Chapter 13
The Role of Social Media in the Knowledge-Based Organizations

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ABSTRACT

This chapter introduces the role of Social Media (SM) in Knowledge-Based Organizations (KBOs), thus explaining the concept of KBOs, the difference between KBOs and non-KBOs, the concept of Knowledge Management (KM), the concept of SM, the importance of SM to KBOs, the application of SM in the KBOs, and the challenges of SM in the KBOs. This chapter explains the significance of SM for organizational development and adaptation to the business architecture in order to create knowledge integration environment in the KBOs. SM enables the creation of knowledge value chain to customize information and delivery for a technological business growth. Firms need to be connected to their technological business environment through SM because interacting with external sources of knowledge can effectively improve their capabilities about industry benchmark and competitive advantage. Understanding the role of SM in the KBOs will significantly enhance the organizational performance and achieve business goals in the global business environments.

INTRODUCTION

The need for techniques and management models for regional knowledge-based management remains topical, and it is on the increase (Zhao & Ordóñez de Pablos, 2011; Sotarauta, Horlings, & Liddle, 2012). The role of knowledge has been studied from the managerial perspective in several streams of academic literature, and no common title for the wide knowledge-related research field exists (Lönnqvist & Laihonen, 2013). KM has become one of the most important trends in modern businesses across the globe (Pandey & Dutta, 2013). A general goal of KM is to improve the systematic handling of knowledge and potential knowledge within the organization (Heisig, 2009). KM is becoming an important leverage point for organizations used to lift their efficiency, innovation, and competitive abilities (Rowley, 1999; Davenport & Prusak, 2000). Organizations that...
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Implement KM recognize knowledge as the basis for competitiveness and as the key to business success (Drucker, 1993; Nonaka & Takeuchi, 1995). According to Thierauf and Hoctor (2006) and Handzic (2009), the fundamental purpose of KM is to collect, organize, and process knowledge into a form that is useful to all employees. An important role in KM is played by applications that exist in the organization such as intranet, enterprise resource planning (ERP), and customer relationship management (CRM). Such applications store transactions and customer data values for business decision making (Turban & Volonino, 2011).

SM is defined as a series of technological innovation in terms of both hardware and software that facilitates inexpensive content creation, interaction, and interoperability by online users (Berthon, Pitt, Plangger, & Shapiro, 2012). SM involves social relations among people who have some types of relationship (Wellman, 2001). SM is about the way that users can share without provoking dissatisfaction (Lyons, 2008). This chapter introduces the role of SM in the KBOs, thus explaining the concept of KBOs, the difference between KBOs and non-KBOs, the concept of KM, the concept of SM, the importance of SM to KBOs, the application of SM in the KBOs, and the challenges of SM in the KBOs.

BACKGROUND

Nicholas and Rowlands (2011) categorized SM tools in eight categories: social networking, blogging, microblogging, collaborative authoring, social tagging and bookmarking, scheduling and meeting tools, conferencing, and image or video sharing. In addition, Gu and Widen-Wulff (2010) categorized SM tools for scholarly communication into eight different categories: blogs, mini blogs, RSS (rich site summary), wikis, tagging, social networks, multimedia sharing, and online documents. SM tools are convenient for sharing knowledge in a bottom-up process, whereas traditional KM tools are designed mainly for knowledge and information sharing with a top-down focus such as distribution derived by management (Grace, 2009; Bertoni & Chirumalla, 2011). Definition and classification of SM techniques are classified as blogs, micro blogs, social networks, media sharing content, social bookmarking, and voting sites (Boyd & Ellison, 2008; Singh, Veron-Jackson, & Cullinane, 2008). In addition, Machin-Mastromatteo (2011) stated that SM is used to refer to websites or software applications, which allows the publication or posting of users’ content and the interactions between their users. SM techniques are related to Facebook, Google +, Twitter, Tumblr, and Pinterest (Machin-Mastromatteo, 2011). SM differs from traditional computer-mediated communications in three primary ways: a shift in the locus of activity from the desktop to the web (meaning greater accessibility); a shift in the locus of value production from the firm to the consumer (deriving from increased interaction/interactivity); and a shift in the locus of power away from the firm to the consumer (Berthon et al., 2012).

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This section introduces the concept of KBOs, the difference between KBOs and non-KBOs, the concept of KM, the concept of SM, the importance of SM to KBOs, the application of SM in the KBOs, and the challenges of SM in the KBOs.

Concept of Knowledge-Based Organizations

Drucker (1998) noted a new organizational form which he named the information-oriented organization. Features of KBOs include building of social and cognitive relations between employees, who have influenced the information sharing across the organization. The result of those social