Corporate LinkedIn practices of Eurozone companies

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Abstract

Purpose – The aim of this study is to analyse the extent to which Eurozone companies use the social network LinkedIn, how they manage their online practices, what is their typical audience, and which are the potential factors influencing both extent and audience.

Design/methodology/approach – To examine how stakeholder engagement is managed by using LinkedIn, a sample of 306 companies listed in the STOXX Europe 600 index, including 19 subsectors and 12 countries, is analysed. To measure the extent of LinkedIn usage, an index was defined and calculated on a scale from 0 to 5.

Findings – Although the majority of the companies (79 per cent) do use LinkedIn, they mainly focus on a particular group of stakeholders: current and potential employees. Their focus is thus mostly related to professional purposes such as providing information about employees and career opportunities. Just a few of them engage in blogging or updating statuses. Only a very small number of companies are using this platform for marketing or other purposes. The findings also show that the audience of a corporate LinkedIn channel is influenced by the extent of usage of that channel as well as by the size of the company.

Originality/value – This study is the first one providing an overview of Eurozone companies’ practices on LinkedIn. Hence both academics and professionals can benefit from this research.

Keywords Stakeholder engagement, LinkedIn, Eurozone companies, Social media platform

Paper type Research paper

Introduction

Many companies have already realised the importance of actively creating, developing, and sustaining relationships with their stakeholders (employees, shareholders, customers, suppliers, and others). Stakeholder engagement can be understood as a crucial aspect of business. Over time the approaches have changed from short-term to long-term relationship-building; moreover new approaches and forms of engagement are still evolving (Bughin et al., 2008; Kaplan and Haenlein, 2010).

According to Gandia (2003) over the last decade we have witnessed a significant change in the business model, which is mainly influenced by technology. This shift to a technology-based society has created new opportunities (and threats) for companies (Faber, 2007) and led to fundamental changes in business communication. Paretti and McNair (2010) also point out the importance of professional communication using technology in globally networked environments. Eurozone countries are increasingly influenced by the globalisation process and it is considered immensely valuable to create global partnerships in order to develop cross-cultural communication, which can

This study has been carried out with the financial support of the Spanish National R&D Plan through research project ECO2011-28267 (ECON-FEDER).
be beneficial in jointly solving various problems with similar traits rather than solving them separately (Herrington, 2010).

The turbulent and rapid growth of Web 2.0 and social media technology are providing new possibilities for companies’ stakeholder management. According to Eisenfeld and Fluss (2009) Web 2.0 is considered a powerful tool and companies can now take advantage of more opportunities offered by this web evolution by using new platforms in order to build long-term relationships with particular groups of stakeholders (Waters et al., 2009). This means that with the evolution of Web 2.0 users can become creators and content curators. Web 2.0 has also resulted in a higher rate of information sharing and an immense spread of tools, such as blogs, wikis, and social networks. The most common applications of Web 2.0 can be found in social network technologies (Facebook, Twitter, LinkedIn, Google +), blogs (Blogger, Wordpress), online communities (Yahoo Groups, Del.icio.us, Google groups), and wikis (Wikipedia, WikiWikiWeb, WebPaint). The new generation of these applications is also referred to as Rich Internet Applications, which have been created by using various sophisticated technologies. In conclusion Web 2.0 has actually generated an explosion and massive spread of information through the internet, new applications, and a new way of building relationships among “always online” users. It has also facilitated an improvement of communication between companies and their stakeholders. Even though Parise et al. (2008) feel the main advantage of Web 2.0 is in marketing, the impact of its usage on the other groups of stakeholders should not be underestimated. In particular LinkedIn seems to be an interesting platform for a group of stakeholders: employees, both current and potential.

New webpages enable their users to have increased interactivity with the webpage content. Nowadays the focus of webpage creators is mostly on creating and designing webpages to match the particular needs of their users. Hence the recently developed networking technologies have created new processes of cultural engagement and we are witnessing a shift in media production from traditional methods to the open-production methods that have come to define social media (Karaganis, 2007).

**LinkedIn**

LinkedIn is the world’s largest professional network, with more than 135 million members, and operates in over 200 countries and territories. It is one of the fastest-growing social communities. LinkedIn became a public company in May 2011. It was founded in 2003 by Reid Hoffman and is based in Mountain View, California (Hoffman, 2010; LinkedIn Press Center, 2011). Through this company’s platform, members are able to create, manage and share their professional identity online, and build and engage with their professional network. Moreover the company is able to reach active and passive job seekers. An active candidate is defined as one who is looking for a new job and whose interest level is high, while a passive candidate is not currently searching for a new job. With this evolution of Web 2.0, a significant change has also appeared in the human resources area in recent years as social media have started to be used as a recruitment tool. The use of social media as a recruitment tool is thus already an integral part of the recruiting strategy for some companies and is becoming increasingly popular (Lengnick-Hall et al., 2009; Politt, 2011).

The internet offers low-cost solutions for companies (Lybaert, 2002), which is one of the reasons why companies started to use LinkedIn for recruitment. In recent years
human resources professionals have been facing reduced budgets and that is why recruiting through social media is becoming more important.

The advantages of using LinkedIn as a recruitment tool include the opportunity for companies to speak directly to candidates. Moreover, prospective and potential candidates are currently engaging more with social media and LinkedIn can help to find and contact “hidden” candidates, who cannot be addressed through the traditional channels. It is also used by headhunters as one of the primary tools to find new people and enables them to reach a higher number of qualified potential candidates from all over the world (Osterlund, 2008).

The development of LinkedIn, and new information systems in general, has also produced a shift in human resource practices from paper-based to electronic systems (Osterlund, 2008). This new approach involves changes to the existing mix of technologies and enables companies to reach a wider range of potential employees as the use of the internet continues to spread around the world (Danet and Herring, 2007).

By using LinkedIn a company is able in particular to reach employees (potential and current) as a group of stakeholders via the internet. In spite of LinkedIn mainly being focused on engaging potential or current employees, it is not used exclusively for this purpose (Unnikrishnan and Wall, 2010).

Currently more than the half of LinkedIn’s users (59 per cent) are outside the US. Among the top countries using LinkedIn are the US, India, the UK, and Brazil. In Europe the highest rates of LinkedIn usage are in The Netherlands, France, and Italy. The three most represented industries are hi-tech, finance, and manufacturing (Qualman, 2011).

**Theoretical background**

In order to examine the drivers of audience (number of followers) and the transparency of the companies on LinkedIn, represented by calculating a LinkedIn Index of the extent of usage, we focused on different theoretical frameworks.

Different theories have tried to explain why transparency, in our case represented by extent of usage, is important. Our approach includes socio-political (e.g. institutional, legitimacy, and stakeholder) and economic (e.g. agency) theories. The approach of combining those theories has been already applied in previous studies as the theories were considered to be complementary rather than competing.

According to agency theory increased transparency and accountability reduces information asymmetry between stakeholders of the company and its managers, thus it can minimise potential agency problems. However the ability of agency theory to explain transparency is limited as it focuses mostly on opportunistic financial agents (Gray et al., 1995; Abraham and Cox, 2007).

Legitimacy and institutional theory claim that a company’s right to exist is legitimised if its value system is consistent with that of the larger society (Suchman, 1995). Similarly, according to institutional theory, companies tried to incorporate external norms and rules from the society where they operate into their structures in order to gain legitimacy (DiMaggio and Powell, 2000). Thus it can be argued that companies can gain social acceptance and legitimise their actions by engaging in higher transparency. However these theories are also hindered by a number of weaknesses, e.g. prioritising financial stakeholders, as well (Gray et al., 1995).
According to stakeholder theory, companies try to achieve higher transparency in order to gain approval of particular stakeholders (Freeman, 1984). This theory, developed by Freeman (1984, p. 3), defines stakeholders as “any group of individuals which can affect or be affected by achievement of the organisation’s objectives”. Hence, in compliance with this theory, the integration of the interests of all stakeholders is crucial for the company’s survival and significantly influences its profits (Foster and Jonker, 2005; Phillips et al., 2003). In this case stakeholder theory overlaps agency theory, legitimacy theory and institutional theory by not just giving importance to financial stakeholders. That is why it is considered to be the most relevant in our case and enables us to provide the basis for an appropriate understanding within the LinkedIn usage context. Stakeholders’ approval (mostly current and potential employees) can be represented by the number of followers in a social network context. Thus higher transparency (extent of LinkedIn usage) should lead to a higher number of followers.

To date little attention has been paid to exploring the online social media practices of European companies. No previous in-depth study explores the extent of usage of LinkedIn by those companies. Hence this study tries to fill that gap by providing the first overview of Eurozone companies’ practices on LinkedIn.

Most studies in this area have only examined the impact or effect of LinkedIn tools, mostly related to users’ profiles (Breitbarth, 2012; Guillory and Hancock, 2012) or the comparison of LinkedIn with other social networks (Archambault and Grudin, 2012; Picard, 2011). Moreover the research to date has tended to focus on providing statistics about LinkedIn worldwide (Socialbakers, 2011) or exploring the usage of LinkedIn nationally, rather than exploring the topic from a European point-of-view, for example. A study has been carried out to explore the usage of three social networks in Belgium – Facebook, LinkedIn, and ASmallWorld (Papacharissi, 2009); additionally one study focuses on LinkedIn and Facebook but only from the recruitment and selection perspective (Caers and Castelyns, 2010). Other nationally focused studies have been carried out in Norway (Olsen, 2008) and on social media usage in America (Ganim, 2010). No research has been found that surveys the extent of LinkedIn usage by Eurozone companies.

LinkedIn provides a number of tools for companies, groups, and individuals. In this study we mainly focus on corporate profiles, exploring LinkedIn practices from a company’s perspective. The main aim is to examine the extent to which Eurozone companies use LinkedIn. The other objectives are to determine the main purposes and thus to define the current trends of Eurozone companies’ use of LinkedIn while also trying to identify the factors that influence the audience. Analysing the literature identified this gap in it. A detailed summary of the methodology and findings related to this study are provided in the following sections.

**Methodology**

Each company was counted as having a LinkedIn account if it had a corporate profile on this platform (with its official name and the corresponding link to its webpage).

To explore the extent to which companies use LinkedIn, different sections of a corporate profile, such as Careers (job openings, interaction with job seekers), Products and Services, Blogs (chronological links to corporate news), and Status Updates (a feature allowing the company to share various posts) were analysed. Additionally the number of followers was collected in order to assess the audience.
To determine the extent of usage of LinkedIn by the companies, an index was established. The index was calculated on a scale from 0 (no corporate LinkedIn account) to 5 (an account with all four sections: Careers, Product and Services, Blogs, Status Updates). The company was scored as 1 when its LinkedIn profile has no active sections. For each active section one point was added to the index. Based on that index a set of descriptive statistics related to the usage of LinkedIn by industry and country is provided below.

In addition we focused on identifying the factors that influence the extent of usage and the audience of corporate LinkedIn accounts. This led us to formulate two groups of hypotheses as discussed below. The dependent variables are the previously calculated index and the number of followers of the corporate LinkedIn account. The independent variables are the size of the company and the industry in the first case and the size of the company, the extent of usage, the availability of a careers section, and the number of employees on LinkedIn in the second case.

Following the literature on empirical studies, company size is one of the most frequently used variables to explain the disclosure of information (Bonson and Flores, 2011; Gallego et al., 2009). In general large companies disclose more information on the internet than small ones, as concluded by several studies (Bonson and Escobar, 2002; Depoers, 2000; Larran and Giner, 2002). In fact, if a company reaches a certain size, then it tends to formulate a web development strategy, which currently also includes a social network strategy (Bonson et al., 2008). This leads us to the first hypothesis:

**H1.** The extent of usage of LinkedIn is positively associated with company size.

The size of the company was measured by its market capitalisation.

Because of the nature of their activities, the LinkedIn practices of companies operating in different industries may also differ. Industry type was used to explain the amount of information voluntarily disclosed by companies (Bazley et al., 1985; Wagenhofer, 1990). Accordingly it can be stated that companies belonging to the same industrial type tend to have similar information disclosure practices and social network practices. This leads us to our second hypothesis:

**H2.** The extent of usage of LinkedIn is associated with the industry in which the company operates.

To measure this association the ANOVA statistical method was applied. In order to do that we grouped 19 subsectors into four categories of sectors (primary, secondary, tertiary, quartenary).

Social media have become a major influential factor in stakeholders' behaviour. In particular, increasing the awareness of the company's name by sharing information through various social media channels has become a crucial aspect of social media strategies. As stated before, companies use LinkedIn to engage with a particular group of stakeholders: current and potential employees. Assuming that a higher number of followers indicates an increased brand awareness and thus also a higher level of popularity, we ascertained the factors that could influence the audience. We focused on the size of the company, the extent of usage, the availability of a careers section, and the number of employees on LinkedIn.

It seems that the larger the company, the higher the number of followers. One of the more likely explanations for this factor could be that bigger companies usually have a
higher number of employees. For this reason there are more potential job vacancies, which can lead to a higher number of followers, representing the group of potential employees who are interested in working for a particular company. The other reason for the bigger audience is that a bigger company has more current employees, who become its followers in order to obtain information about career possibilities or job promotions posted by the company as well as to be informed about new employees or changing positions of their colleagues. All these factors increase the possibility of becoming a follower of the company. This leads us to our third hypothesis:

$$H3. \text{ The number of followers is positively associated with company size.}$$

The number of followers could be an important indicator of the effectiveness of a company’s social media strategy on LinkedIn. To examine the effectiveness of the extent of LinkedIn usage, we use the proposed index. Based also upon the observations that emerged from this study, we assume that a relation between the extent of usage of LinkedIn and the number of followers may exist and that the more active the company is, the higher the popularity of the corporate LinkedIn channel. Accordingly the following hypothesis was formulated:

$$H4. \text{ The number of followers is positively associated with the extent of usage of LinkedIn.}$$

The results of the descriptive statistics showing that the majority of companies using LinkedIn mainly focus on a particular group of stakeholders, current and potential employees, lead us to the assumption that a positive relationship may exist between the number of followers and the availability of a careers section providing information about career opportunities:

$$H5. \text{ The number of followers is positively associated with the availability of a careers section.}$$

As stated above ($H1, H3$), company size is one of the variables used to explain the level of the audience. Taking into account that bigger companies also have a higher number of employees, this can be an important indicator of the number of followers of the company. Bigger companies with a higher number of employees also tend to have a more advanced web development strategy and social network strategy. The employees who work for those companies tend to follow them on particular social networks. Accordingly our sixth hypothesis was formulated:

$$H6. \text{ The number of followers is positively associated with the number of employees on LinkedIn.}$$

Sample and data collection
The surveyed sample consisted of 306 companies listed in the STOXX Europe 600 index, which represents large, medium and small (by capitalisation) companies across 18 countries in the European region (Stoxx, 2011). As we were focused on the Eurozone we had to exclude companies from six countries (UK, Switzerland, Sweden, Norway, Iceland and Denmark). The sample of chosen companies was considered appropriate and sufficient because it includes 19 subsectors across 12 Eurozone countries.

Due to the hugely influential role that these companies play in European business, with a strong effect on world business as well, studying the usage of social media
practices of these companies can offer an interesting insight into the future of commerce relating to trends of social media platform use.

All the official corporate webpages were examined for links to, or a mention of, a corporate LinkedIn account. If there was no link to the LinkedIn account on the company’s official webpage, which is generally considered a common practice, the name of the company was searched through the LinkedIn platform and evaluated according to the established criteria (the official name of the company, a link to its webpage). The data were collected in November 2011.

Results

LinkedIn and STOXX Europe 600

Although 243 companies (79.4 per cent) use LinkedIn, the extent of usage of the available sections is quite low, as can be seen in Table I.

Of the 243 companies with a corporate LinkedIn profile, 32.51 per cent (79) use a “careers” list to post jobs or provide general information about particular positions or career opportunities. The number of companies using the “products and services” list is even smaller: only 13.17 per cent (32) of them use this list to provide various kinds of information relating to their products and services. Likewise links to recent blog posts are only used by a small number of companies: 11.93 per cent of the analysed sample (29 companies) provide links to the blogs from their LinkedIn account. A LinkedIn account also enables the use of status updates, which can be shared and commented on by subscribers to the channel. Of the 243 corporate LinkedIn accounts, only 24 of them (9.88 per cent) use this tool and actively post status updates. A minority of them (seven companies: Accor, Alcatel Lucent, Dassault System, Gemalto, Nokia, Philips Electronics, and SAP) have a comprehensive LinkedIn account, using all the tools mentioned above. Table II shows the percentage of companies according to the extent of usage measured by the index.

<table>
<thead>
<tr>
<th>Section</th>
<th>%</th>
<th>No. of companies (243)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No sections</td>
<td>29.63</td>
<td>72</td>
</tr>
<tr>
<td>Careers</td>
<td>32.51</td>
<td>79</td>
</tr>
<tr>
<td>Products and services</td>
<td>13.17</td>
<td>32</td>
</tr>
<tr>
<td>Blogs</td>
<td>11.93</td>
<td>29</td>
</tr>
<tr>
<td>Status updates</td>
<td>9.88</td>
<td>24</td>
</tr>
<tr>
<td>All sections</td>
<td>2.88</td>
<td>7</td>
</tr>
</tbody>
</table>

Table I. Usage of LinkedIn sections

<table>
<thead>
<tr>
<th>Index</th>
<th>%</th>
<th>No. of companies (306)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>20.26</td>
<td>62</td>
</tr>
<tr>
<td>1</td>
<td>46.41</td>
<td>142</td>
</tr>
<tr>
<td>2</td>
<td>20.59</td>
<td>63</td>
</tr>
<tr>
<td>3</td>
<td>7.84</td>
<td>24</td>
</tr>
<tr>
<td>4</td>
<td>2.61</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>2.29</td>
<td>7</td>
</tr>
</tbody>
</table>

Table II. Usage of LinkedIn according to index
The top five companies according to the number of followers are Philips Electronics, Siemens, and Unilever NV with more than 100,000 followers and Alcatel Lucent and SAP with more than 90,000. They have 11 or 12 times more followers than the average of 8,167.

**LinkedIn by industry**

Table III provides an overview of LinkedIn usage by industry. The first column includes information about the percentage of LinkedIn usage in a particular subsector. This indicates how many companies (per cent) from the sample belonging to one of 19 subsectors have a corporate LinkedIn account. The second column provides the average number of followers calculated by industry and the third column deals with the average scoring. According to the percentage of LinkedIn usage by industry, the highest level of activity was detected in the technology and telecommunications industries, as would be expected. Companies from the travel and leisure industry and the oil and gas industry are also very active as more than 90 per cent of them have a LinkedIn account.

The average number of followers varied by industry type. As can be seen in Table IV, the highest average number of followers was found in the following industries: personal and household goods (26,698), technology (23,697), healthcare (18,892), and food and beverages (16,714). In the personal and household goods industry Philips Electronics has more than 124,000 followers and L’Oréal has over 54,000 followers. Those companies with a significant number of followers within the mentioned industries also include Alcatel Lucent and SAP from the technology industry with more than 90,000 followers, while Merck in the healthcare industry has

<table>
<thead>
<tr>
<th>Industry</th>
<th>Companies with a corporate LinkedIn account (%)</th>
<th>Average no. of followers</th>
<th>Average scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>93.33</td>
<td>23,696.86</td>
<td>2.1</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>90.91</td>
<td>7,474.10</td>
<td>2.1</td>
</tr>
<tr>
<td>Travel and leisure</td>
<td>100</td>
<td>7,732.88</td>
<td>2</td>
</tr>
<tr>
<td>Healthcare</td>
<td>61.54</td>
<td>18,892.00</td>
<td>1.88</td>
</tr>
<tr>
<td>Personal and household goods</td>
<td>75</td>
<td>26,697.89</td>
<td>1.75</td>
</tr>
<tr>
<td>Industrial goods and services</td>
<td>86.37</td>
<td>10,322.09</td>
<td>1.74</td>
</tr>
<tr>
<td>Automobiles and parts</td>
<td>84.62</td>
<td>9,639.18</td>
<td>1.64</td>
</tr>
<tr>
<td>Chemicals</td>
<td>87.5</td>
<td>7,104.50</td>
<td>1.64</td>
</tr>
<tr>
<td>Food and beverages</td>
<td>80</td>
<td>16,713.50</td>
<td>1.58</td>
</tr>
<tr>
<td>Retail</td>
<td>63.64</td>
<td>7,726.00</td>
<td>1.57</td>
</tr>
<tr>
<td>Construction and materials</td>
<td>76.47</td>
<td>3,017.08</td>
<td>1.54</td>
</tr>
<tr>
<td>Financial services</td>
<td>60</td>
<td>243.83</td>
<td>1.5</td>
</tr>
<tr>
<td>Banks</td>
<td>60</td>
<td>9,756.78</td>
<td>1.48</td>
</tr>
<tr>
<td>Insurance</td>
<td>80</td>
<td>3,437.17</td>
<td>1.46</td>
</tr>
<tr>
<td>Media</td>
<td>87.5</td>
<td>1,990.14</td>
<td>1.36</td>
</tr>
<tr>
<td>Oil and gas</td>
<td>93.33</td>
<td>6,369.21</td>
<td>1.36</td>
</tr>
<tr>
<td>Utilities</td>
<td>80.95</td>
<td>3,017.29</td>
<td>1.24</td>
</tr>
<tr>
<td>Real estate</td>
<td>77.78</td>
<td>301.86</td>
<td>1.14</td>
</tr>
<tr>
<td>Basic resources</td>
<td>78.57</td>
<td>2,891.91</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Table III.
more than 75,000 followers, and the Dutch company Unilever NV with over 120,000 followers represents the food and beverage industry.

Considering the extent of usage of LinkedIn calculated by the index, the highest scores were detected in the technology (2.1), telecommunication (2.1), and travel and leisure (2) industries. Quite a significant score can also be seen in industries such as healthcare (1.8) and personal and household goods (1.75). Companies operating in real estate, utilities, and basic resources attained the lowest scores among the examined industries. All the companies from the basic resources industry that have a corporate LinkedIn account do not use any of the features provided by this platform, which means that their presence there is passive. Taking into account all the factors, such as the percentage of usage of LinkedIn, the extent of usage, and the number of followers, technology can be considered the most representative industry.

LinkedIn by country
The study was carried out across 12 European countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal and Spain. Table IV shows the countries’ rates of LinkedIn usage and scores. The table provides detailed information about the percentage of companies with a corporate LinkedIn account, the average scoring by country, and the average number of followers by country.

It is worth mentioning the significant activity of French companies. More than 87 per cent of them have a LinkedIn account. Moreover four out of the seven companies marked as “active companies on LinkedIn” are from France.

The practices of German companies are also considered quite developed. Of the five companies with the highest number of followers, two are German. Moreover it is worth mentioning that Germany’s average usage index is the third highest.

The appearance of Dutch companies at the top of lists considering LinkedIn practices might be expected, taking into account that the highest traffic on LinkedIn occurs in The Netherlands (Valkenburg, 2011). Our findings also support this statement; as can be seen in Table IV, The Netherlands attained the second-highest average score (1.8). The highest average numbers of followers were found in The

<table>
<thead>
<tr>
<th>Country</th>
<th>Companies with a corporate LinkedIn account (%)</th>
<th>Average no. of followers</th>
<th>Average scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>90</td>
<td>2,720</td>
<td>1.22</td>
</tr>
<tr>
<td>Belgium</td>
<td>76.47</td>
<td>3,680.69</td>
<td>2.15</td>
</tr>
<tr>
<td>Finland</td>
<td>90</td>
<td>2,549.33</td>
<td>1.65</td>
</tr>
<tr>
<td>France</td>
<td>87.65</td>
<td>11,221.93</td>
<td>1.51</td>
</tr>
<tr>
<td>Germany</td>
<td>74.14</td>
<td>13,863.74</td>
<td>1.76</td>
</tr>
<tr>
<td>Greece</td>
<td>88.89</td>
<td>1,737.63</td>
<td>1</td>
</tr>
<tr>
<td>Ireland</td>
<td>88.89</td>
<td>1,639.38</td>
<td>1.63</td>
</tr>
<tr>
<td>Italy</td>
<td>69.7</td>
<td>4.73</td>
<td>1.43</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>100</td>
<td>7,007.33</td>
<td>1.33</td>
</tr>
<tr>
<td>Netherlands</td>
<td>80.77</td>
<td>17,019.86</td>
<td>1.8</td>
</tr>
<tr>
<td>Portugal</td>
<td>77.78</td>
<td>2,030.29</td>
<td>1.14</td>
</tr>
<tr>
<td>Spain</td>
<td>61.29</td>
<td>4,985.16</td>
<td>1.42</td>
</tr>
</tbody>
</table>

Table IV. LinkedIn by country

Corporate LinkedIn practices

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Netherlands (17,019.86), Germany (13,863.74), and France (11,321.93). The average audience per company in The Netherlands is thus more than twice as high as the average calculated for all the companies in the sample.

Apart from the two countries already mentioned (Germany and The Netherlands), the highest average scoring by country was found in Belgium (2.15). Finland and Ireland have average scores higher than 1.6, while the lowest average score was found in Greece (1).

Status updates
Further analysis of the LinkedIn accounts of the companies showed that only 9.88 per cent of the analysed companies post status updates and in this way use the platform to open a corporate dialogue with their stakeholders. The content of the status updates differs from company to company. The majority of the analysed status updates refer to social and marketing information and information related to the company’s business in general, business awards received, or the aims and plans of the company in the future. The status updates involving social content mostly deal with announcements about various social events or conferences related to the business area in which the company operates.

Nevertheless the level of activity of status updates is very low and cannot be compared with the activity of the companies on other social networks such as Facebook or Twitter (Potts and Jones, 2011). Of 24 companies updating statuses, only five are considered quite active with activity higher than 0.3 status updates/day. Active LinkedIn users include Alcatel Lucent (0.38 SU/day), BASF (0.6 SU/day), Nokia (0.33 SU/day), and SAP (0.41 SU/day). The highest activity was detected in Portugal Telecom, the Portuguese company operating in the telecommunications sector, whose unusually high activity rate (3.43 SU/day) is approximately six times higher than that of the other surveyed companies.

Companies mentioning environmental issues include Outotec, Ferrovial, Enel, and Alcatel Lucent. Status updates providing financial information are not very widespread on this social platform. Outotec has also mentioned corporate responsibility in its status updates, while the greatest variety of status updates’ content was found in the German company BASF, the Belgian company Belgacom, and the previously-mentioned company Outotec.

Three of the five most active companies using status updates operate in the technology subsector and one company in telecommunications; this result supports the idea mentioned earlier (usage of LinkedIn by industry – technology: 93.33 per cent; telecommunication: 90.91 per cent) that the technology and telecommunication sectors can be considered the most active industries using this social media platform among the industries in the surveyed sample.

Statistical analysis and hypothesis testing
To determine whether there is any relationship between the variables formulated by the hypotheses, statistical methods such as the Pearson correlation coefficient and ANOVA were used.

H1. Company size and the extent of usage. The result was positive but not statistically significant (Pearson correlation coefficient = 0.195). The Pearson correlation coefficient was used as the dependent variable (extent of usage) and has
a normal distribution and the relationship between the size of the company and the extent of LinkedIn usage is linear. The absence of statistical significance might be explained by the method of measuring the size of the company chosen in our study (market capitalisation).

**H2. Industry and the extent of usage.** This result was statistically significant. Upon the observation that emerged from this study that industries such as technology and telecommunication seem to be more active in comparison with industries from other sectors, ANOVA was adopted in order to measure whether belonging to a particular sector (primary, secondary, tertiary, quartiary) has an influence on the extent of a company’s LinkedIn usage. ANOVA was used as all conditions were fulfilled such as normal distribution of the dependent variable, and homogeneity of variances according to Levene statistics was significant. The value of the F-test was 11.01. From the post hoc tests we applied Scheffe, which showed that the quartiary sector (which typically includes services such as information technology, research and education, and knowledge-based services) differs from the others and the companies belonging to this sector (companies operating in technology and telecommunications) tend to have a higher extent of LinkedIn usage.

Based upon these results, it may be concluded that the LinkedIn usage depends on the industry where the company operates while the size of the company was not considered to be an influencing factor as the correlation coefficient showed only a low correlation.

As the number of followers represented in our sample does not have a normal distribution, in the following section of hypotheses, non-parametric alternatives of correlation coefficients (Spearman) and tests (Mann-Whitney U-test) were applied.

**H3. Company size and the number of followers.** This result was statistically significant (Spearman = 0.514). Thus it supports our assumption that there is a significant association between the company size and the number of followers. This result means that bigger companies tend to have more followers than smaller ones.

**H4. Extent of usage and the number of followers.** This result was also statistically significant (Spearman = 0.681). Accordingly it may be concluded that this study also has some practical implications for the companies using LinkedIn. If a company wants to increase its visibility on this social network and achieve a higher number of followers, it is possible to do so through increasing the extent of its usage by employing the available components such as career, product and service, blog, and status updates. According to this result the companies with a higher level of usage of these components tend to have more followers than the companies with a lower extent of usage.

**H5. Availability of a careers section and the number of followers.** Having applied the Mann-Whitney U-test to ascertain whether there is a relationship between the number of followers and the availability of a careers section, we achieved the result of U-test = 2727.000 at the significance level 0.000 which means that the availability of a careers section on a corporate LinkedIn profile may lead to a higher number of followers.

**H6. Number of employees on LinkedIn and the number of followers.** This result was the most statistically significant (Spearman = 0.929). It means that there is a high correlation between the number of followers and the number of employees on LinkedIn. In spite of the significance of this result on the univariable level, we did not include it in
the multivariate statistics in order to avoid multicollinearity with the size of the company.

**Multivariate statistics – the least squares method**

Due to the fact that no significant correlation was detected relating to the impact of company size on the extent of usage, we only applied the multivariate statistics to the second group of hypotheses to measure the influence of the extent of usage, company size, and the availability of a careers section on the audience. For these purposes the least squares method was used to determine whether the number of followers (audience) depends on these three variables. We did not include the number of employees on LinkedIn in the factors influencing the audience even though the univariate analysis suggests a significant impact (Spearman $= 0.929$) due to the high correlation between the size of the company and the number of employees on LinkedIn (Spearman $= 0.514$) in order to avoid multicollinearity. The size of the company was measured by market capitalisation.

According to the results shown in Table V based on the least squares method (adjusted $R^2 = 0.424$), we reached the conclusion that the number of followers on LinkedIn depends simultaneously on the extent of usage measured by the index and the size of the company defined by market capitalisation. Moreover the value of the $R^2$ indicates quite a significant correlation.

### Discussion and conclusion

In recent years we have been witnessing impressive growth in the use of the internet. Many companies use different social media platforms for the dissemination of business information and engaging specific stakeholders. We may conclude that this modern information technology is creating new forms of corporate communication. Social networks as part of Web 2.0 have created more opportunities and improved the cooperation between companies and their stakeholders. Users have become creators of web content and companies can now take advantage of the feedback provided by different groups of stakeholders in order to increase their sustainability. It is obvious

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised coefficients</th>
<th>Std error</th>
<th>Standardised coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>$- 8138.087$</td>
<td>$2082.546$</td>
<td>$- 3.908$</td>
<td>$0.000$</td>
<td></td>
</tr>
<tr>
<td>LinkedIn index</td>
<td>$5996.467$</td>
<td>$1409.118$</td>
<td>$0.311$</td>
<td>$4.255$</td>
<td>$0.000$</td>
</tr>
<tr>
<td>Careers</td>
<td>$926.407$</td>
<td>$3027.127$</td>
<td>$0.023$</td>
<td>$0.306$</td>
<td>$0.760$</td>
</tr>
<tr>
<td>Size</td>
<td>$0.479$</td>
<td>$0.051$</td>
<td>$0.496$</td>
<td>$9.460$</td>
<td>$0.000$</td>
</tr>
</tbody>
</table>

Model 1

$R = 0.657^a$

$R^2 = 0.432$

Adjusted $R^2 = 0.424$

Std error of the estimate $14625.52583$

**Table V.**

Least squares method

**Notes:** $^a$Predictors: (constant), size, LinkedIn index, careers; $^b$dependent variable: no. of followers
that by using different social media platforms the different stakeholder groups are targeted. In this study our attention was focused on a particular social media platform: LinkedIn. As LinkedIn defines itself as a community for professionals and executives it can be considered an effective communication channel in helping to attract active and passive job seekers and at the same time it enables interaction with potential and current employees.

Our study provides a new contribution to the debate about the current corporate LinkedIn practices of the companies in the Eurozone as, to date, little attention has been paid to exploring the online social media practices of those companies.

There is no previous in-depth study exploring the extent of usage of LinkedIn in the Eurozone. Hence our results provide an overview of how the largest companies use this particular social network to engage with their stakeholders. The main contribution of this paper is to provide such evidence. In this paper the concept of LinkedIn usage is focused predominantly on one group of stakeholders: employees, both current and potential.

The contribution for academics lies in the fact that it is the first paper investigating companies’ profiles on a professionals’ social network.

Additionally our study has some practical implications for the companies using LinkedIn. Businesses could benefit from this study as it offers practical ideas for creating a social media strategy. The crucial aspect of all social media strategies should be to increase general awareness of the company. Therefore, if a company wants to increase its visibility using this particular social network and achieve a higher number of followers, it is possible to do so through increasing the extent of its usage by employing the available components such as career, product and service, blog, and status updates.

The majority of the surveyed Eurozone companies use this platform and have an official LinkedIn account. According to the results that emerged from this study, it may be concluded that even though LinkedIn currently offers different sections for the companies, such as careers, products and services, blogs, and status updates, in order to reach more groups of stakeholders, this platform is currently mostly used for recruitment and selection purposes. Only a few of them engaged in blogging or updating statuses and only a very small number of the companies were detected using this platform for marketing or other purposes. It can generally be concluded that the practices of Eurozone companies using LinkedIn are focused on reaching a particular group of stakeholders: employees, potential as well as current.

Our empirical survey has uncovered the existence of a significant positive association between the size of the company, the extent of usage, and the number of followers. It means that the higher the extent of usage of LinkedIn and the bigger the company is, the more followers the company has. This finding is expected and explainable from stakeholder theory.

The other result which emerged from this study was that the industry where the company operates has an impact on the extent of LinkedIn usage. In particular the companies from the quartiary sector operating in technology and telecommunications tend to have a higher extent of LinkedIn usage than those operating in other sectors. This finding is expected and explainable from legitimacy and institutional theory.

Finally a number of limitations in this research must be acknowledged. In our opinion an interesting line of research could be to map the evolution of the extent of
LinkedIn usage by Eurozone companies. Equally it would be useful to investigate the LinkedIn practices of companies by using some advanced metrics. Our data collection is limited to Eurozone companies, therefore future studies can adopt our approach and apply it within a worldwide context, which may arguably improve the generalisability of the results. Furthermore future studies are encouraged to look deeper into the different variables that may be involved. In addition future research could also examine in depth the impact of the usage of LinkedIn components on particular stakeholder groups, as well as the interrelationship between LinkedIn and other social networks in the context of a social media strategy.

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