

# ASSIMILATING GENERATION Y IT NEW HIRES INTO USAA'S WORKFORCE: THE ROLE OF AN ENTERPRISE 2.0 SYSTEM<sup>1,2</sup>

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## *Executive Summary*

*This article describes how an internal system using Web 2.0 tools has been used at USAA to help assimilate new hires into the IT department. In addition to describing both the work and social uses of this Enterprise 2.0 system in a distributed mentorship program, we identify the individual and organizational benefits of using this type of system. These include increasing the feeling of cultural belonging, making the environment of entry-level IT workers exciting, and creating high morale among a new Generation Y<sup>3</sup> workforce. Our research also identified some future challenges facing USAA as its Enterprise 2.0 system and new hire program continue to evolve. The article concludes by providing guidelines for other organizations considering the internal use of Enterprise 2.0 tools as part of their new employee assimilation programs.*

## GENERATION Y EXPECTS TO USE SOCIAL NETWORKING TOOLS AT WORK

Generation Y individuals are avid users of Web 2.0 tools as part of their everyday lives.<sup>4</sup> Social networking sites such as Facebook, LinkedIn, and MySpace are particularly popular among this generation. In fact, data collected in mid-2009 by a Pew Internet Project survey indicates that 72% of Generation Y Internet users are on social networking sites, with Generation X'ers and Baby Boomers adopting these tools in increasing numbers.<sup>5</sup>

As the popularity of online social networking rises, increasing numbers of organizations are incorporating social technologies inside the enterprise, hereinafter referred to as "Enterprise 2.0."<sup>6</sup> In fact, survey data collected in early 2010 indicates employee social networking tools have increased more than 40% from 2009 levels.<sup>7</sup> Despite increasing adoption and interest in Enterprise 2.0 systems (i.e., social intranets), executives see many potential pitfalls with these systems and few organizations find their implementation easy or natural.

To shed light on the challenges involved in implementing Enterprise 2.0 systems, we studied the Nexus system at USAA, a large U.S.-based provider of financial products and services to the military and their families. USAA has implemented this Enterprise 2.0 system to facilitate the socialization, commitment, and organizational

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3 Defined as those born between 1981 and 2000.

4 For more information about the characteristics, work styles and technology use of Generation Y, Generation X, and the Baby Boomers, see Salkowitz, R. *Generation Blend: Managing across the Technology Age Gap*, Microsoft Executive Leadership Series, John Wiley and Sons, 2008.

5 See Lenhart, A. "Social Media & Young Adults," Pew Internet Project, April 20, 2010, available at <http://www.pewinternet.org/Presentations/2010/Feb/Department-of-Commerce.aspx>.

6 McAfee, A. *Enterprise 2.0*, Harvard Business Press, Boston, MA, 2009.

7 See Ward, T. *The Rise of Intranet 2.0: The Social Intranet*, January 21, 2010, available at <http://www.cmswire.com/cms/enterprise-20/the-rise-of-intranet-20-the-social-intranet-007290.php>.

assimilation of new Generation Y hires into its IT organization. As described in more detail in the Appendix, between March 2007 and May 2010, we collected data via interviews with 33 individuals and from other sources. (This date range preceded and succeeded the implementation of Nexus.) Our analysis of the data and review of relevant literature then led to a data coding scheme that captured the impacts on the assimilation of new hires.

## USAA BACKGROUND

As of 2009, USAA's revenue was nearly \$17.6 billion, and its assets totaled nearly \$79.9 billion. With a mission stating, "We know what it means to serve," the bulk of USAA's nearly 22,000 employees consist of customer-facing employees such as customer service representatives, financial planners, claims service managers, insurance adjusters, and appraisers. The remainder of its workforce consists of corporate support functions such as accounting, finance, HR, and IT. While many insurance adjusters work remotely, most of its corporate workforce is in a central corporate headquarters located in San Antonio, Texas. USAA has five smaller offices—three in the U.S. and two in Europe.

In 2009, USAA entered a growth and expansion phase by conducting a large-scale marketing campaign. Although it is known for having a conservative culture and bureaucratic structure, USAA has historically tended toward innovative uses of IT for its customers. Several recent innovations aimed at making banking as convenient as possible for its customers include allowing customers to electronically deposit checks scanned via their computers, providing an iPhone banking application, and incorporating social media sites like Facebook into its daily business practices.<sup>8</sup>

## USAA'S IT DEPARTMENT'S NEW HIRE PROGRAM

With nearly 2,500 employees, USAA has one of the largest IT workforces in the southwest U.S. Because of its pay, employee benefits, advancement opportunities, culture and flexibility, USAA has been voted one of the best places to work in IT for

10 consecutive years, and in 2010, Computerworld ranked it as the No. 1 place to work in IT.<sup>9</sup>

In a given year, about 250 (i.e., 10%) of USAA's IT workforce consists of people in its IT new hire program. After completing three years of service and between two to three job rotation assignments, IT recruits transition from the new hire program to fully qualified employees. The typical career path for a new hire to the IT department is to move to higher levels of the entry-level positions (software engineer, database administrator, network engineer, IT architect), then to choose between more technical or business-oriented roles and to progress to project leader, project manager, director, assistant vice president, vice president, and, eventually, CIO.

USAA has historically struggled to integrate new hires into its IT workforce and gain their commitment. IT executives recognized that, from the perspective of new hires, there were several constraints impeding integration. One was the tedious nature of their highly technical jobs. Another was the strict controls on Internet usage, including a policy that barred employees from Internet browsing, accessing personal e-mail, sending communications outside of USAA, and using third-party social networking sites.

The first constraint was highlighted in comments by new hires, who said that the technical aspects of their jobs—primarily programming and working with data storage—were not too enjoyable. They described the technologies they worked on as "old" and "boring" compared to their experiences in their degree programs as computer science and management information systems majors. While USAA was not able to change the technical aspects of the work or make them inherently more enjoyable, it recognized that removing some of the strict managerial policies (the second constraint) could improve employees', and in particular new hires', morale. One new hire put it like this:<sup>10</sup>

*"I think a lot of employees thought it was unfair that social media was a major part of our member services strategy ... Facebook, the Internet, and social networking are huge mediums for us, yet we weren't allowed to access the Internet at work."*

<sup>8</sup> USAA has launched external social media sites to build relationships with customers, and it extensively monitors social media sites to assess its reputation and solve customer service issues.

<sup>9</sup> King, J. "No. 1 Place to Work in IT: USAA," *Computerworld*, June 21, 2010, available at [http://www.computerworld.com/s/article/349624/No\\_1\\_Place\\_To\\_Work\\_in\\_IT\\_USAA?taxonomyId=10&pageNumber=2](http://www.computerworld.com/s/article/349624/No_1_Place_To_Work_in_IT_USAA?taxonomyId=10&pageNumber=2).

<sup>10</sup> Quotes in the text that are not attributed to specific individuals are taken from the field notes.

In response, USAA modified its policies in June 2009 and began allowing access to external websites for all employees at their personal discretion. A month after the policy change, an IT manager explained that new hires had embraced the new policies and enjoyed the flexibility at work:

*"Management has recognized that if they want to keep the workforce, they need to give them some time during the day to take care of personal business from their computers. It helps us balance our lives, it makes us more productive, and it helps USAA."*

While this change had a positive effect on new hires, they embraced the change in different ways. Four months after starting in USAA's IT new hire program in January 2010, a new hire, who had interned during the summer of 2007, reflected on the effect this policy change had had on new hires:

*"They are much more positive. There is a huge difference in the attitude. The ability to access Facebook at work was a huge selling point at the new employee orientation. The new hires were [saying], 'that is so cool, we can use Facebook at work, we can't believe USAA lets us do this.' This change helps employees feel at home. It lets them stay socially connected with their family, friends, and other employees while at work."*

Our research showed that most new hires and IT managers share the view expressed in the above quote. However, as the quotes below show, new hires who joined USAA before the policy change were more cautious about their Internet use than the ones who started after the policy change:

*"I do not access personal e-mail accounts or social networks for fear of someone looking over my shoulder." (New hire who commenced in May 2006)*

*"I mostly do this [access the Internet] on my iPhone ... partly because I don't want USAA tracking me and so I don't feel bad [about] using company resources to do Facebook. I guess I am using company time, but it is my break. I don't really use company computers to go onto Facebook, but plenty of people do go on Facebook using company computers. I check my personal e-mail on my phone probably five to 10 times a day, and I do Facebook three times a day. It gives me a*

*break. I like following the news and politics."*  
(New Hire who commenced in January 2010 and had been an IT Intern in May 2007)

To better assimilate the new hires into the IT organization, USAA charged an IT director in June 2008 with revamping its new hire program. According to this director, when he took over the program, *"It was sloppy and disconnected, after the training was complete, new hires lost connection with one another."* Among the biggest challenges to integrating new hires was that most had recently graduated from college and had moved great distances to start their professional careers with USAA. They thus had limited professional experience and no social connections in the community. A 2010 new hire commented, *"We moved here, and we had no friends."*

Another big challenge was associated with IT middle managers, who were expected to serve as mentors for new hires but were too busy to pay much attention to them. Furthermore, differences in job responsibilities and age impeded middle managers' ability to provide technical and social mentoring for new hires. Recognizing that *"It simply costs too much to bring new hires in and train them, only to have them leave shortly thereafter,"* the IT director charged with revamping the new hire program decided to leverage the power of social networking to improve the program. To achieve this, he empowered the new hires to create Nexus, an Enterprise 2.0 system.

## NEXUS—USAA'S ENTERPRISE 2.0 SYSTEM FOR IT NEW HIRES

Nexus embodies a technical system and a social system. The technical system is based on SharePoint (a Web 2.0 technology), which consists of a variety of features that are both social- and work-related and supports virtual and in-person social networking. While the legal ramifications associated with having closed groups in organizations requires that Nexus is open to any USAA employee, Nexus's content is geared toward integrating its more than 250 IT new hires into the organization. New hires are Nexus's primary users. In addition to managing its content, they are the primary participants in Nexus's social activities.

While executives oversee Nexus, it is managed by a core team, comprising six elected IT new hires who have completed their first year of employment with USAA. Rather than using strict policies to manage Nexus, management gave the core team considerable

discretion, hoping it would create a system that would be appealing to fellow new hires. The resulting system blurs the boundaries between work life and social life. While the system encourages new hires to socialize virtually and in-person both during and after the workday, they often discuss work during their social activities. In discussing the core team's discretion, Nexus's founder commented, *"You have to be really open-minded to what they propose."*

The core team's main responsibility is to help socialize new IT employees into USAA and to help them lead events. An IT vice president commented, *"This generation is needy. Nexus takes [responsibility for] socializing the new hires off the manager."*

### Work-related Uses

Nexus's work-related uses center on career development and leadership skill development. Key features include a guest speaker series, tech zones, discussion boards, house calls, and event planning (see Table 1). New hires use Nexus to suggest guest speakers, promote guest speaker events, access presentations, and discuss ideas that emerged from the presentations. An IT vice president and Nexus's 2009 and 2010 core teams concur that the guest speaker series is the most successful event Nexus facilitates. These events expose new hires to new people, new topics, and new ways of thinking. Past guest speakers have included USAA's CIO and a former astronaut.

The tech zone and discussion boards provide forums to share ideas. In the tech zone, new hires discuss industry trends that may be relevant to USAA, such as new "tech gadgets" out on the market. For example, in June 2009, new hires were discussing applications USAA could develop for the latest iPhone. Discussion boards are broader than the tech zone. They allow employees to post ideas and provide feedback. New hires are free to post anything from "what do you think about this new application" to "great work on that project." Recognizing that IT new hires

have recently been in full-time education and are technology savvy, management frequently uses the discussion boards to gain their insights.

The house calls feature allows new hires to arrange visits to other USAA divisions or departments for a general overview of the site or hands-on training specific to a position.

One of the most common uses of Nexus is to plan events for new hires. These events vary in nature. While the system allows any user to suggest an event, events are approved by popular votes, which are tallied based on comments posted in the system. While Nexus and the core team serve as important resources to assist with event planning, an event has an executive sponsor and is led by its initiator. Nexus facilitates coordination, communication, and networking between the event planner, the core team, the executive sponsor, and the new hires invited to the event.

Events planned and organized through Nexus have included executive luncheons, volunteer projects (e.g., working with Wounded Warriors to help severely injured U.S. service members), program-coding competitions, and an American Idol-like competition. Management oversees the budget for Nexus events and requires that each event falls into one of four areas: networking, career development, workforce initiatives, and continuing education (see Table 2).

All of these work-related uses of Nexus give its members opportunities (e.g., networking with top management, project management, public speaking, and leading large groups) that they would not otherwise have had.

### Social-related Uses

The social-related uses of Nexus include a sports page, pulse, user profiles, maps and entertainment, and relocation information (see Table 3).

**Table 1: Work Uses of Nexus**

Work Features	Description
<i>Guest speaker series</i>	Forum for providing information about upcoming guest speakers, sharing their presentations, and discussing their presentations
<i>Tech zone</i>	Forum for discussing new technology products or trends
<i>Discussion boards</i>	Forum for posting and sharing ideas
<i>House calls</i>	Forum for arranging on-site visits or training within other USAA departments or divisions
<i>Event planning</i>	Forum for organizing new hire events



**Table 2: Nexus Events Must Fall into One of Four Areas**

Area	Description	Example
<i>Networking</i>	Facilitates getting to know and form relationships with other USAA employees. Enables open communication.	Nexus SharePoint site
<i>Career development</i>	Provides leadership opportunities and new learning	Learn Spanish study groups
<i>Workforce initiatives</i>	Community improvement efforts	Girls Scouts Science Fair
<i>Continuing education</i>	Promotes higher education and makes new hires aware of benefit availability	University Career Fair

**Table 3: Social Uses of Nexus**

Social Features	Description
<i>Sports page</i>	Provides a place to keep score of sports matches and challenge coworkers to matches
<i>Pulse</i>	Enables instant messaging and blogging
<i>User profiles</i>	A user's homepage. Provides information such as universities attended, hometown, skills, positions, hobbies, interests, and photos. Has a search capability.
<i>Maps and entertainment</i>	Provides directories and reviews of restaurants and other entertainment facilities by geographic area
<i>Relocation</i>	Facilitates relocation by allowing new hires to request and post information. Features include apartment listings by geographic area and a roommate locator.

The sports page originated as a ping-pong page but has expanded to include all types of sports. It provides an area for score keeping and for new hires to challenge one another to matches both during and after the workday.

Nexus users use pulse to send instant messages to and blog with each other. Posted comments on the page vary widely. A June 2009 review of the site showed comments like "Can't wait for IDOL" and "Cobol rocks." Pulse is purely social. New hires use pulse to keep up with new friends at USAA or provide encouragement such as "Great food at the meet-up event."

The profile pages provide an area for new hires to create a homepage, which may include both personal and professional information. New hires use these pages in a variety of ways. In their first days with USAA, they use these pages to find people who graduated from their alma mater. Later, they use the profile pages to target volunteers and event participants. Profile pages keep new hires up to date with recent changes each time they login.

The maps and entertainment pages provide a directory and reviews of restaurants and places of interest by geographic location. These pages are dynamic; Nexus allows new hires to add new restaurants and comment

on restaurants. Frequent comments flag up restaurants that offer USAA employee discounts. New hires comment that they "*feel more comfortable using these pages than Yellow Pages because they know the online recommendations come from people like them.*"

New hires use the relocation page to facilitate their transition to the San Antonio area. Activities include browsing apartment listings, finding roommates, requesting information, and posting information. These features provide the means for new hires to familiarize themselves with their new surroundings.

### **Impact of Nexus**

Our nine managerial level interviewees (three IT executives, one IT director, two middle managers, and three HR professionals) concur that the introduction of Nexus has resulted in better recruiting, higher morale, and better employee engagement. In June 2009, an IT vice president told us:

*"Although it is difficult to tell that Nexus is the reason for the decline in turnover, since the implementation of Nexus, there has been greater employee commitment visible within the organization. We are continuing to support Nexus because of its effect on employee engagement and morale."*

The Nexus founder observed in April 2010:

*"We have noticed now that they [the new hires] connect better to USAA and our mission, they are using their time better. They are working more overtime. Face it, it is difficult to get these college-age kids to work overtime. Since we have [had] Nexus, we've noticed that the new hires' billable time has increased. Before Nexus, most of our new hires would get "ME" (meets expectations) on their performance reviews. Now they are getting higher rankings. This is anecdotal and my gut feel, but I think it comes back to their attitude. They are more connected to the people and the organization, so they are doing a better job."*

While USAA does not know with certainty whether the better recruiting, higher morale, and better employee engagement can be attributed solely to Nexus, IT management credits the new hires' use of the system for some of these positive effects. However, neither USAA nor researchers fully understand why the implementation of an Enterprise 2.0 system should have such a marked influence on employee behavior and emotional well-being. In the next section, we seek to explain the reasons for the apparent success of an Enterprise 2.0 system like Nexus.

## EXPLAINING THE SUCCESS OF NEXUS

We drew on the "Broaden and Build" theory<sup>11</sup> of positive emotions as we interpreted the data that we had collected for the USAA case study. This theory posits that positive emotions, invoked by some external stimuli, result in the creation of personal resources, including physical, intellectual, social, and psychological resources, that are then available as part of an individual's repertoire of responses to situational stimuli.<sup>12</sup> Over time, positive emotions can accumulate and compound, thus making individuals more socially integrated, knowledgeable, effective, and resilient.

Using this theoretical lens, our interview data from USAA suggested that there were two primary drivers behind the success of Nexus: the emotional response of the new hires to the system and the development of personal resources resulting from the system's

use. Further, the emotional response and the personal resources stemming from Nexus use evolved over time as the new hires progressed from being consumers of system content and events in their first year with USAA to being producers of system content and events in their second year. Below, we describe this evolution, which we graphically depict in Figure 1.

## The Emotional Response of IT New Hires

**Year 1.** Various emotions were evoked as first-year new hires described their Nexus use. Interviewees described themselves as "happy," "enjoying work," "fitting in," "feeling comfortable," and "feeling excited" as a result of their use of the system. They described attending "meet-up" events with co-workers both during and after working hours and claimed to "enjoy hanging out with friends that they have formed through Nexus" during these meet-up events. The first-year new hires described Nexus as the "best tool for getting involved and forming relationships."

As illustrated by the following quote, first-year new hires described the colleagues whom they had met via Nexus as "friends" or "family":

*"There was a recent Gallup poll that says people are happier at work when they have a best friend at work. They asked us as part of the poll if we had a best friend at work, and almost everyone said yes. Nexus helps us with this. It builds a community and makes us happier. If we have friends at work, we are more likely to stay here longer. We have strong friendships, which lead to strong work performance."*

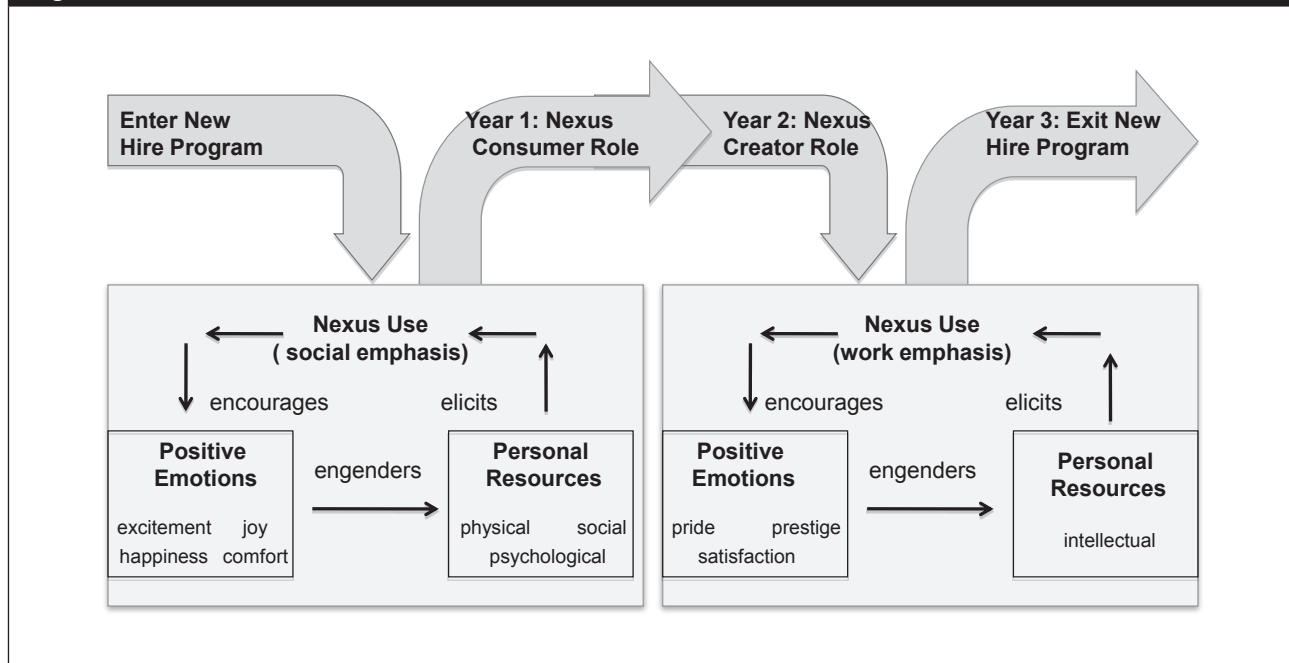
This quote illustrates that the relationships that result from Nexus inculcate a "sense of belonging" and "a nice, helpful, comfortable feeling." Another new hire likened the internal relationships to family, stating "even though it is large, the organization feels like a family." The metaphors of friends and family suggest that new hires are developing an emotional attachment to their work colleagues and to the organization. Even though blurring the boundaries between work life and social life can often cause stress, the new hires believe that this boundary blurring in Nexus helps them manage stress by incorporating social activities and relationships into the work environment.

Indeed, it is telling that the new hires described work as "fun" and "playful." They expressed their eagerness to "unwind" and have "breaks from work" during the workday. The Nexus core team even

11 Fredrickson, B. L. "The Broaden-and-Build Theory of Positive Emotions," *The Royal Society*, 2004, pp. 1367-1377, available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1693418/pdf/15347528.pdf>.

12 See Fredrickson, B. L. "What Good Are Positive Emotions?," *Review of General Psychology* 2(3), 1998, pp. 300-319.

Figure 1: The Evolution of Nexus Use from Consumer to Creator



emphasized that some aspects of the system, such as pulse, are designed to be “*something fun to do while working.*” New hires talked of “*using Nexus to take a break*” when they are “*tired and incapable of staying focused on work.*” They viewed accessing and posting information on Nexus as a “refresher” and an “energy boost.” This is not to suggest idleness on the part of the new hires but rather relief from the tedium of some of the work they experience as entry-level IT employees. New hires described much of their typical workday as “boring,” “routine,” and “technical.” They enjoyed the respite provided by activities like designing graphics for the Nexus site, challenging people they have never met to a sporting event (e.g., ping-pong), or organizing an exciting social event (a bar-b-que or field day). While some of these activities are purely social and occur during work hours, they help employees “form relationships,” “build a community,” “enjoy work,” and, ultimately, in the minds of the employees, “get things done faster and better.”

**Year 2.** As first-year new hires experience the positive emotions that flow from their use of Nexus, they continue to invest time in the system, and by their second year, they are poised to become creators of Nexus content. Second-year new hires expressed emotions such as “prestige,” “pride,” and “satisfaction.” They felt prestigious when co-workers used the discussion board to congratulate them on an event they had led. They were proud of their

contributions to the system, and they were satisfied with their efforts to help year-one new hires.

A second-year new hire recounted how she had worked for months on an American Idol-like event that was held during the workday in June 2009. This event simulated the national television program, with new hires performing a song, and upper management serving as the judges. At the end of the event, awards were presented based on the judges’ comments and public votes, which were taken via text messages from the 150 IT new hires in attendance. We observed this event during one of our company visits and watched many positive emotions surface. As we watched executives and fellow new hires congratulate the organizer on the success of the event, we saw how leading an event increases a new hire’s prestige. In an interview with her, she expressed satisfaction and excitement that the executives knew she organized the event, corroborating the sentiments of other second-year new hires, who said that leading a large event helps them “*make a name for themselves in front of the executives.*”

In short, new hires have responded favorably to Nexus and report a range of positive emotions resulting from using it.

Table 4 summarizes the Nexus usage pattern among new hires during their first two years with USAA. Most start as consumers of Nexus and, in time, become creators, as explained by one new hire:

**Table 4: Comparing Year 1 and Year 2 Uses of Nexus**

Time	Role	New IT Hires' Primary Uses/Goals	Positive Emotional Responses Reported by Users
<i>Year 1</i>	Consumers	Use the directory to learn who people are. Participate in and volunteer for events. Get to know people.	Excitement, joy, happiness, and sense of comfort
<i>Year 2</i>	Creators	Lead events, create system content, spend time getting people to engage in Nexus, take advantage of professional development opportunities.	Pride, sense of prestige, and satisfaction

*"When I first joined, I spent time using profile pages to find out who people were and how they fit in the rankings. Then, as I've been here longer, I got more into volunteering for events posted on Nexus. Now, I lead discussions on Nexus and use it to find volunteers. So, at first, it was an investigative tool, now it is a tool to get others involved."*

The Nexus founder made the same point:

*"New hires, during their first year, use Nexus heavily for social activities. It is nearly 100% social. They have even warned us not to push too much professional development through Nexus during the new hires' first year because it will turn them off. They are building experiences and building relationships. When they get to the next level, it is professional. Now, they've built a rapport with the company. They are interested in development. They want classes, mentoring; they become the leaders of Nexus. They are interested in how the community runs, and they want to help the community run."*

While it may be tempting to downplay this emotional response—why should they *not* be happy about a system that allows them a distraction from an otherwise tedious workday and *not* be proud about a system that empowers them to lead events at such an early phase of their organizational membership—it is important to consider how these positive emotions may have direct and indirect work-related consequences.

### **Development of Personal Resources from Positive Emotions**

**Year 1.** Our interviews suggest that Nexus users developed several personal resources as a result of the positive emotions experienced from using the system. During the first year, when new hires use of Nexus

is primarily social, the resources developed include social resources (e.g., strong internal relationships), physical resources (physical well-being and energy), and psychological resources (a sense of cultural fit).

New hires who are happy are more likely to be involved in activities that improve physical well-being and create greater social bonds. One new hire described the opportunities Nexus provides for building physical resources:

*"They have bowling, baseball tournaments, and PT practices. A Nexus leader hosts foosball every day for the entry-level programmers."*

These activities occur before, during, and after work hours, and include physical sports (e.g., volleyball), online games (e.g., Counter-Strike), and sports that mix technology with physical activity (e.g., Geocaching). Nexus's profile and sports pages facilitate participation opportunities. The profile pages include a hobby category, which helps new hires find people interested in playing sports. The sports page supports game scheduling, score keeping, and ability assessment. New hires used the networking features to update results from sport challenges and to stay connected with each other. Nexus users who participated in sports activities before or during work reported feeling refreshed in the afternoon, with the energy (a physical resource) to concentrate more intensely on their work tasks.

Similarly, individuals who attended meet-up events reported the development of friendships (a social resource), which can be helpful in solving work problems. For example, a new hire responsible for running system tests described a period when she had been working very long hours on a project that required the use of a server that was down. A social contact made through Nexus who had the right technical expertise helped her with the needed fix. Thus she was able to circumvent USAA's red tape and use Nexus's instant messaging feature to access



her contact and acquire his help in troubleshooting the server. She stated, *"I am thankful for the support group I've picked up through Nexus."* Although Nexus was not used to directly solve the problem, its social features had assisted in creating a social resource that helped to solve the problem in a timely fashion. Moreover, other "friends" not directly involved in solving the problem provided a sense of support during a stressful time.

While psychological resources are more difficult to discern, we saw some evidence that Nexus users were able to develop this type of resource. Research has shown that employees who are satisfied at work are more productive, perform better, are less likely to leave, and are more committed to the organization.<sup>13</sup> Task variety, autonomy, workload, learning opportunities, and job complexity have been shown to be important predictors of job satisfaction. Work tasks that are considered to be boring or routine can lead to job dissatisfaction. The following quote from a member of Nexus's core team shows that while Nexus does not make work tasks themselves more varied or flexible, or less routine, it does make the work life of new hires less rigid because it provides greater variety and flexibility:

*"I like working on Nexus because my job is kind of boring. I do programming. I would rather do web design and graphics, so Nexus lets me do that."*

This quote is indicative of USAA's new IT hires displaying high satisfaction with their work lives. This satisfaction is a psychological resource that helps them to perceive being at work as "fun." Even though the work itself is not described as fun, being at work is satisfying and gratifying for these new hires.

**Year 2.** The social, physical, and psychological personal resources developed during new hires' first year reinforced their Nexus usage and led to them using the system in their second year more for work-related tasks and becoming creators rather than mere consumers of Nexus content. The primary personal resource developed by year-two new hires

was intellectual (e.g., learning, problem solving, and leadership skills).

Nexus offers several opportunities for increasing intellectual resources, including house call visits, meetings, and events. House calls involve visiting other departments or divisions to learn about other functions and job positions. Nexus's event planning features allows new hires to develop planning skills and business knowledge. One new hire explained how he learned the financial side of the business at a planning meeting arranged on Nexus:

*"One guy at the Nexus planning meeting was more on the financial side. He was the contact between the business side and the technical side. He was working on a completely different project, but he knew a lot about the financial system I was working on. I was just trying to learn the application, the variables, the messages, the logs. He knew how the application worked for the financial team. At the meeting, I was able to ask him a bunch of questions to help me understand the system and what I was supposed to be doing."*

New hires' minds and thought processes can be further developed by attending and hosting Nexus events. By leading an event, Nexus users can develop their management skills and increase their organizational visibility, which may lead to additional opportunities. For example, after hosting a successful Casino Night fundraising event, USAA's management asked the event organizers to manage the company's upcoming United Way campaign.

In summary, the use of Nexus, and the positive emotions and resources generated from its use, is having a marked impact on USAA's IT department. Referring again to Figure 1, which depicts the pattern of Nexus use over time, use of Nexus generates positive emotions, which form the foundation for the development of personal resources, which then encourage further use of Nexus. While emotions themselves are ephemeral and attached to a specific event, the personal resources created through the emotions are considered to be durable and long lasting beyond the emotion that initially created them. The personal resources that new hires develop through their use of Nexus reinforce the positive emotions they feel, generating high commitment to the IT department and the organization. Furthermore, the personal resources are also useful in overcoming negative situations. As new challenges arise, new hires should be better capable of managing the issues, instead of feeling overwhelmed and stressed.

<sup>13</sup> For a textbook discussion of workplace issues, see Levy, P. L. ed., *Industrial/Organizational Psychology: Understanding the Workplace*, Houghton Mifflin Company, 2003. For an article that addresses the psychological aspects of withdrawal, see Mowday, R. T., Koberg, C. S., and McArthur, A. W. "The Psychology of the Withdrawal Process: A Cross-Validation Test of Mobley's Intermediate Linkages Model of Turnover in Two Samples," *Academy of Management Journal* (27:1), 1984, pp. 79-94. For an article that explores workplace issues inclusive of job satisfaction and turnover, see Porter, L. W., Steers, R. M., and Mowday, R. T. "Organizational Commitment, Job Satisfaction, and Turnover among Psychiatric Technicians," *Journal of Applied Psychology* (59:5), 1974, pp. 603-609.

## FUTURE CHALLENGES

Despite the many benefits accruing from Nexus, three challenges remain for USAA as it continues to build on the success of the system to help integrate IT new hires into the workplace.

### **Challenge 1: Finding the Right Balance Between Work and Social Uses**

While blurring social and work boundaries has benefits, finding the right balance remains a challenge for USAA. Senior executives' response to Nexus was more circumspect than that of new hires; executives did not entirely embrace the socializing aspect of Nexus. Because many of the Nexus-sponsored events take place during the workday, executives expressed concern that the *"Nexus group needs more discretion on what they do during work hours."* One executive, while impressed with the turnout for the American Idol-like event, bemoaned the fact that *"the event is taking three hours out of the workday."* He was left wondering about *"how are they spending their time and our money?"* Executives would like to see new hires using Nexus to *"discuss more work-related topics"* rather than for *"setting up the next bar-b-que meet-up event."* They recognize that Nexus is an Enterprise 2.0 system but had envisioned it being used more for discussions on work projects and updates. An IT executive stated in June 2009 that *"Nexus is currently used for purely social aspects; I wish it was a little more work-related."*

Because it has been difficult to see the benefits of Nexus in terms of knowledge sharing and project teamwork, executives remain ambiguous about the ultimate value of the system. On the one hand, they are optimistic about the potential of Nexus to be used to *"share technical knowledge and work on developments,"* but, on the other hand, they are worried that the new hires view Nexus primarily as *"a tool to make friends."* Yet, in spite of this apparently ambiguous emotional reaction, USAA executives continue to support Nexus. In part, they fear that they must *"recognize the needs of this new generation"* to socialize at work, and, in part, they remain convinced that at least some of the increase in morale, increase in engagement, and decline in turnover observed in the IT department is attributable to Nexus. However, in the future, senior IT managers might need to develop guidelines about the balance between social and work uses of Nexus.

### **Challenge 2: De-Isolating IT Middle Managers**

In contrast to the "feel good" perspective of new hires, IT middle managers expressed more negative emotions about Nexus. They reported feeling "left out of the fun" and felt they were being denied the same exposure to senior management that the Nexus system afforded new hires. For example, one feature of Nexus—the CEO luncheon—allows for new hires to meet the CEO. One IT middle manager protested that he had *"never had lunch with the CEO."* Other middle managers also expressed envy at the exposure Nexus afforded new hires, as well as the inequities. Middle managers were not given the flexibility to engage in social activities during work, and some resented this privilege being given to new hires. For example, one IT middle manager said:

*"We are experiencing a problem with more tenured employees feeling jealous and discontent because they are neither able to participate in these special events nor gain exposure to top management."*

The tensions center around the special opportunities that new hires are granted and how they can integrate their social life into their work life. For example, since each Nexus event requires an executive sponsor, new hires work frequently with USAA's assistant vice presidents and get to know them. Since promotions at USAA are based on demonstrated capability (merit) and agreed/approved through collaborative discussion among the management team, some longer-serving employees feel new hires have an advantage.

Moreover, new hires used Nexus to bond with one another but not to reach out to IT middle managers. This has created some continuing tensions between middle management and the new hires, as Nexus's founder explained:

*"We have had some trouble with mid-management and Nexus, especially early on. They would go to our CIO and complain. The feedback that the CIO gave them every time was: 'This is a self-organizing community. If you have an idea for a community, pitch it.'"*

Thus another future challenge for senior IT management is to work out how to de-isolate IT middle managers.

### **Challenge 3: Leveraging Enterprise 2.0 Benefits Beyond the IT New Hire Program**

During their third year with USAA, new hires transition to fully qualified employees, and their Nexus involvement decreases sharply. Several factors contribute to this decrease, including increased workload, new assignments, and Nexus being branded for new hires. To date, USAA has not created an Enterprise 2.0 system for longer-serving employees or for employees as they enter management ranks. An IT employee with four years service at USAA lamented:

*"I miss the relationships with the new hires. You can bounce ideas off of them. Say they have expertise in DB: if I have a problem or a question, I can just say, 'Yeah I know that guy and ask them.' Now, I don't have that initial relationship with them."*

Thus a third challenge facing USAA in the future is whether and how to leverage Enterprise 2.0 benefits beyond the IT new hire program.

## **GUIDELINES FOR USING ENTERPRISE 2.0 TOOLS TO ASSIMILATE NEW HIRES**

Based on USAA's experience with Nexus, we offer four guidelines for IT departments interested in using Enterprise 2.0 systems to encourage the socialization, commitment, and assimilation of new IT employees. The guidelines focus on how to manage and generate benefits from this type of tool.

### **Guideline 1: Allow New Hires to Self-manage their Assimilation into the Organization**

Mentoring new IT employees is a time-consuming task for any large IT department. Middle managers are often expected to serve as mentors, yet they may neither desire the role nor have time for it. One means of relieving middle managers of some of the mentoring burden while also helping create a welcoming environment for new hires is to allow the new hires to manage their own integration. Enterprise 2.0 tools can help distribute mentorship by separating the social aspect of assimilation from the work-related aspect of assimilation. They can also provide various opportunities to learn skills, to learn where to go for help, and to learn about the organization's departments and mission.

Prior to the introduction of Nexus, the mentoring program at USAA relied on a buddy system between new hires and their managers, which was proving ineffective from both the new hires' and the middle managers' perspectives. Rather than trying to force middle managers to devote more time to new hires, USAA empowered the new hires to expand the mentoring program and take responsibility for the socialization and assimilation of new IT employees. The new hires responded by developing Nexus, which helped them create and sustain a community through both virtual and in-person connections. These connections, along with opportunities to assume leadership roles at the early stages in their careers, increased the new hires' commitment to one another and to the organization as a whole.

IT project champions are often associated with senior management. In the case of Nexus, however, the real champions were at the lowest hierarchical level, spurred by the recognition of middle management (principally Nexus's founder who was in charge of the new hire program) that, if given some leeway, the Gen Y IT new hires will find productive and creative uses of technology.

### **Guideline 2: Legitimize Use of Enterprise 2.0 Systems During the Workday**

For an Enterprise 2.0 system to be an effective tool for integrating new hires, it is important that senior and middle management assure new hires that they can spend time during the workday engaging in Enterprise 2.0 activities. New hires will hesitate to spend time using an Enterprise 2.0 system and participating in work-sponsored social activities if they fear that they will be negatively viewed by their superiors. They will also be unsure about how much time spent using an Enterprise 2.0 system is considered acceptable. Management should therefore provide new hires with guidelines on the appropriate amount of time to spend engaged in Enterprise 2.0 activities and should encourage them to participate in both social and work-related activities. While USAA has not yet suggested time guidelines to the new hires, it is making a concerted effort to encourage them to participate in Enterprise 2.0 activities.

Management could go a step further and provide a simple online monthly report showing each new hire how much time they spent on Enterprise 2.0 activities. In this way, new hires would be able to monitor their own activity. In addition, such usage logs could help those responsible for the new hire program



assess the systems' most useful features and assuage management concerns about the system taking too much time away from work tasks.

### ***Guideline 3: Seek Senior Sponsors for Work-related Events***

Senior and middle management can help ensure the success of an Enterprise 2.0 system by sponsoring work-related events that are organized through the system. Sponsoring highly visible work-related events provides three main advantages:

1. It helps ensure that the Enterprise 2.0 system becomes as much a work tool as a social tool
2. It helps new hires meet middle and senior managers and vice versa
3. It brings new hires together to work on a common task.

In the case of USAA, Nexus users have sought senior sponsors for work-related events. For example, instead of an American Idol-like singing competition for fun, in spring 2010, a group of Nexus users hosted a coding competition where new hires participated in a contest to write programming code that would improve the experiences of USAA's customers. In this case, the winners, who devoted much of their personal time developing a mobile banking application, were awarded with new job rotations in mobile development. This example illustrates how Enterprise 2.0 systems can be used to help management understand what new hires are capable of, resulting in better work assignments for jobs. It also shows how Enterprise 2.0 systems blur the distinction between work and social activities.

### ***Guideline 4: Blur the Social/Work Boundaries to Maximize the Potential Benefits from Social Networking***

To achieve maximum benefit from Enterprise 2.0 systems for new hire integration, managers need to allow the boundaries between work and social activities to be blurred. This boundary blurring may be counter-intuitive to middle and senior managers, who are more likely to have risen the ranks in a business environment that valued role compartmentalization and the separation of work and social activities. USAA's IT department discovered that new hires respond positively to blurred work/social boundaries. The blurring created positive emotions and led to the development of valuable work-related personal resources. Participating in social activities during the

workday reduced the tedium of everyday work tasks by making the breaks from those tasks exciting. These social diversions increased the new hires' energy levels and their ability to focus on tasks, and also created networks to solve work-related problems and provide support.

Maybe Generation Y is already accustomed to living in a multi-tasking world, where compartmentalizing different aspects of life into distinct roles with boundaries is as incomprehensible as working on just one task at a time. USAA's IT department's flexibility in dealing with the social needs of Generation Y new hires and their willingness to bridge the work/social boundary resulted in an inter-mingling of work and play, where work felt less like work and play had benefits for work. Rather than creating stress, the blurring of work/social boundaries can contribute to energized, productive, and committed employees.

## **CONCLUDING COMMENTS**

The USAA case demonstrates that an Enterprise 2.0 system can aid in the assimilation of new Generation Y IT employees. The Nexus system at USAA facilitated both work and social activities, which resulted in individual and organizational benefits. This type of internal proprietary use of Enterprise 2.0 tools helps to distribute mentorship across the new hires and provides a central hub for planning social activities with other new hires and for acquiring important work-related knowledge. These findings provide encouragement to other organizations considering whether to implement this type of support for Generation Y hires. Based on the experiences of USAA, we have also provided guidelines for addressing the potential challenges of implementing and using Enterprise 2.0 tools in traditional new hire programs and organizational settings in general.

## **APPENDIX: RESEARCH METHODOLOGY**

This article is based on a longitudinal case study conducted from March 2007 through May 2010. This date range preceded the implementation of USAA's Enterprise 2.0 system, Nexus, because the second author already had an on-going relationship with USAA and its college recruiting program. We conducted a total of 61 interviews, averaging 30 minutes each, with 33 individuals in USAA's IT department:



Coding Categories and Subcategories	
<b>Enterprise 2.0 System Uses</b>	Work-related uses
	Social-related uses
<b>Emotions of New Users</b>	<i>Positive:</i> excitement, joy, happiness, comfort, pride, prestige, and satisfaction
	<i>Negative:</i> concern, jealousy, stress, and unhappiness
<b>Types of Personal Resources</b>	Intellectual, physical, psychological, and social

- One vice president
- Two assistant vice presidents
- Two staffing advisors
- One program manager
- One IT director
- Two IT managers
- Twenty new IT hires
- Four IT interns

We also collected data through:

- Attending nine meetings
- Attending three presentations
- Attending seven job fairs
- Conducting three focus groups
- Spending time off with employees (i.e., lunches)
- Observing an event that had been organized through Nexus
- Reviewing supporting material such as recruiting material and press releases.

We analyzed the data collected using open and axial coding.<sup>14</sup> We initially read the interview and field research notes to identify theories that could be useful for interpreting the data. After exploring theories on organizational commitment, organizational climate, and organizational caring, we determined that boundary theory<sup>15</sup> and the theory of positive emotions<sup>16</sup> provided the most insightful theoretical lenses. Using these theories, we coded the data

relating to Enterprise 2.0 system use according to emotional responses and personal resources. The subcategories that were created in later rounds of coding are shown in the table above.

After coding the data, we developed tables and models to explain the relationships between the coding categories using two matrices. Each matrix had our unit of analysis (i.e., the person interviewed and their organizational level) as rows and the coding categories as columns. As a validity check, in July 2010, we presented our findings to USAA's IT new hires, IT managers, and executives, and incorporated their feedback.

## ABOUT THE AUTHORS

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<sup>14</sup> For an explanation of these data analysis techniques, see Strauss, A. and Corbin, J. *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*, Second ed., Sage Publications, Inc., 1998.

<sup>15</sup> Boundary theory posits that there are advantages and disadvantages to integrating and/or segmenting boundaries between work life and social life. See Ashforth, B. E., Kreiner, G. E., and Fugate, M. "All in a Day's Work: Boundaries and Micro Role Transitions," *Academy of Management Review* (25:3), 2000, pp. 472-491.

<sup>16</sup> See Fredrickson, B. L., op. cit., 1998, pp. 300-319.

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