Facebook recently sold a minority stake to Microsoft for US$240m. Mark Zuckerberg, the brainchild behind the social networking website originally came up with the idea as a way of enabling his university friends to keep in touch. Now, less than two years after the site was made available to the general public, it generates more than 250,000 new registrations daily. No longer exclusive to teenagers and university graduates, it has become one of, if not the most popular social networking site in the world, attracting people of all ages and from all walks of life.

Social networking sites are also becoming increasingly popular in the business world. Business-oriented social networking sites such as LinkedIn are proving useful in strengthening and extending existing networks of professional contacts. The powerful connectivity and sharing of information has been harnessed in many organisations and new benefits are being realised all the time.

Most organisations have an intranet and internet site, many have extranet sites too. For a long time websites have been no more than an online newspaper, relaying information electronically to a wide audience. Technology now allows information to flow both ways. The internet has become a place for social interaction and information exchange, with users able to easily add content to enrich the spread of information. Wikipedia is a great example of how user content can build a vast encyclopaedia of knowledge. There has been much debate over the accuracy of the content, but some argue that the peer review of the information gives a more rounded and enriched source of information. Wikipedia has definitely made encyclopaedias hip and accessible to a younger generation and access to information more readily available.

So is there a place for social networking in the workplace? Many organisations would say ‘no’, and have banned the use of social networking sites over concerns about the loss of productivity. Others have optimised these new communication channels to improve business operations.

KPMG recruited 14 per cent of its new employees last year through Facebook. Managers were using the network to ask around if anyone knew someone who would fit the bill for the new roles. Other organisations have used company alumni groups in order attract ex employees back into their organisation. Coles Myer supermarkets have numerous groups on Facebook. Some are set up by employees of a particular branch to network and keep in touch; others are less positive and display defamatory remarks regarding Coles products and what they stand for. This is one of the reasons that organisations have shied away from using websites such as Facebook. Despite the potential for negative consequences, some organisations have seen that the benefits outweigh the negative aspects.
As well as recruitment benefits, social networking sites have proved beneficial to identifying, realising and retaining knowledge and information. Sites such as Wikipedia have harnessed millions of knowledge pages predominately through voluntary user content. Most of the content is also policed and corrected through a small group of employees. Wikipedia itself has around 4 full-time employees, as the sites generally manage themselves. This wiki technology has been used within and between organisations in order to solve problems. R&D sites are available for organisations to post problems on the internet. Volunteers or freelance designers, engineers etc. are invited to resolve them, sometimes for a fee. This technology allows organisations to tap into an extended employee base without actually recruiting them. This works both internally and externally, where internal knowledge can often be found in the last place you would expect to find it. Is there someone working in your payroll department with an engineering degree? Does someone in finance have a great eye for design? Social networking systems such as this open up the problem solving community as wide as possible.

As a CEO of an organisation, why wouldn’t I want to capitalise on putting my whole organisation’s brain to work? If I was on Who Wants to be a Millionaire, is my best opportunity to get the right solution to hedge my bets with the 50:50 option; phone a friend; or ask the wealth of experience and knowledge in the audience? Gary Hamel in his latest book The Future of Management writes “…it is near impossible for a tight group of senior executives to foresee all the consequences of big, complex decisions”. This is why so many projects go off the rails - even senior executives sometimes get it wrong. To broaden the basis for decision making we need to “establish an internal market for judgement”, according to Hamel.

The wisdom of crowds by Surowisecki suggests that the democratisation of decision making has strong economic, practical and political (with a small p) justification. Put bluntly, it could help avert disasters and smooth the path of big changes. What I am saying is that the hundred odd people under me as CEO of my organisation can be more productive and more intelligent together than they would be apart. So the bigger the decisions, the more important it is to bring the collective intelligence to bear – Warren Bennis (a management researcher of note) puts it thus: “None of us is as smart as all of us”.

2