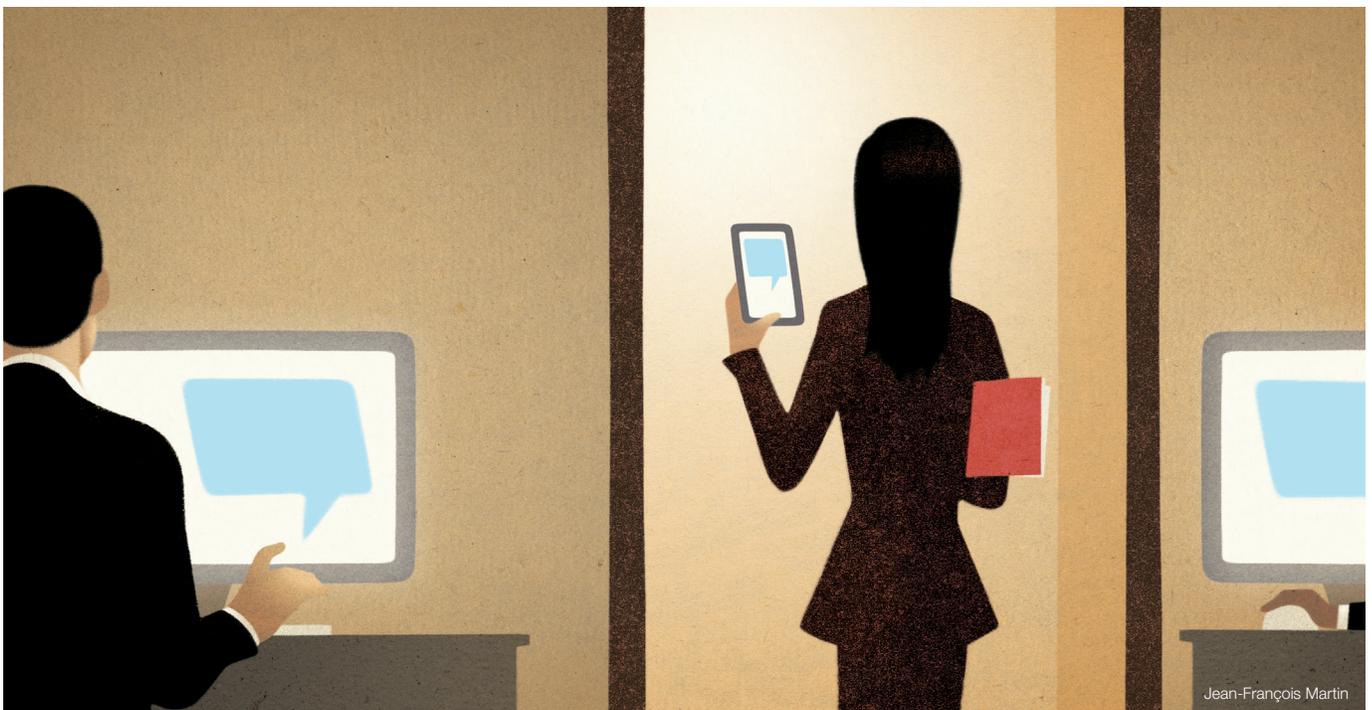


Advanced social technologies and the future of collaboration

The next generation of social technologies is beginning to transform the way people communicate and work with each other, according to a new survey.

After nearly a decade of research on the business uses of social technologies, executives say these tools are more integrated into their organizations' work than ever before—and that the most sophisticated of these tools, message-based platforms, are gaining traction. At the companies where messaging platforms have taken hold, respondents to the latest McKinsey Global Survey on social tools report that their fellow employees rely more often on social methods of communication than on traditional methods in their work.¹

The use of advanced tools has implications for broader process-level and organizational changes, too. Where message-based platforms are in use, respondents are likelier than others to say their use of social tools has enabled employees to communicate more often and to self-organize with team members. They even say these technologies have changed the very nature of their work to become more project based, rather than team or function based.



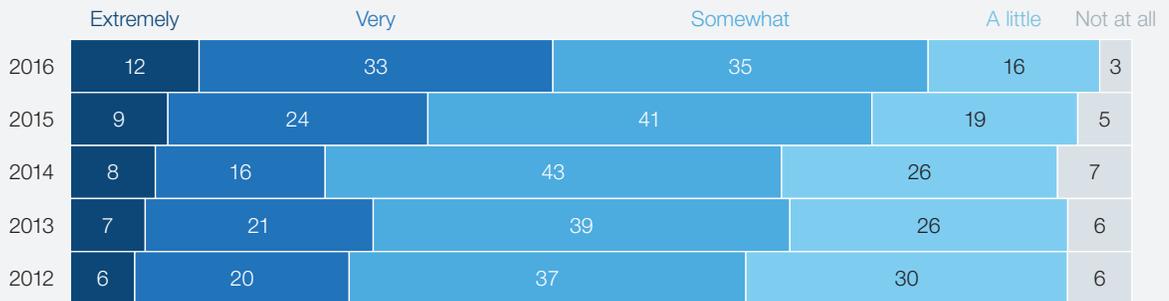
The communication evolution

When asked about their own use of communication tools in their day-to-day work, most executives report that social technologies overall are largely supplemental. Nearly three-quarters of respondents say they rely primarily on older technologies, such as email, phone calls, and texting, to communicate with others at work.

At the same time, respondents report that the integration of social technologies in day-to-day work is greater than ever before (Exhibit 1). In the latest survey, 45 percent say social technologies are very or extremely integrated into day-to-day work at their companies, up from one-third who said so one year before.

Exhibit 1 According to respondents, social technologies are more integrated into daily work now than ever before.

Extent to which social tools are integrated into employees' day-to-day work, % of respondents¹

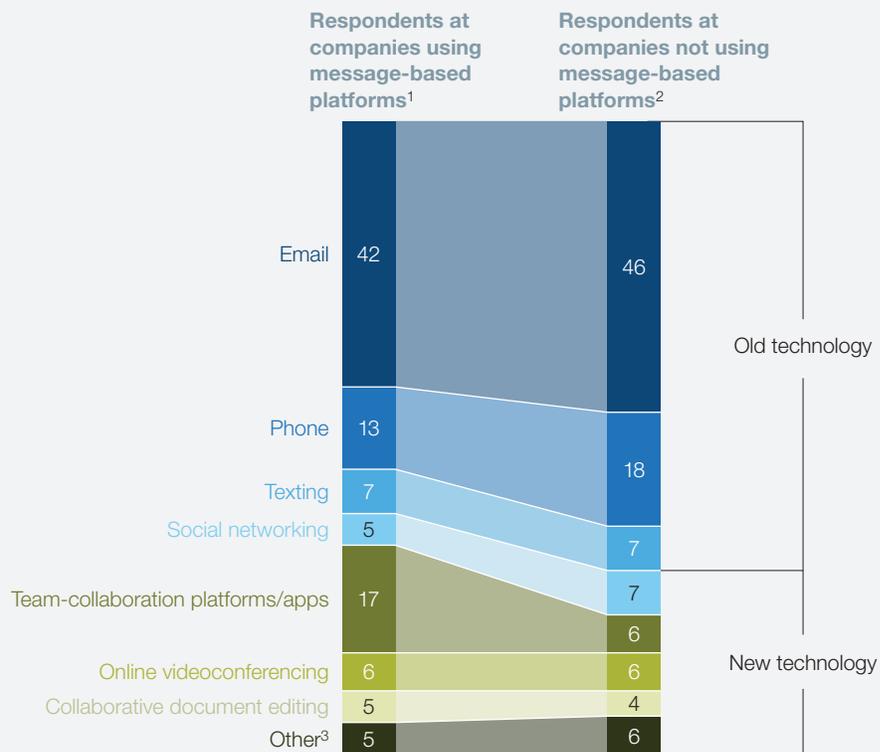


¹In 2016, n = 2,091; in 2015, n = 2,286; in 2014, n = 1,420; in 2013, n = 2,189; and in 2012, n = 2,955. Respondents who said “don’t know/not applicable” are not shown, so figures may not sum to 100%.

Usage of these technologies is especially common at companies that have adopted message-based platforms—a share of respondents that more than doubled between 2015 and 2016.² Respondents at these companies are 2.5 times likelier than other executives to say social tools are extremely integrated into company work. Relative to their peers, they also report less reliance on email and phone (Exhibit 2). On average, respondents at organizations with message-based platforms report spending 62 percent of their time using traditional communication tools and 38 percent of their time using social tools, compared with a 71-29 split for all other respondents.

Exhibit 2 At companies using the most advanced social tools, respondents say they spend less time communicating through email and the phone.

Time spent communicating on electronic tools/technologies in day-to-day work, %



¹ n = 112.

² n = 1,644.

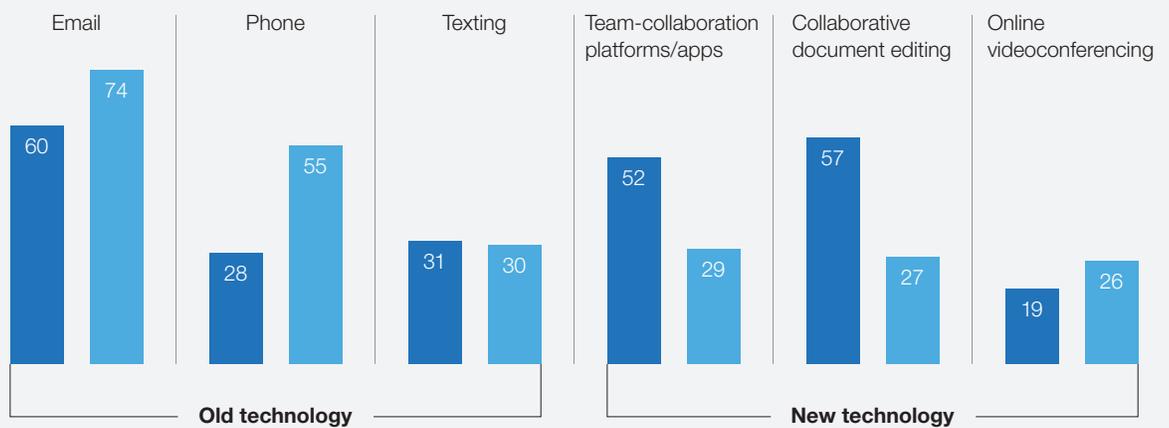
³ The question also asked about blogs, video sharing, wikis, prediction markets, podcasts, and microblogging, but in both groups, less than 2% of respondents identified each.

What's more, respondents at companies using message-based platforms also say they communicate differently within their teams—and across levels, roles, and the entire organization. Within their day-to-day work groups, these respondents are half as likely as all others to report using the phone and about twice as likely to connect with colleagues through interactive, real-time tools such as team-collaboration apps and collaborative document editing (Exhibit 3).

Exhibit 3 Employees at companies using message-based platforms are likelier to communicate with peers via new communication technologies.

Tools used most often to connect within day-to-day work groups,
% of respondents

■ Using message-based platforms¹ ■ Not using message-based platforms²



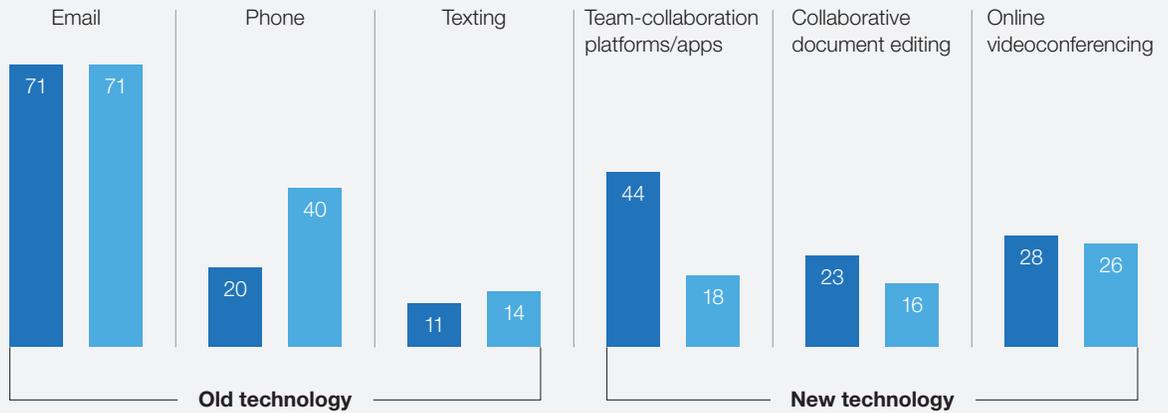
¹ n = 112.
² n = 1,669.

Exhibit 4

To communicate across business units, employees of companies with message-based platforms use social tools more often than the phone.

Tools used most often to connect across organizational units,
% of respondents

■ Using message-based platforms¹ ■ Not using message-based platforms²



¹n = 112.
²n = 1,669.

Even across organizational units, the results suggest a similar pattern. If respondents' companies have adopted message-based platforms, they are likelier than executives at other companies to report the use of the newer, social technologies (Exhibit 4).

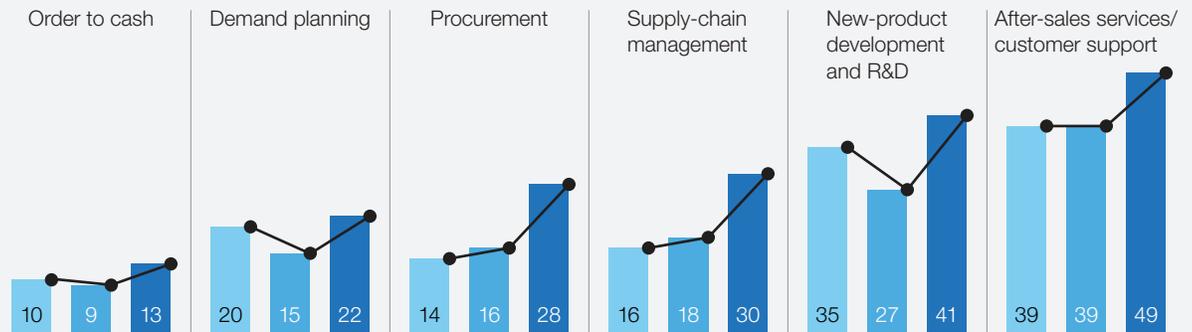
The scaling up of social technologies

The changes in employee-to-employee communication that more sophisticated technologies are already bringing about—and the potential they have to drive further change—is notable for a few reasons. First, the internal use of social technologies remains the most common reason companies adopt these tools. Eighty-five percent of all respondents say their companies use social technologies for internal purposes, up from 80 percent in 2015 and 69 percent in 2014. At the same time, a growing share of executives say they use social tools with partners: 59 percent in 2016, up from 49 percent the year before.

Exhibit 5 In operations processes, use of social tools has grown, especially in procurement, supply-chain management, and after-sales services.

Operations processes in which social technologies and tools are used,¹
% of respondents

■ 2014 ■ 2015 ■ 2016



¹ Out of 18 total processes, including marketing/sales and corporate functional processes, that the survey asked about. In 2016, n = 2,091; in 2015, n = 2,286; and in 2014, n = 1,420.

Second, the increasing relevance of social tools also appears at the process level. As we saw in 2014 and 2015, the use of social tools remains most common in externally facing processes such as PR, recruiting and hiring, and customer relationship management. But there have been notable jumps in several operations processes that three years ago were among the least social out of 27 processes we asked about. Since then, greater shares of respondents now cite the use of technologies in procurement, supply-chain management, and after-sales services (Exhibit 5).

The organizational value at stake

When we asked about the specific benefits of social tools, responses show that communication and collaboration are again top of mind. Reducing communication costs remains one of the most common advantages of using social tools internally, and also externally, with partners. And whether or not their organizations use more sophisticated tools, respondents recognize the value of social technologies to improve communication. When asked about the critical features of the tools their companies use, executives most often identify real-time interactions and internal collaboration—two elements that define message-based platforms—followed by voice and video conversations.

Executives also report that in the past three years, social tools have increased employees’ ability to communicate more freely and to self-organize with members of their teams. They even say that the nature of work is changing—that is, work is becoming more project based, rather than team or function based. These first two effects are felt relatively strongly at the companies using message-based platforms, where clear majorities of executives report more frequent communication and self-organization (Exhibit 6).

Looking ahead, respondents most often expect that these same three changes—broader communication, changing work, and self-organizing teams—will continue over the next three years.

Looking ahead

- *Tools should follow—not lead—new ways of working.* Most companies have begun adopting digital tools, including social technologies, or even transforming their businesses with digitization in mind. But a mistake that many make is choosing the tool first and then expecting change will follow. Any improvement via social tools must begin with people changing the way they work first, then using the tool that fits best. Agile ways of working (such as cross-functional teams, scrums, or innovation hubs that are apart from company hierarchy),³ as well as user-centric approaches to product development, require the greater collaboration provided by the message-based platforms. And the more that message-based platforms are integrated into business processes and systems, the more critical they will be. But these tools will only ever enable organizational change, not fundamentally change the way organizations work on their own. Companies would do well to think first about the broader, holistic changes they want to make and then decide how social and digital technologies can play a supporting role. ■

¹ The online survey was in the field from July 19 to July 29, 2016, and garnered responses from 2,200 participants representing the full range of regions, industries, company sizes, functional specialties, and tenures. To adjust for differences in response rates, the data are weighted by the contribution of each respondent's nation to global GDP.

² We define "message-based platforms" as tools that are cloud based, are designed for real-time interaction, allow users to search conversations, provide a distinctive user experience, and integrate with other enterprise applications (such as file sharing and social media), among several other features. These tools also create searchable content as a by-product of collaboration.

³ For more on the topic, see "The keys to organizational agility," December 2015, McKinsey.com.

The contributors to the development and analysis of this survey include **Jacques Bughin**, a director of the McKinsey Global Institute and a senior partner in McKinsey's Brussels office; **Michael Chui**, an MGI partner in the San Francisco office; and **Martin Harrysson** and **Shannon Lijek**, a partner and associate partner, respectively, in the Silicon Valley office.

Copyright © 2017 McKinsey & Company. All rights reserved.