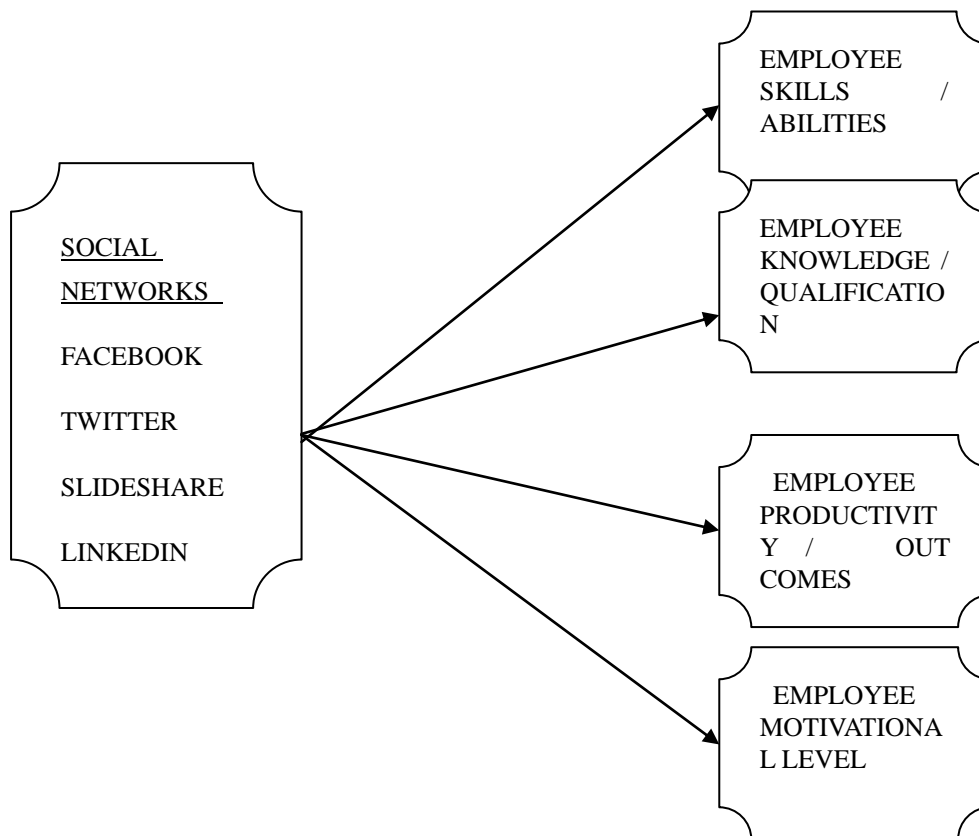
employee performance.

Liu and Lee (2010) explain that social networking information by employee is strongly relates to employee performance and collaborates with filtering employee's performance. Organizations use social networks in developing HR practices.

2.1 According to Personal Observations

Bank employees add other bank's employees to make social contacts, chat with each other, share their experience and get knowledge of their banking products. Bankers also compare working conditions and environments of each other's bank. They talk about daily experience on job. For example one banker talks about his encounter with a panic customer who got aggressive when banker ask for original CNIC and said I seems you thief? Why you are asking for original CNIC when I provided copy of it? Banker further tell to his friends that operation manger comes to customer and help him to understand that original CNIC is necessary as banks are by law obligated to see it. And operation manger calms down the customer nicely. Though banker narrate situation in funny manners but his peers, friends and banker social contact can learn from it that how to deal with such customers and how they can behave in such situations. This way can improve their working skills and work productivity. Bankers also get motivation when they listen their equally designated employee of other bank is improving his/her qualification which can lead him/her to quick promotion. Like one banker of MCB heard that his class fellow which is working in NBP is doing junior associate level from institution of bankers Pakistan which will let him have financial benefits and promotional benefits too, this will motivate him too to do JAIBP which will increase his knowledge, position and will bring financial benefits too. Sometimes peers and mangers use social networking date to judges the abilities of employees to bring best outcomes of work. Like manger find out some employee are creators, some are critics, collectors' spectators and others are inactive. Manger assigns task to employees according to their natures and temperaments which give working satisfaction to employees and best working outcomes generate good results. In some situations quotes on social networks click some good idea in employees minds or motivate them to do hard work. And sometimes using social networks during working hours affect performance in negative way. So social networks have strong impact at employees skills, motivational level, productivity and knowledge.

2.2 Model of Impact of Social Networking at Employee Performance Factors



This model shows that all the social networks have impact on workforce of organizations as it become part and parcel of their life. Organizations use these networks to influence their workforce by affecting its motivational level, productivity, knowledge and skills.

3. Methodology for Research

3.1 Questionnaires Sample

A research survey was conducted to evaluate the relationship between social networking and employee's performance according to presented model of Impact of Social Networking at Employee Performance. Out of total 70, 50 correctly complete questionnaires were received. These questionnaires were obtained from The Bank of Punjab Pakistan, National Bank of Pakistan and Habib Bank Limited Pakistan. The questionnaires were distributed in employee's lunch timing.

The survey conducted was over 2 weeks. Questionnaire distribution timing was break between their official timings. In this survey, judgment sampling was taken to distribute questionnaires to employees who represent banking sectors. For survey both type of banks are considered; government owned bank and commercial banks. Personal contacts were used for data collection, explaining motives to respondent of survey and ensuring them that instrument will reach the target.

3.2 Research Instrument

Survey method was adopted to collect primary data for current issue. The questionnaire was structured and containing close ended questions. It was containing six sections: First section deal with socio-demographic profile of respondent. Second section of questionnaire contain question about social networking using habits of bankers. In third section, questions were about skill derived from using social networking. In fourth section, questions were about knowledge getting from social networks. Fifth section questions were about weather productivity increase or decrease with use of social networking. Sixth section questions were about motivation increase or decrease with use of social networking. SPSS 16.0 were employed in order to do analysis of collected primary data for research. Significance of questionnaire was checked. Reliability of the scale was counted. Correlation and Regression analysis were employed for drawing results.

4. Results and Discussions

4.1 Correlation Analysis of Data

This paper measure the correlation of social networking with employee's skills, knowledge, productivity and motivation. Table 1 shows positive correlation between social networking and four factors of employee's performance (skills, knowledge, productivity and motivation). The correlation was positive and significant at the level of 0.01 to 0.05 between social networking and skills, productivity, knowledge, motivation. For Example, Correlation between social networking and Employee's skills 0.639 ($p=0.000$); the correlation between social networking and employee's knowledge was 0.480 ($p=0.000$); the correlation between social networking and Employee's productivity was 0.384 ($p=0.006$); the correlation between social networking and Employee' motivation was 0.646 ($p=0.000$).

Table 1. Correlation of Social networks with Skill, Knowledge, Productivity, Motivation

rr	Dimensions		With Social Networking	Results
1	Skills	Personal Correlation	.639**	Accept
		Significance Level	.000	
2	Knowledge	Personal Correlation	.480**	Accept
		Significance Level	.000	
3	Productivity	Personal Correlation	.384**	Accept
		Significance Level	.006	

4	Motivation	Personal Correlation	.646**	Accept
		Significance Level	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Therefore the results indicate that correlation between dependent and independent variables was strongly positive. Employee's skills, knowledge, productivity, and motivation highly correlate with using of social networks. Social networking has impact 64%, 48%, 38% and 65% on skills, knowledge, and productivity and motivation level of employee's respectively. So this correlation can be improved more with little efforts of bank managements.

These results explore and support to accept the first hypothesis that there is positive relation between use of social networking and employee's performance variables (skills, Knowledge, Productivity, and Motivation).

4.1 Regression Analysis of Data

Regression model employed to predict the factors affected by using of social networks. In regression analysis four dimensions are undertake as dependent variables in terms of employee's skills, knowledge, productivity and motivation. Table 2 shows the Regression coefficient between dependent variable (X1= Employee Skills) and independent variable using of Social Networking, the regression R was 0.639. It represents the association of using social networks and employee skills 63.9%. High value of beta and level of significance shows the strength of association. From table 2 dependent variable (X2=Employee Knowledge) and independent variable Social Networking, the regression R was 0.480. So it shows the association between using social networking and employee knowledge 48%. Highly beta and strongly significant these variables were. By table 2 dependent variable (X3=Employee Productivity) and independent variable Social Networking, the regression R was 0.384. Association was between using social networking and employee productivity was 38.4%. Significance is little weak but still positive between these variables. In table 2 dependent variable (X4=Employee Motivation Level) and independent variable Social Networking, the regression R was 0.646. Dependent and independent variable association here become 64.6%. Here again highly significant and having high beta.

Table 2. Regression Analysis of Factors Affected by using Social Networks

Dimensions	R	R Square	Adjusted R Square	Std. Error of the Estimate	Unstandardized Coefficients Beta	standardized Coefficients Beta	Significance
Skills	.639	.408	.396	.60296	.754	.639	.000
Knowledge	.480	.230	.241	.61773	1.292	.480	.000
Productivity	.384	.148	.130	.87005	1.364	.384	.006
Motivation	.646	.418	.406	1.73988	-2.443	.646	.000

This finding shows that using social networking contributes to employee's skills learning, gaining knowledge, and becoming more productive for organization and increase in motivation level. Results shows that dimension of skills learning was 63.9%, gaining knowledge was 48%, productivity was 38.4% and motivation level increase was 64.6%. It means that there can be other contributing factors exist too. There can be still margin for improvement too.

These results reject the second hypothesis and support the first hypothesis strongly. It shows that these four dimensions get affected by using of social networking. This affect contribute to employee performance positively.

This four dimension model developed to measure the impact of using social networks on bank employee's performance. In Pakistan, banks sector can use this model to enhance the performance of its employees. Banks can enhance their employee skills/ multi-tasking, make them employee with more knowledge, increase motivational level and bring more productivity in work.

5. Conclusion

Exploring the presented issue has a large implication for the Pakistani government and private banks. Especially it carries interest for HR departments who have concern for employee's performance. First, banks should focus on employee's behavior towards using social networks. Banks can design their training programs according to habits of using social networks of employee's. For example, banks can make Facebook page and use it for training purpose. HR department can update its policies, new training programs, meeting schedules, training tools, inspirational quotes on Facebook training page.

Secondly, bank's HR department can use Facebook or other social network profiles of employees to screen out required skills for newly launched/planned project. Banks can use these social networks to enhancing skills/ abilities, knowledge/qualification, productivity/outcomes and motivation level of employees. Banks can create the right directions of usage of social networks by employees.

On the other hand, banks should develop right attitude in its employees for using social networks. It should be taken as positive and ethical medium of social communication. Bank employees should take social networks as a constructive medium for learning new things, ideas, creating social contacts, having emotional catharsis instead of destructive medium or behaving below morality. At social networks employee are representator/ symbol of bank. Their below morality activity or behavior can spoil the image of bank in spectator's point of view. So banks can avail social networking platforms for developing and enhancing employee's performance.

Importantly, there can be some unknown factors too which can affect impact of using social networks on employee performance. Which suggest grounds like positive or negative behavior of employee, lazy attitude of employee, wrong perception while reading status

updates, etc. These variables can provide ground for further investigations. This model assists banks for designing employee training programs and making training program more interesting, attractive and matching to young generation's behavior.

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