

TECHNOLOGY

Your Company Needs a Social Media Ethics Code

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A company ethics code can mitigate increasing risks of social media.

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Social media – once considered a powerful unifying force – increasingly stands accused of creating negative social impacts. For example, a whistleblower from Facebook recently testified to Congress that the social media giant **incentivizes angry and divisive content**.¹ Meanwhile, Instagram just paused the roll-out of Instagram-for-kids due to concerns it would **contribute to an unhealthy body image among teens**.²

However, it is not just social media companies themselves that are under increasing scrutiny: Companies that *merely rely on* these platforms for customer engagement are coming to grapple with a related set of drawbacks. How can these companies both harness the power of social media while also managing the risks involved? In this article, we briefly outline these risks and propose a solution.

Risks From Engaging with Social Media

There are a number of legal and reputational risks that mere engagement with social media can present to companies. Many of these risks fall into the following categories:

Privacy violations

To date, concerns about privacy violations have been perhaps the most significant risk facing companies reliant on social media for marketing. In reaction, a number of governments around the world have recently instituted legislation establishing basic requirements for protecting Internet users' privacy. These include, for example, the **General Data Protection Regulation (GDPR)** in the EU, a new **Personal Information Protection Law (PIPL)** in China, and **privacy legislation** in the US.³ Non-compliance with these requirements creates obvious legal risks.

At the same time, despite these legal initiatives, many Internet users remain skeptical about companies' interest in truly safeguarding their data. The long, legalistic privacy statements that companies have formulated portray them as more concerned with legal liability than respect for individuals' privacy. This creates potential reputational risks for companies.

Copyright violations

Many micro- and small enterprises that rely on social media to engage customers continue to be unaware of the entirety of copyright violations that they may be committing. This exposes these companies to legal risks.

Generally speaking, marketers still make a number of incorrect assumptions when curating their social media accounts. For example, they incorrectly assume that posting work (e.g., a video, picture, or other creative content) on social media is a signal that it can be freely used by others, that crediting the original creator of a work avoids the obligation to pay for its exploitation, and that another company's work that does not seem creative (to you) probably is **not protected by copyright**.⁴

Anti-social behavior and misinformation

Social media continues to be a hotbed for the **spread of misinformation and other content contributing to anti-social behavior**.⁵ Despite efforts to control this type of material, it **still spreads**, for example, on Facebook and Twitter.⁶

This phenomenon exposes companies that merely leverage social media to engage with customers to potential reputational risks. Such firms may be lumped together in the mind of the average consumer, even if inaccurately, as being a contributor to these problems with social media.

Unwanted addiction

It has become well-known that social media platforms are designed based on algorithms that **push information and ads onto users**.⁷ By offering sparkly new content, the platforms provide a hit of dopamine to users, in turn **reinforcing the desire to frequently visit the platforms**.⁸

Many companies assume that this “addiction,” as some have called it, is a good thing. However, companies reliant on this model of user engagement may paradoxically be opening themselves up for long-run reputational risks.

This is because **social media addiction differs** from traditional proclivity towards purchasing offline, physical goods and services.⁹ In comparison, social media users are more likely to feel that their compulsions are “unwanted.”¹⁰ This feeling can arise due to the frequency with which social media engagement occupies the mind of the user and the fact that doing so prevents his/her engagement in other, more preferred activities. In this way, even companies that just rely on social media engagement for marketing may eventually be considered by users as contributors to an “inherent” addictiveness problem created by the medium.

Conflicts of interest

Suboptimal social media engagement can also create conflicts of interest. This can lead to legal complications and, more generally, harm company reputation.

For example, connecting with clients on social media can blur the line between professional and personal relationships. This can lead to liabilities if the personal side of the relationship sours. In addition, connecting with clients on social media can afford service providers additional information about the personal life of a client. While helpful in some instances, this closeness can also sometimes cloud the service providers’ ability to provide objective advice.

Adopting a Social Media Ethics Code

We believe that one of the most practical solutions to mitigate the aforementioned risks is to craft and implement a solid social media ethics strategy. A critical part of such a strategy is a Social Media Ethics Code: A statement that lays out your company’s general policies regarding social media ethics. In our view, a good Social Media Ethics Code should satisfy at least four core principles:

1. **Relevant** – If the code is too generic, it will not be perceived as meaningful and applicable to everyday company affairs. Give considerable thought to the specific

concerns that are posed by your particular business activities. For example, the ethics code of the American College of Surgeons (ACS) has recommended that service providers **establish a clear waiting period** prior to posting clinical details on social media that are unusual or could be considered newsworthy.¹¹ This reduces the likelihood of patient identification and inadvertent breach of privacy laws.

2. **Readable** – Your code should be relatively short and in plain language. While some legal boilerplate may be necessary, for example, to privacy and copyright policies, your Social Media Ethics Code should be kept as concise as possible. This will maximize the likelihood that the code is actually read and its key points are retained.
3. **Visible** – Your Social Media Ethics Code should be readily accessible, for example, on a prominent place on your company’s website.
4. **Credible** – Your code should be part of a larger program to implement, monitor, and evaluate your approach to ensuring ethical engagement with social media. Employees should be trained to abide by the code. As necessary, the code should be adjusted over time.

With a solid Social Media Ethics Code in place, you will be better prepared to weather many of the risks that social media is currently posing to companies.

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