Does Social Media facilitate Corporate Misconduct?

QUASI Seminar Series
April 1st 2022

Michael Etter

King’s College London
Michael.etter@kcl.ac.uk
The No-Position

1. Calling out corporate misconduct
2. Influencing broader discourse
3. Changing corporate conduct
Calling out Corporate Misconduct

Etter, Colleoni, Illia, Meggiorin, & D’Eugenio (2018)
Calling out Corporate Misconduct

- Reliant on and receptive to corporate influence
- Risk of damaging social relationships and access to firms
- Risk of loss of revenue stream (advertising)
- Risk of legal actions
- Constraining ownership structure
- Journalistic norms and practices
  - Balance, objectivity, neutral style

- Less influenced or direct target by PR tactics
- No risk of damaging relationships through criticism
  - Rather individual and social identity creation
- No economic dependence
- No risk of legal threats and actions
- No editorial direction and ownership
- No concern about objectivity, style
  - Rather emotions and one-sided

Etter, Ravasi, & Colleoni (2018)
Influencing the broader Discourse

• Lack of reach and impact due to
  – Heterogeneity (Barnett et al., 2020)
  – Fragmentation and speed (Wang et al., 2021)

• Influence of broader discourse, amplification (through news media)

• Conditions by which heterogeneity of evaluations converge and influence news media legitimacy (Illia et al., 2021)
  – Impact when “tipping point of refracted attention” is met
  – Large volume of negative tweets
  – Aggregative frames and hypertextual web
  – Fewer frames lead to aggregation and tipping point
Changing Corporate Conduct

• Impact on organizations?
  • Impact of social evaluations but also tangible damage
  • Policy change, lay-offs, industry wide change of practices

• “Destabilization” of the organization (Toubiana & Zietsma, 2017)
  • Violation of individual norms and expectations
  • Emotional escalation
  • Shaming and shunning leads to reactive shift in organizational actions

• Proactive approach: stakeholder engagement (Castello, Etter, & Nielsen, 2016)
  • Co-creation of sustainability agenda
  • Awareness of risks and opportunities
  • “Networked legitimacy strategy”
    • Participation in open platform
    • Reduction of control over engagement
    • Non-hierarchical relationships
Future Directions

• Algorithmic conditioning (Etter & Albu, 2021)
  • Filter, rank, and aggregate information
  • Facilitate and distort processes

• What is the role of social media algorithms for corporate misconduct?
  • ...and the construction of social evaluations?

• Methods:
  • Sentiment analysis (Etter et al., 2018)
  • Topic modelling (Hannigan et al., 2019)
References


