

# Integrating social media and CSR into strategic planning for 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 currently 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 current framework for strategic planning is based predominantly on environmental or competencies analysis. Environmental analysis means examining all the internal and external factors within an organisation, including its strengths, weaknesses, threats, and opportunities. Competencies analysis is the identification and evaluation of a firm's capabilities. Both analysis methods are currently integral to the strategic planning process. However, Dr Gordon Bowen aims to show how the integration of social media and corporate social responsibility (CSR) into strategic planning can complement and improve existing strategic development. CSR and social media should no longer be mere afterthoughts, applied incongruently within the strategic plan.

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 "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, though it is important as a marketing tool, this undervalues the extent of



its applications. Through carefully designed and structured interactions 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. The 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

## Dr Bowen's research indicated that current strategic formulation systems are not fit for purpose.

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 their 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

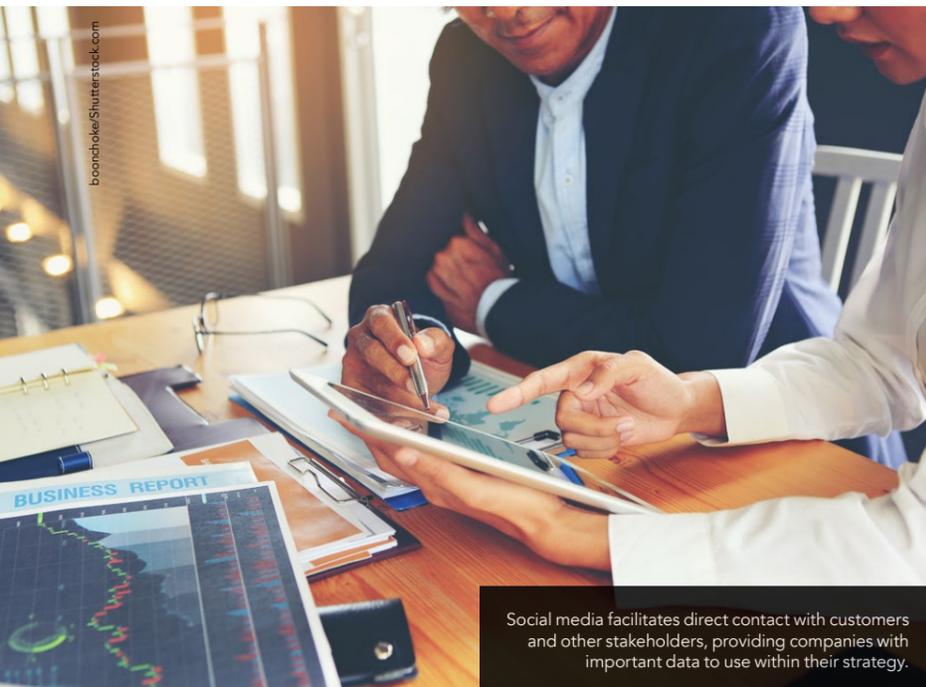
Dr Bowen's research was based on a case study built on his participatory experience in a telecommunications company over two years. The study critiqued the company's strategic planning process through data analytics, governance, CSR, and online brand communities (social media).

The research over the two years resulted in a good measure of the 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





Social media facilitates direct contact with customers and other stakeholders, providing companies with important data to use within their strategy.

resources to shape its strategy. The strategic plan, once developed, went through several suitability tests to find problems, which were improved upon in further iterations. Once completed, the strategy was abbreviated and disseminated around all staff as a motivational tool.

The limitations of the company's strategic formulation included the lack of congruency and trust between the European base and the USA head office; the fact that all strategy needed approval by the US base slowed the process. The process was further slowed as data collected to shape the strategy was not checked for errors. Furthermore, when the strategy was published, its contents were not fully applied within the company. Instead, the strategy was implemented in fairly unplanned ways, with opportunities influencing decisions, which were not always the most prudent. Overall, the plan lacked effectiveness as it did not incorporate CSR, leading to distrust and a slower process. What's more, the plan did not fully incorporate experiences with customers and the engagement of other stakeholders.

**IMPLICATIONS OF COMBINING CSR AND SOCIAL MEDIA**

The findings of this study, based on a participatory case study, indicated that current strategic formulation systems

are not fit for purpose and are too slow to react in a quickly changing business landscape, especially considering the disrupting influence of the COVID-19 pandemic. The strategy developed in the

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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. Adopting social media and CSR into strategic models will promote inclusivity in those companies that implement it.

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

This critical study from Dr Gordon Bowen, through a 2-year participatory experience, gives a unique insight into the pros and cons of the contemporary strategic planning system and how they could be improved. Although limited to a one-person perspective of a single company, Dr Bowen's research can be extrapolated to encourage other companies to adopt his findings in their strategy formulation. It could also instigate further study into different companies using qualitative structured interviews across various companies in various geographical regions, to get a more generalised perspective on incorporating CSR and social media into strategy.



# Behind the Research

## Dr Gordon Bowen

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### Research Objectives

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

### Detail

**Bio**

Gordon Bowen is an associate lecturer with several universities, including Warwick, Gloucestershire, Northumbria, Cumbria, and Trinity St. David, Wales. His research interests are strategy and marketing, and he supervises doctoral students in these areas. Gordon has held senior management positions in the telecommunications industry, including strategy and business development.

**Collaborators**

- Dr Dominic Appiah
- Dr Sebastian Okafor



### References

Bowen, G., Appiah, D., Okafor, S. (2020). The Influence of Corporate Social Responsibility (CSR) and Social Media on the Strategy Formulation Process. *Sustainability*, 12(15), 6057. Available at: <https://doi.org/10.3390/su12156057>

### Personal Response

**Do you believe the COVID-19 pandemic and the "new normal" will create a seismic shift in how businesses formulate strategy?**

COVID-19 will have a seismic effect on business strategy formulation because the world has become more conscious of the environment and sustainability. World leaders have grasped the implication of the "new normal" and this requires changes to how businesses operate. Incorporating the "new normal" must start with how strategy is formulated, which will require a root and branch analysis of the firm's strategy to include how it is formulated and implemented to take account of CSR and social media. The "new normal" requires firm to move from lip service to action.

