Business Ethics Briefing

The Ethical Challenges of Social Media

This Briefing aims to raise awareness of the ethical challenges social media presents for companies and considers good practice in providing guidance for employees on its use, whether for business or personal use.

Social Media and Business Ethics

Social media is an umbrella term used to describe social interaction through a suite of technology based tools, many of which are internet based. This includes, but is not limited to, internet forums, networking sites such as Facebook, Twitter, LinkedIn and Google Plus, webcasts, and blogs.

Social media exhibits unique characteristics when compared to 'traditional' media forms. Its speed and scope means that once content is published it is available instantaneously, to a potentially global audience. Social media tools tend to be free or available at a very low cost relative to other forms of media and do not require users to have much technical knowledge. This allows larger numbers of individuals to access and publish material than with traditional media forms. Social media is usually interactive in a way that traditional media is not, so users can comment on and edit published material, making it difficult to control content. Social media blurs private/public boundaries when individuals' personal information and opinions enter the public domain. The boundaries between personal and work life also become blurred as companies make use of social media (originally designed for personal use) for business purposes, and likewise employees access personal sites while at work. A 2011 DLA Piper survey found social media is used for personal and work related activities by 95% of employees[1].

These unique characteristics of social media pose ethical challenges for business, through employees' use of social media on behalf of the company, as well as their personal use. The news headlines in Box 1 provide examples of these challenges.

Box 1: Headlines relating to social media in 2011

> *'Bayer rapped for tweeting about medicines'*
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> *'Cyber bullying more harmful'*
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> *'Online monitoring of job candidates raises disturbing questions'*
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> *'Third of firms forced to discipline workers over social media tweets and updates'*

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[1]   This survey report is based on data from: 250 online interviews with senior business decision makers, 100 online employee interviews and five in-depth qualitative interviews with senior business decision makers within organisations with 250+ employees and revenues of greater than £30m. The study was conducted by Coleman Parkes Research on behalf of DLA Piper. Available at: http://www.dlapipershiftinglandscapes.com/export/sites/shifting-landscapesdownloads/Shifting_Landscapes_-_Social_Media.pdf

The Ethical Challenges

Integrity risk

In an IBE survey of large companies(2), 6 of 7 respondents identified integrity risk as the main ethical challenge with regard to social media. When an employee uses social media in an irresponsible way either on behalf of the company or through their personal social media account, it can undermine the company's commitment to ethical practice and expose it to integrity risk.

The case of Nestlé provides an example. In March 2011, an employee who was managing content on the company's Facebook 'Fan Page' posted offensive comments in response to negative remarks by 'fans'. The employee's behavior violated the company's business principle of integrity and their commitment to "*avoid any conduct that could damage or risk Nestlé or its reputation*"(3) and provoked a consumer backlash. Amidst calls to boycott Nestlé, members of the general public also joined the Fan Page specifically to criticise the Company.(4)

Alternatively, employees might post negative comments about the company on their personal social media profile. This is harder for companies to control. The DLA Piper survey found that one third of employers had disciplined staff for inappropriate comments about the company on social media sites.(5)

To ensure that work-related discussion amongst employees is internal to the organisation, Serco Group, a large UK-listed international services company, has developed an 'internal Facebook'. This is for staff to use to discuss work topics with colleagues rather than using public forums, as a way of dealing with integrity risk.

> "*While the decision to post videos, pictures, thoughts, experiences, and observations to social networking sites is personal, a single act can create far-reaching ethical consequences for individuals as well as organisations.*"(6)

Advertising and marketing practices

The scope and speed of social media make it an effective medium through which companies market themselves and their products/services. With any form of marketing, companies have a duty to market responsibly. The interactive nature of social media provides companies with the ability to engage with customers more directly than other forms of media. This poses new ethical challenges.

It has become common practice for companies to create profiles on social networking sites to advertise their goods and services. To avoid misleading consumers, employees can declare that they are representing/have an interest in the company e.g. if writing product reviews.

A company's ability to meet fair competition guidelines can be jeopardised by employees using social media on behalf of the company; for example, if an employee, whilst representing the company, 'takes matters into their own hands' and uses social media unethically, to discredit the reputation of their employer's competitors.

Recruitment practices

A 2011 survey of 800 recruiters and human resource professionals found that 64% make use of two or more social networks as part of their assessment practices when recruiting employees(7). There are also specialist organisations that provide social media employment screening services. This raises ethical challenges for employers around employees' right to privacy and fairness. Is it ethical or fair to judge an

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(2)   Survey of 7 companies with 2,000 employees or more, IBE, 2011

(3)   Nestlé, *Code of Business Conduct*, 2007. Available at: http://www.nestle.com/Investors/CorporateGovernance/ CodeOfBusinessConduct/Pages/CodeOfBusinessConductHome.aspx

(4)   *Nestlé hit by Facebook "anti-social" media surge*, The Guardian, 19 March 2011. Available at: http:// www.guardian.co.uk/sustainable-business/nestle-facebook   To view some of the correspondence on Nestlé's Facebook page, see: *What other companies can learn from Nestlé's Facebook page*, Digital Inspiration, http:// www.labnol.org/internet/nestle-facebook-page/13208/

(5)   DLA Piper, Op cit

(6)   Deloitte, *Social Networking and Reputational Risk in the Workplace*, 2009

(7)   *New Tools Cast a Wider Social Network for Recruiters*, by Rita Pyrillis, *Workforce Management Online*, August 2011

individual's ability to fulfill their employee responsibilities based on information about their personal lives, gained from their social media profile? In some cases, the information may relate to past activities in a job candidate's personal life. An Ethikos article cited a case where an individual was denied a job due to his activities posted online 20 years previously.(8)

Where an employer does use social media in recruitment screening/assessment of potential employees, whether this is done directly or outsourced, the company should have a clear policy and be open about it.

Duty of care

As highlighted previously, social media blurs the boundaries between personal and work life. When personal opinions expressed through social media (either on a personal profile or an online forum) refer to a company, it raises an ethical challenge. It is unclear what control, if any, the company has over comments communicated in this way and what action it can/should take.

The blurring of personal and work life boundaries can make it difficult for companies to uphold their duty of care to employees. For example, it is hard to monitor cases of 'cyber-bullying', particularly where employees use their personal social media account. One in ten UK workers believes that workplace cyber-bullying is a problem(9) and a fifth of employers have had to discipline staff for posting nasty comments about a colleague online.(10) The same survey found bullying and harassment and discrimination were two of the top five risks of social media for the workplace.(11) The challenge for companies is identifying acceptable levels of monitoring employees' personal use of social media, without being seen to limit their freedom of expression – see Box 2 for examples.

Companies which choose to monitor employees' personal use of social media need to communicate their policy to employees so that they are aware of the practice, what it means for employees, and why it is necessary. Clear guidance is needed to help regulate monitoring and set its boundaries to avoid potential abuses.

Box 2: Monitoring social media use — corporate examples

Serco Group(12)
"The key question is can we and should we (ethically) be enforcing our corporate policies relating to our employees (linked in many cases to our core values as an organisation) outside of work?

In a recent case a member of the public complained to us that the views on an employee's Facebook page (potentially racist) were not in line with our company values and because they had listed us as their employer, basically the question was 'What are we going to do about it?' The information in that case was clearly not being discussed in a work context, the only link being that the individual worked for us - BUT, where do you draw the line? Should our policies prevent them from working for us?

Therefore the Company has reserved the right to monitor such activity, and this is now highlighted in our code of conduct."

Argos(13)
In August 2011 Argos, the catalogue retail company, fired an employee for gross misconduct after he complained about his job on his Facebook page. The employee did not mention his employer in the comments, but the Company maintained the comments breach the Argos social networking policy and could "*damage the reputation of the company*".

(8)   *Social media monitoring raises disturbing questions: An Ethikos interview with Kansas State's Diane Swanson*, Ethikos, September/October 2011, pp.7-9

(9)   See: ACAS Research Paper (2009), *Workplaces and Social Networking: The implications for employment relations*, pp.28, by Andrea Broughton, Tom Higgins, Ben Hicks and Annette Cox, The Institute for Employment Studies

(10) DLA Piper, Op cit

(11) Ibid, pp.7

(12) Example taken from a response to an IBE survey of 7 companies with 2,000 employees or more, 2011

(13) For more information on this case see: *Argos sacks cancer sufferer who moaned about job on Facebook* by Mark Blunden, The Evening Standard, 19th August 2011. Available at: http://www.thisislondon.co.uk/standard/article-23979704-argos-sacks-cancer-sufferer-who-moaned-about-job-on-facebook.do

Providing Guidance

To address the ethical challenges that social media presents, companies need to fully assess the risks and be aware of the challenges presented by social media before using it.

Through a social media policy companies can provide guidance to employees on how to address the ethical challenges. The policy needs to be consistent with the company's ethics policy and overlap with other existing policies around communication. The policy would provide guidance on two main areas; employees' use of social media on behalf of the company, and employees' personal use of social media, including issues such as bullying and harassment, speaking up and employees' right to privacy.

The guidance could also make clear that employees are not judged for personal activities or opinions as long as they are within the law, not offensive to others or the company, and do not refer to the company or work life. Companies may advise employees on security settings for personal social media accounts, encouraging them to apply high privacy settings. Alternatively, companies may prefer employees to disclose their employer, to facilitate company monitoring practices. As one company's policy states: "your responsibility to [the Company] doesn't end when you are off the clock."(14) Guidance might emphasise the need for employees to reflect on their individual responsibility to the company when using social media.

Guidance on social media needs to be reviewed and communicated more regularly than other policies due to the rapid pace of change and development in social media and its use. Of those companies with a social media policy, the majority are failing to effectively communicate, monitor and roll out training on the policy(15). KPMG releases regular alerts and communications to ensure personnel are aware of the social media policy and firm practice. When personnel navigate to a social media site, an on-screen alert appears to remind them of their individual responsibility to comply with firm policies.

Developing Guidance

An effective social media policy is developed through engagement and dialogue between the employer and its employees. Engagement may be particularly useful for companies deciding whether to monitor employees' use of social media. This helps ensure guidance is reasonably fair and understood by and acceptable to both parties. Similarly, it can be beneficial for the ethics function to work with other functions across the organisation to develop an effective social media policy (see Box 3), for example working with Human Resources and Corporate Affairs helps ensure guidance reflects the sensitivity of the topic.

It is also important for companies to manage external stakeholders' expectations about their engagement with the company's social media profile. This can be done through 'terms of use' e.g. stating whether the page is monitored or not, whether negative/racist comments etc will be removed, that views expressed are by fans and not endorsed by the company, and so on.

Box 3: Partnerships between functions

Shell

"Our Communications team are now in the process of developing, in collaboration with Ethics & Compliance, Legal, HR and Internal Risk Management, policies and standards to cover (a) internal use, to give employees clear guidance about what they should and should not do in social media, (b) external Terms of Use to set expectations with the external community on how the Company will engage, and (c) a toolset for marketing that provides guidance on engagement processes."

Further Reading

- *CIPR Social Media Guidance: Best Practice Guide*, **May 2011, Chartered Institute of Public Relations**
  http://www.cipr.co.uk/sites/default/files/
  CIPR_social_media%20_best%20_practice%
  20_guidance%20_2011_1_0.pdf

- **Social Media.org**, *Disclosure Best Practice Toolkit*
  http://www.socialmedia.org/disclosure/

- **Social Media Governance**
  http://socialmediagovernance.com/policies.php

(14) See: *How I did it: Best Buy's CEO on Learning to Love Social Media,* Harvard Business Review, December 2010, pp.43-48

(15) DLA Piper, Op Cit