

Summary Note:

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National Institute of
Personnel Management



Impact of Social Networking on Employee Productivity

This time Chatur Knowledge Networking (CKN) collaborated with NIPM (National Institute of Personnel Management, Pune Chapter) and SIMS (Symbiosis Institute of Management Studies) to organize Mukta Samvad (MS). Meeta Kanhere introduced the theme of MS, talked about CKN, NIPM and SIMS and how Knowledge Sharing on common platforms leads to learning.

Topic for discussion: “ *Impact of Social Networking on Employee Productivity*”. The panel members were Mr. Subhendhu Sinha Ray (Work force Management Head, Banking & Financial Services, TCS.), Dr. Abhay Kulkarni (Director, IICMR). This time it was a debate between the two panelists. Some of the thoughts which they have shared are compiled below-

Dr. Abhay Kulkarni's sharing: Online Social Networking



- Human interaction - **networks through social contact.**
- Initially on smaller scale between relatives, friends and associates of community and household .
- New technological Space - **Online Social Networking (OSN)**
- OSN - personal profile and network with other members as 'friends' -posting public and private messages, discussion forums.
- E.g.- Face book, Twitter, Google+, My Space etc.

Productivity and Social Networking in the modern economy

ASSOCHAM Social Development Foundation (ASDF) interviewed 4000 corporate employees between age group ranging from 21-60 years in Delhi, Mumbai, Pune, Kanpur, Indore, Chennai, Bangalore



The study showed Productivity Loss Due To Social Networking

- Each day an average corporate employee spends **an hour daily on social networking sites.**
- Due to this Companies lose close to **12.5% of total productivity each day.**
- **80%** workers have **facebook account.**
- **13%** of workers who have **orkut account** use it during work hrs.

- **7%** of employees admitted using the **Internet for personal reasons.**
- **30% of Businesses** were losing a **workday per week** to Internet abuse.
- Companies in the IT sector are facing up to **50% employee attrition** & hence employees are banned from accessing all job sites like Naukri , Monster, Timejobs etc.

Internet misuse cost :

- **Hourly cost per employee = \$ 30.00**
- **Weekly cost per employee \$ 30.00**
- **Annually cost per employee \$ 150.00X52=\$7,800**
- **Company with 100 employees \$7,800X 100
=\$780,000**
- **Company with 250 employees 7,800X250=\$1,950,000**

Time and Money :

- Time and Money Recent researches showing that an employee spending 75 minutes per day in sites.
- This causes an annual loss of \$6250 per year per employee.
- An average company have \$3.25 million loss due to productivity loss due to sites

THE COSTS OF EMPLOYEE UNDERPERFORMANCE

- A. The proficient **use of computer technologies** in the workplace has not only benefited productivity, but has also created its **own set of problems**.
- B. A survey conducted by Digital Life (Hung, 2007). One hundred participants from SurveyMonkey.com were asked about their so called "office abuses".
- C. The results included:
 1. **22 surfed onto websites** and forums not related to work.
 3. **42 sent emails**.
 5. **30 browsed YouTube**.
 6. **6 updated their blog** (Hung, 2007).

How to handle this issue?

- Restrict access to the internet in the business Monitor employees or limit access to the internet
- Friendly solution Software solutions Set hours when chatting or shopping will be permitted Block web-based chat sites and common shopping sites
- Installation Of Shields And Filters -The company which used the shields and smart filters were IT and ITES companies.



Mr. Shubhendu's sharing

• General Advantages

- Information availability at finger tips
- Prompt, helpful and accurate answers or information can be fetched from the social networking sites
- Getting connected with old friends / colleagues reduces stress
- Can help do your current job better
- Helps in better co-ordination of events
- You can be a better people person at workplace through social networking

• Advantages at Work

- Helps doing the current job better – various social networking sites / tech groups help you with solutions to your problems
- Profiling of an important customer manager
- Collaboration on Projects – Inter group collaboration
- Helps building teamwork & cohesiveness
- Doc's are using social networking sites for sharing records and cases
- Enterprise collaboration productivity tools : Blogs, Wiki's, Q&A, Ideamax, focus groups, Instant messaging, just ask, know-me

Examples

- Opening a Cosco Pen
- PICT Re-union @Las Vegas from all parts of the world
- Luks, whose practice operates as a small business, is an avid user of [Doximity](#), a Facebook-like social network for health care professionals. The service, launched 17 months ago, has enabled Luks to nurture a close-knit circle of about a dozen referring doctors and specialists with whom he confers and shares records on a daily basis, mostly on his iPhone.

Reference data

- Employees who use social networking sites are 9 percent more productive than those who don't [source: [Fahmy](#)]
- Several studies have shown that personal Web browsing can increase productivity and thus increase profits
- It might be telling to note that, according to this article in [ComputerWorld](#), an Australian study found that social media increased the average worker's productivity by nine percent.
- The race is on to grab chunks of a global market for social-media tools that's expected to swell to \$4.5 billion by 2016, up from \$767 million in 2011, according to research firm IDC. For IDC's prediction to pan out, spending on social-media tools for business use must jump on the order of 40% annually for five consecutive years

Q & A

1. It is human nature to do something when one is prohibited to do so. Will the employees really follow the rules made by the employer?
2. As an employer, what do you think should be the policy designed for the employee regarding social networking?

Ans: The panel members expressed that ultimately it boils down to the maturity of the employee, whether to use social networking or not, how much to use and so on.

From the employer's side, it depends on what kind of culture he builds internally- an authoritarian/ control culture, or a democratic culture where the employee chooses to use social networking without affecting his productivity. The organization culture will determine the employee behavior and the behavior in turn will create the organization culture.