Integrating social media and CSR into strategic planning for a competitive advantage

Through his research, Dr Gordon Bowen explains why CSR and social media should be brought to the forefront in strategic planning, and how they might work in tandem with current tactics to give companies a more comprehensive strategy and a competitive advantage.

The current theory for strategic planning involves assessing the business environment and identifying key assets within an organisation. Social media and corporate social responsibility (CSR) are considered unnecessary in strategy formulation. However, research conducted by Dr Gordon Bowen, associate lecturer at Northumbria University, amongst other institutions, indicates that incorporating social media and CSR into an organisation’s strategy can allow for more dynamic and data-driven decision making, giving them a competitive advantage.

THE "NEW NORMAL"

The COVID-19 pandemic pushed companies to adapt and refine their practices quickly to stay alive. The "new normal" introduced by the pandemic has led to increased pressure on organisations to have good environmental practices and ethics at their core.

The pandemic signifies the end of how business strategies have developed, with their current limited focus only upon environmental and competencies analyses. The research conducted by Dr Bowen suggests that post-pandemic stakeholder engagement should be integral to creating an organisation’s strategy. The "new normal" will bring about a host of difficulties, including unemployment, business failings, and government bailouts. To mitigate these problems, the development of new methods of strategic planning, incorporating CSR and social media integration, will enhance the resilience of businesses.

USE OF SOCIAL MEDIA IN STRATEGY

Social media is typically related to the marketing side of a company. However, through its applications, applications, with customers on social media, a company can find common values with their client base and incorporate them into their strategy structure.

Social media as a mediator for co-creation between firms, managers, and customers has been a vital instrument missed by most companies. Today, more information-sharing and engagement there is from stakeholders on a firm’s social media platforms, the better the company can shape their strategy and stakeholders can help in the decision-making process. This can make both customers and companies feel like they are building something together.

USE OF CSR IN STRATEGIES

Corporate social responsibility is typically a tool used by companies to help them decide on their policies, planning, and objectives to meet ethical, environmental, and social goals. CSR is not classically integrated into the strategy process. However, because of its importance in accounting for a company’s broader effects on stakeholders – directly and indirectly – its integration could significantly improve strategy formulation.

Former CSR research indicates that combining CSR into strategy can improve society and improve economic performance. CSR can give companies a competitive advantage and thus improve their finances through improved employee motivation, environmental savings, and better company image and reputation.

CSR is developed into a corporate social strategy by understanding the stakeholder’s role and value. The effects of a well thought out corporate social strategy is not quantifiable but results in competitive advantage through better reputation, improved environmental and social performance, and employee retention.

GOVERNANCE AND BUSINESS ANALYTICS

Governance and business analytics are also crucial factors when considering and evaluating the current strategy system and how companies might improve their strategic methodologies. Governance is how a company utilises its assets. The way companies are governed is integral to the decision-making process and should be central in building a suitable strategic plan.

Big data analytics for businesses refers to collecting and interpreting data for better decision-making capabilities. When applied to strategic formulation, data analytics can give critical insights into the timing of decisions, market opportunities, and improving customer relationships.

INTEGRATING CSR AND SOCIAL MEDIA IN STRATEGIES

Dr Bowen’s research was based on a case study built on his participatory experience in a telecommunications company over two years. The study critiqued the company’s strategic planning process through data analytics, governance, CSR, and online brand communities (social media).

The research over the two years resulted in a good measure of strengths, weaknesses, and limitations of the company’s strategic plan. The company completed new strategic documentation twice a year, with the central USA office arbitrating over each region’s strategy.

The strengths of the company’s strategy included that it utilised information from key stakeholders such as customers, marketers, sales teams, and human resources.
Behind the Research

Dr Gordon Bowen

Dr Gordon Bowen explores how the integration of social media and corporate social responsibility into strategic planning leads to corporate advantages.

Research Objectives

Dr Gordon Bowen explores how the integration of social media and corporate social responsibility into strategic planning leads to corporate advantages.

Case Study

The case study company lacked effectiveness in impacting business performance and was therefore unlikely to be applied or integrated into business processes.

To formulate a strategic system which is more adaptive to changing market forces, decentralisation of authority and streamlining of processes would need to be achieved. These changes could be realised by applying the ‘social contracts model’—which describes how society is linked by a series of social contracts—into the organisation’s strategy model. This would mean ethics were linked to the organisation’s commercial success, and strategy decisions could be made regionally without the need for approval from the central operational base. These changes could be achieved through integrating CSR into the strategic decision-making process, driving each region to build trust and shared responsibility between the different regional headquarters. Overall, embedding CSR within the strategic plan would build trust and accountability across all stakeholders within a company.

Improving an organisation’s strategy could also be achieved through social media integration, using it as a tool to enhance the decision-making process. Through direct real-time communication with customers and other stakeholders on various platforms, companies can quickly collect and interpret data to utilise within their strategy. Direct contact with stakeholders through social media would speed up the strategy building process with accurate data, improving strategic outcomes.

A POST-PANDEMIC COMPETITIVE ADVANTAGE

The COVID-19 pandemic will bring enormous challenges for businesses worldwide, requiring increased engagement from all stakeholders. Adapting social media and CSR into strategic models will promote inducivity in those companies that implement it.

This new way of doing business ethically and inclusively will give early adopters of this strategy methodology a competitive advantage.

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