ABSTRACT

The success of an organization depends on rapid, reliable, and direct communications within the organization and with the outside world. To determine if electronic mail (e-mail) provides a competitive benefit, a sample of 99 management-level participants in 41 companies responded to a survey that assessed their intraorganizational (internal) and interorganizational (external) uses of e-mail. Through the use of factor analysis and regression methodologies, the researchers investigated whether a significant relationship exists between the internal and external uses and benefits of e-mail. The intraorganizational uses of e-mail indicated a significant and positive relationship with the organizational benefits of e-mail, thus supporting the electronic exchange of information within organizations. However, the results indicated that interorganizational uses of e-mail did not promote corporate communication outside the company. Thus, managers need to know which communication technology is appropriate for intraorganizational and interorganizational uses.

Keywords: Competitive advantage, communication richness, electronic communication, electronic mail, intraorganizational uses, interorganizational uses

INTRODUCTION

Communication is critical in organizations. Researchers have noted that communications can be considered the life-blood of an organization, and as the world in which an organization exists becomes even more fast-paced, communication becomes even more essential (Chidambaram & Jones, 1993). Electronic mail (e-mail), as a specific informational technology (IT), has become an integral part of the corporate culture in many organizations (Carroll, 1993; Fortune, 1999). This corporate culture fosters the intraorganizational (internal) uses and interorganizational (external) uses of e-mail, with expectations of organizational benefits as a result.

Over the past five years, e-mail has changed the way business is done (Fusaro,
1998; Garai & Pravda, 1995), and it has become indispensable to many business professionals (Trumfio, 1994). As e-mail use has escalated, its strategic importance has begun to emerge. However, as illustrated in Figure 1, companies can use a variety of communication media (e.g., e-mail, audio conferencing, video-conferencing) to conduct business transactions. Managers need to know which communication technology in the continuum, Figure 1, is appropriate for intraorganizational and interorganizational uses. Thus, research into the uses and benefits of e-mail has become important to understand this growing phenomenon (Rudy, 1996). The results of this study have important implications for managers in suggesting appropriate use of communication technology in order to improve the organizational benefits.

**Research Model and Hypotheses**

E-mail has proven to be one of the primary technologies by which an organization can begin to achieve radical and beneficial organizational change (Carroll, 1993; Fortune, 1999). Since it offers many advantages to today’s businesses, e-mail continues to be an important topic for business research (Reark, 1989; Rudy, 1996, 1994).

Previous researchers in computer-mediated-communication (CMC) have studied various behavioral and technical issues related to traditional modes of communication (Chapanis, Ochsman, Parrish, & Weeks, 1972; Rice, 1994). They have studied how media differ in their potential for communicating understanding by individuals (Allen & Griffeth, 1997). While the predominant mode of communication among organizational groups has been face-to-face meetings, technological advances have permitted many firms to explore other modes of communication, such as video-conferencing, audio-conferencing, and electronic mail. Although these technologies overcome the constraints of time and distance, they are lower in information richness, interactivity, and human contact.

**Figure 1: Communication Richness Model and Research Model**

![Diagram showing communication richness model and research model](image-url)

**Intraorganizational**
- Individual tasks
- Interrelated tasks

**Interorganizational**
- Business tasks
- Non-Business tasks

**Organizational Benefits**
- Improves communication
- Improves productivity
- Increases access to people
- Improves response time
- Lessens multiple call-backs/phone tag

H2a: Business tasks of e-mail will predict perceived organizational benefits of e-mail.

H2b: Non-business tasks of e-mail will have a negative impact on perceived organizational benefits.
Managing Value-Creation in the Digital Economy
www.igi-global.com/chapter/managing-value-creation-digital-economy/14532?camid=4v1a