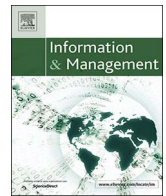




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Full Length Article

Understanding the impact of social media usage among organizations

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ABSTRACT

This study investigates the antecedents and impact of social media usage in organizations. This study uses the technology, organization, and environment framework and includes certain antecedent factors that are specific to social media usage in organizations. The items to measure different purposes of social media usage in organizations were developed, which contribute to the enhancement of social media usage measurement. This study develops and tests an integrated model that contributes to the scholarly research on social media and information systems. The study also helps organizations to understand the benefits of social media usage and provides a justification for investments in social media by organizations.

1. Introduction

Organizational usage of social media is changing organizational communication and public relations. Social media enables open communication, which helps organizations to understand customer needs and motivates them to respond proactively and efficiently to those needs [1]. For any technology to be successful and to have an impact on organizational performance, it has to be properly adopted by organizations. As many organizations invest in social media, it is important to identify the factors that are associated with the successful adoption of these technologies. Past theoretical and empirical evidence revealed that the technology, organization, and environment (TOE) framework has been a popular model in examining various information systems (IS) issues. Empirical findings from the studies that used the TOE framework confirmed that it is a valuable framework with which to understand the adoption of IT innovation [2]. Previous studies using the TOE framework have investigated many factors and found these factors as antecedents for various IS usage [3]. But unlike any other IT innovations or Internet-based systems, social media is a more open and public-oriented system, which has both advantages and disadvantages. Hence, there may be other technological, organizational, and environmental factors that are more specific to social media that might affect its adoption in organizations.

To fill these gaps in the literature and to develop an overarching framework that delineates the antecedents and benefits of social media usage in organizations, we rely on the TOE framework. This research aims to study the factors associated with the technological, organizational, and environmental context that relates to social media usage in organizations as the extent to which social media benefits organizations

is still not clear. Therefore, this study also investigates the benefits associated with social media usage in organizations. Moreover, most of the previous IS studies measured system usage including social media usage based on frequency and duration of use only [4]. There have been calls to examine the usage construct in detail and investigate different patterns of IS usage behaviors in organizations [5]. However, Henri et al. [6] stated that theoretical advances in this regard are still insufficient. Therefore, this study aims to develop measures for social media usage using the system-centered method, which could measure different purposes of social media usage in organizations.

2. Theoretical background and hypothesis development

2.1. Technology–organization–environment framework

The TOE framework identifies three context groups: technological, organizational, and environmental. The technological context describes both existing technologies in use and also the new technologies that are relevant to the firm. Next, the organizational context refers to the characteristics of the organization in terms of its scope and size. The environmental context is the arena in which a firm conducts its business, referring to its industry, competitors, and dealings with the government. The TOE framework explains the adoption of innovation, and it provides a useful analytical framework that can be used for studying the adoption and assimilation of different types of IT innovation. The TOE framework is consistent with the diffusion of innovation (DOI) theory, but the TOE framework includes a new component: the environment context. Thus, it explains the intra-firm innovation adoption much better. Hence, the TOE framework is considered a more complete

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model to study IT adoption at firm level [7].

A considerable number of empirical studies have focused on various IS domains using the TOE framework. Thong [8] explained IS adoption and the purpose of using TOE as their research framework. On the other hand, Pan and Jang [9] explained enterprise resource planning (ERP) adoption. Using the TOE framework, researchers have identified various factors that are associated with technology adoption. For instance, Chau and Tam [10] studied the adoption of open systems using the TOE framework and explained three factors that affect the adoption of open systems. These factors are the characteristics of the innovation, organizational technology, and external environment. Similarly, a study by Kuan and Chau [11] confirmed the utility of the TOE framework in adopting complex IS innovations. The framework was also used to explain e-business adoption [12,13] and use [14,13,15]. They found that technological readiness, financial resources, global scope, and regulatory environment contribute strongly to e-business value. Jean et al. [16] integrated the TOE framework with the contingency theory and RBV theory to examine the determinants of electronic collaboration (E-collaboration) and its outcomes for suppliers with regard to their international customers. Previous studies show that the TOE framework has consistent empirical support and has a solid theoretical basis [7]. Various factors have been previously investigated under the TOE framework. But in this study, along with some general TOE components, we also incorporate specific factors that are unique to social media and investigate their impact on social media usage.

2.2. Antecedents of social media usage

Apart from the general TOE factors that are used in previous studies, interactivity and entrepreneurial orientation were also considered as important factors in social media usage and thus included in the study. Table 1 shows the antecedents of social media usage incorporated in this study and the underlying theories.

2.3. Relationship between technological factors and social media usage

Technological factors are the perceived characteristics of the technology to be adopted [39]. On the basis of the DOI theory, as suggested by Rogers [40], relative advantage focuses on the advantage that is expected from the usage of a particular technology. The usage of social media is expected to provide various benefits to organizations, including informational benefits such as ease of obtaining data input from media users like customers and competitors. It helps to form new business, enhance existing business, enhance selling merchandise, increase the number of connections, and improve customer relations, among others [41]. Thus, the relative advantages that social media usage is expected to provide might have a positive impact on the likelihood of organizations using the technology. Similarly, compatibility is another technological characteristic suggested by DOI as a driver of the decision to adopt a new system [40]. When a technology is consistent with the existing technology, infrastructure, culture, values, and preferred work practices of the firm, then it is more likely to be used. Several prior studies found that more compatible technology is more likely to be adopted [42,43,17].

Table 1
Antecedents and Underlying Theories.

Antecedents	Theories/References
Relative Advantage, Compatibility	Based on Diffusion of Innovation Theory/Wang et al. [17], Ramdani et al. [18]
Cost-Effectiveness	Theory not mentioned/Chong and Chan [19], Ghobakhloo et al. [20], Premkumar and Roberts [21], Tan et al. [22]
Structural Assurance	Based on Institutional Trust/Chong and Ooi [23], Choudhury and Karahanna [24], Ortega Egea and Román González [45]; Tung et al. [25]
Interactivity	Based on Usability Factors/Agarwal and Venkatesh [26], Lee and Kozar [27],
Top Management Support	Theory not mentioned/Low et al. [3], Ifinedo [28] and Scupola [29]
Entrepreneurial Orientation	Resource-Based View Theory/Elliott and Boshoff [30], Mostafa et al. [31], Colton et al. [32]
Institutional Pressure	Institutional Theory/DiMaggio and Powell [33], Purvis et al. [34], Chatterjee et al. [35], Teo et al. [36], Ke et al. [37], Liu et al. [38]

Therefore, this study investigates the impact of relative advantage and compatibility on social media usage in organizations. Hence, to test the relationships, the following hypotheses were formulated:

H1. Relative advantage of social media is positively associated with social media usage.

H2. Compatibility of social media is positively associated with social media usage.

Apart from the innovation attributes suggested by Rogers [40], the cost of IS adoption is considered to be an important technological factor for IS adoption [19–22]. Cost is conceptualized in this study as the perceived cost-effectiveness of social media. Studies have found cost-effectiveness to be an important variable in the adoption of new technologies [19,21]. In terms of social media, firms can engage in a timely and direct end-consumer contact at relatively low cost, and higher levels of efficiency can be achieved when compared with traditional communication tools. This cost-effective nature of social media attracts not only large multinational organizations but also small- and medium-sized organizations and even nonprofit and governmental agencies [44]. Therefore, cost-effectiveness of social media can be considered as one of the important factors that are associated with social media usage in organizations and thus included in the technological context of the TOE framework for further investigation. So, the following hypothesis is postulated as follows:

H3. The cost-effectiveness of social media is positively associated with social media usage.

Previous research has investigated trust in various dimensions and found that the greater the trust in a technology, the more likely it is to be adopted in an organization [23,24,45,25]. The authors have also investigated different types of trust in their studies. The more suitable one for this research would be institution-based trust. McKnight et al. [46] described two types of institution-based trust: situational normality and structural assurance. Situational normality refers to the belief that success is anticipated because the situation is normal, whereas structural assurances refer to belief that favorable outcomes are likely because of contextual structures, such as contracts, regulations, and guarantees. In the social media context, organizations post a lot of information about their organization, products, services, and other promotional activities. So there might be need for structural assurance in order to use social media technologies in organizations. Therefore, the impact of structural assurance on social media usage is examined in this study. Based on that, the following hypothesis is proposed:

H4. Structural assurance is positively associated with social media usage.

Interactive innovations or technologies are more likely and quickly adopted by its users [47]. The crucial role played by interactivity in the e-commerce realm and other WWW technologies has motivated both academics and practitioners to enhance their understanding of the interactivity concept and to employ it effectively [48]. Social media is considered as an interactive media. It enables two-way communication

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