No Place to Hide: New technological advances in Web 2.0 and Social Media may force organisations to improve their corporate social responsibility

HEATHER PAVITT

The advent of Web 2.0 and social media has provided an opportunity for individuals to report on organisations’ harmful or unethical behaviour and share that information with many. Many corporations report on their corporate social responsibility (CSR) standards but an organisation that acts in a way that is indifferent to the CSR expectations of its stakeholders can expect to generate negative reactions. The corporate world is well aware of how important reputation is to a brand and how a loss of reputation can correlate to a loss in business profits. Now all global citizens, ordinary members of the public included, have the power to raise awareness of issues which in turn may force organisations to reconsider their actions or change their behaviour. Web-based communication, with its immediacy and coverage, means that organisations can no longer keep hidden actions that may have a detrimental effect, whether these are economic, environmental or social. They will be forced to manage their corporate social responsibilities in a more transparent and truthful way and be accountable to ordinary citizens.

For an organisation to operate successfully it must be financially viable and provide the financial return expected by its shareholders. However, there is also an expectation that an organisation should operate ethically and address its corporate social responsibility (CSR). The advent of Web 2.0 and social media has provided an opportunity for ordinary citizens to report on an organisation’s harmful or unethical behaviour and share that information using social media platforms. Heath (1997: 129) argues that activist groups became a powerful influence on corporate behaviour because individual citizens joined forces to change damaging business practices or public policy. With the advent of improved technology the ability for ordinary citizens to find like-minded individuals with similar concerns and exchange information on harmful corporate behaviour is becoming easier.

One of the criticisms of CSR is that, as companies have a legal obligation to be profitable, ‘the only concern they can have is to concentrate wealth in the hands of their shareholders. Through CSR, companies trumpet their “values”, but a company can only have one value: its share-price’ (Corporate Watch 2006: 9). Companies are required to provide an annual report disclosing their financial position. Ethical and moral behaviour, on the other hand, is a long-term commitment which does not form part of a corporation’s legally required reporting. Any reporting of CSR activities is at the discretion of the organisation with different quality and content from one company to another. This is not sufficient in today’s business environment. ‘It is a new world, a new society in which social activists, sophisticated and experienced, are demanding that companies exhibit new forms of behaviour’ (Burke 2005:12). People have an expectation that organisations must be accountable for all of their business practices that may impact others.

There is a degree of scepticism regarding the concept of CSR. Some consider that CSR is simply another example of ‘greenwash’ and that organisations are simply using CSR as a public relations stunt. A recent study by Leeds University (University of Leeds 2011) found that many organisations have ‘unsubstantiated claims, gaps in data and inaccurate figures’ in their CSR reports. On top of this, many organisations have been caught out with actions that contradict their published value statements in areas such as the environment, community relations or ethical behaviour. Marsden (2005: 359) comments that CSR is ‘lacking precise definition’ and that it ‘has thrived as a general motherhood’ concept. He comments that detractors have dismissed CSR as ‘meaningless froth’. Bakan in his book The Corporation, alleges that CSR is ‘a smokescreen, enabling companies to hide their bad practices and strengthen their ability to resist regulation by government’ (Bakan 2004: 151). However, with the power of social media this situation is changing rapidly.

In the clean-up following the Gulf of Mexico oil spill, BP tried to down-play the damage that had been caused. One of BP’s efforts to cover up the seriousness of the oil
spill was identified and reported on social media. There were ‘…reports by bloggers in July [2010] that BP was doctoring online photos’ (Magner 2011: 266). These digitally enhanced images of aerial shots taken of the oil slick made the sea appear blue rather than tainted by oil. BP was forced to remove the photos from their website.

This was not the only action from BP that contradicted its new image as Beyond Petroleum. BP’s new logo and corporate identity, introduced in 2002, featured a yellow sun on a green background designed to project a concern for the environment. This was matched with statements from its group chief executive officer, Lord Browne:

We have to demonstrate that we can be a sustainably successful company in the long term, making a meaningful contribution to a sustainable world … We must be guided by our values, being inclusive and meritocratic, having high ethical standards, striving for transparency and recognising our impact on society (BP Annual Report 2003: 7).

This statement is incongruous with the unethical cover up in the Gulf of Mexico oil spill.

Organisations must take into account the communities which give them a license to operate. These could be residents of the areas in which they function, consumers of their product, investors, employees or concerned citizens. This permission includes accepting that the organisation will use resources such as air, water, roads, waste systems. In return, communities expect organisations to give back in ways such as providing employment or supporting the local community – they also expect the organisation to do no harm. An organisation will have many stakeholders, groups or individuals who can affect or are affected by an organisation’s activities (Freeman et al. 2010). A company will have different levels of interest in these groups considering some, such as shareholders, financiers or customers, more important than others. However, with the globalisation of the corporate world it is evident that all citizens could be, in one form or another, an important stakeholder in corporations whose operations have an impact on a global scale. Freeman et al. (2010: 208) acknowledge that:

…one could imagine virtually anyone, or any organisation – including groups who are only incidentally and very indirectly linked to the firm, or whose purposes are explicitly directly at odds with the firm (e.g. some environmental groups want some firms to cease to exist) being defined as a stakeholder.

Thus it follows that an organisation must consider the views of multiple and diverse stakeholders and not just those that may have a financial interest in the organisation.

One example that demonstrates how important it is for organisations to understand all their stakeholders is how activists were able to sabotage a General Motors (GM) viral marketing campaign. In 2006, as part of the TV show The Apprentice, General Motors launched a contest for people to make their own TV ad for the Chevy Tahoe SUV. GM provided a range of video clips and sound tracks that could be used. Environmentalists were quick to take up the challenge creating and uploading onto YouTube ads that promoted the Chevy Tahoe as contributing to global warming and for injuring and killing those who chose not to drive SUVs (Herman 2006: CNET News). Activists were able to use the YouTube medium to raise awareness of the environmental and social impacts of the GM product and share this in an on-line public forum where the environmental and social messages could reach a large audience. This negative image of the Chevy Tahoe brand was contrary to GM’s communication objectives to involve their supporters in promoting the positive benefits of their product.

Power is moving from the organisation, and its ability to control what messages it releases to the public, to ordinary citizens who can raise issues and discuss them in their own open forums. Now everyone has the power ‘whether it be a prince, a retired social worker, or a storekeeper in Ugboro to affect the actions of a company through influencing legislation, regulations or public and community opinion (Burke 2005: 43). The power provided by social media can make organisations change their behaviour.

The awareness-raising campaign by Greenpeace on the issue of fishing practices in the tuna industry (Change your tuna! 2011) is an example of activism forcing change. Greenpeace researched all the companies associated with destructive fishing practices and the brands that refused to specify sustainable fishing practices for their products. The results are recorded and Greenpeace publishes the offending brands in its canned tuna guide (Canned Tuna Ranking 2011). Such virtual activism produces results. Greenpeace reports positive impact from its tuna campaign in the UK with the resulting consumer pressure meaning that ‘…every major player in the UK tuna industry has improved how it sources tuna’ (Change your tuna! 2011).

Internet sites will often contain links and direct readers to new sites relevant to a particular issue such as to the site www.change.org where you can start a petition, mobilise support or demand change. Topics range from banning Coca Cola bottles in the Grand Canyon to dropping Dow Chemicals as partners in the London 2012 Olympics. These websites can share all the research and information provided by like-minded contributors to keep issues in the public domain. The internet ‘has
become the wild card and the new dynamic in the shift of forces affecting the stakeholder relationships between companies and communities (Burke 2005: 23). New sites posted to protest or raise issues are growing, morphing and changing with additional networks constantly being created.

Organisations can no longer hide behind closed doors, just telling their stakeholders what they think they need to know. Christensen (2002: 163) describes how organisations ‘... are expected to contribute to transparency themselves by sharing relevant information’. If organisations do not operate in a transparent manner then they risk any negative aspects of their operations becoming uncovered by those who have the ability to communicate and share that information with others using social media.

With the growth of social media, finding out and sharing knowledge of unethical behaviour is much easier. Burke (2005:23) argues that ‘no government, no organisation, and no company is immune from the organising potential of the internet’ with its power to quickly transmit text and images supporting any claims of negligence or harm. Members of the public have the power to raise awareness of issues and to enlist the support of others. For example, on the Greenpeace website it is very easy to select an issue and move through to a pre- prepared letter with the ability to personalise and add in contact details. Click send and the letter is forwarded to an already prepared list of organisations.

Most organisations are aware of how important reputation is to their company or brand and how a loss of reputation can correlate to a loss in business profits. A key element of an organisation’s reputation is trust. The Reputation Institute researches the health of organisation’s (and country’s) reputations globally. Their research methodological tool is built around four key components: Overall Esteem, Good Feeling, Admiration and Trust. These components are based on the fact that ‘a reputation develops from the emotional bond that stakeholders feel for a company’ (The Global RepTrack™ 100 2011: 4). The 2011 study findings identified that the ‘RepTrack™ top 100 better-rated companies enjoyed a 9 percent return on assets, compared to the lower-rated companies that posted a 6 percent ROA’ (The Global RepTrack™ 100 2011: 11). These findings add weight to the opinion that damage to an organisation’s reputation can impact their bottom line. Therefore, by risking its reputation a company is risking damage to its legal requirement to provide a return for its investors.

Information flows quickly forcing organisations to re-think their communication strategies. ‘It is easier, faster, and cheaper than any other community organising technique. It has changed the power equation’ (Burke 2005: 23). In November 2011, Qantas, still involved in a long and very public dispute with its staff, the unions and the Australian government, launched a marketing promotional campaign. Consumers were invited to enter a competition describing what their dream, luxury, in-flight experience would be. This Twitter promotion backfired. The airline was inundated with responses that bore no relation to the company’s expectations from the promotion. Instead consumers outpered their frustrations from the ongoing industrial dispute with the resulting damage to the Qantas brand (Miller, 2011). According to James Griffin from SR7, ‘by 1pm on the day of the launch of the campaign Australians were sending out 51 tweets a minute on the hashtag’ (Wood 2011). This demonstrates just how quickly stakeholders can get their message out into the public arena. Social media provided an instant means of negative consumer reaction resulting in wide media coverage and added to the damaging issue that Qantas was dealing with in its industrial relations. This in turn will have an effect on the Qantas brand and reputation.

Swift (2001:23) explains how ‘trust actually develops on the basis of consistent trustworthy behaviour’. If trust is lost it is very hard to recover. If an organisation, company, non-government organisation (NGO) or person behaves badly then it will take considerable time and effort to regain a level of trust and rebuild a good reputation. The global financial crisis resulted in a loss of trust in many of the financial institutions. Direct action sites have appeared since the global financial crisis including those associated with the occupation of Wall Street.

#OccupyWallStreet ‘is a leaderless people powered movement for democracy’ (Occupy Wall Street 2011). The site provides the means for its supporters to share their views with news, links, tools and logistics. Occupytogther.com (2011) has pages where you can ‘find an occupy group in your area’. Similar sites exist in Australia such as GetUp! Action for Australia with listings of Australian issues such as saving the Great Barrier Reef, pokies reform and coal seam gas mining (www.getup.org.au). These virtual groups can morph into active groups of people who aim to make a statement. They can meet to share their views or take other forms of action such as organise protests, initiate boycotts and generate publicity for their cause. For an organisation this means there is the potential for an increase in the ‘accessibility of information to a broader, more diverse set of potential self-selecting stakeholders’ (Adams and Frost 2006:282).

In terms of stakeholder engagement, a firm needs to be aware of the constant changing nature of its operating environment and be mindful of developing issues, in particular how these relate to the organisation’s CSR activities. Marsden argues that critics of CSR who believe that governments should control organisations and how they perform ‘...underestimate the positive contribution that NGOs can make in shaping the social environment in which businesses operate’ (Marsden 2005: 359). NGOs
have successfully influenced an organisation’s business practices such as the way Greenpeace influenced how an organisation specifies the source of its produce. Now, not just NGOs but any collective group of individuals also have the opportunity to force similar change. Individuals are able, with the ability of social media, to make virtual connections and, as a group, exert influence to bring about change – whether by means of virtual information and knowledge sharing or, as a result of that virtual connection, physically meeting up and working together in some active or activism based way as demonstrated with the Wall Street occupation.

This process of stakeholder and community influence will continue to grow. As Howard and Jones (2004:xiii) state ‘The longer people are online, the more likely they are to venture into new activities, explore new relationships, and rely on the internet to help them complete crucial tasks or make major decisions’. Social media provides a connection point for global citizens to share knowledge of bad practice in the business community. This is important as ‘exposing corporate crime, corruption, exploitation and greed is the only way to awaken wider society to the need for new ways to organise our societies’ (Corporate Watch 2006: 25). Changes in the way we can communicate are leading to a ‘more democratic process of sharing information and learning from our engagement’ (Solis & Breakenridge 2009: 275). In the new operating environment, communication is not confined to writing letters to the editor, trying to get a media release published or developing relationships with journalists in order to promote an issue.

There are still issues such as corporate ownership of important websites and the subsequent control of content and inequalities in access to the internet. This is changing and in continents such as Africa, Latin America and the Middle East, internet access is growing (Internet World Stats 2012). Over time, internet and mobile technology will gradually flow into the global community in the same way that radio and television have evolved since their first introduction (DiMaggio et al. 2001: 327). With this will come even greater access to information and the ability to share knowledge on a true global scale.

**Conclusion**

This new means of communication has the potential to give individuals in the global community the power to assert people’s rights to control their own future in terms of resources and economics, rather than having this control and power rest in the corporate world. The prevailing view is that the corporate world cannot be trusted to be left to its own practices in focusing its decisions based on profit, often without considering ethical values. Even in organisations which claim a string of ethics-based values as the foundation of their business practice, decisions and actions taken will frequently be those that create the best result for the bottom-line.

In today’s business environment the power previously held solely by corporations has shifted. Gradually, with the aid of Web 2.0 and social media’s speed and ability to connect individuals, there is the opportunity to create enough pressure to make organisations review their CSR activities. In this new, constantly changing world, collaboration, cooperation and transparency are a requisite. Organisations must rise to the challenge that new communication technology provides and recognise that they can no longer evade their responsibility to act ethically and responsibly as a true corporate citizen.

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Author
Dr Pavitt teaches Public Relations and Communication at the University of the Sunshine Coast. Her current research looks at the ethics in organisations, community relations, work integrated learning and social media. Dr Pavitt has taught in the areas of marketing, public relations and communication for six years and prior to that held senior positions in marketing communications for large corporations including Fosters, Fuji Xerox and Clemengers as well as running her own advertising and marketing consultancy in Sydney. Dr Pavitt holds a Doctorate of Creative Arts (DCA) in Creative Writing. Her thesis, A Suitcase of Lies, explores the politics and culture of Palestine and Lebanon, the situation of the displaced Palestinian people and the Western perception and portrayal of Palestinians as terrorists. She also holds a Masters in Communication Management and a Post-Grad Dip in Marketing.