Does Social Media facilitate Corporate Misconduct?

QUASI Seminar Series

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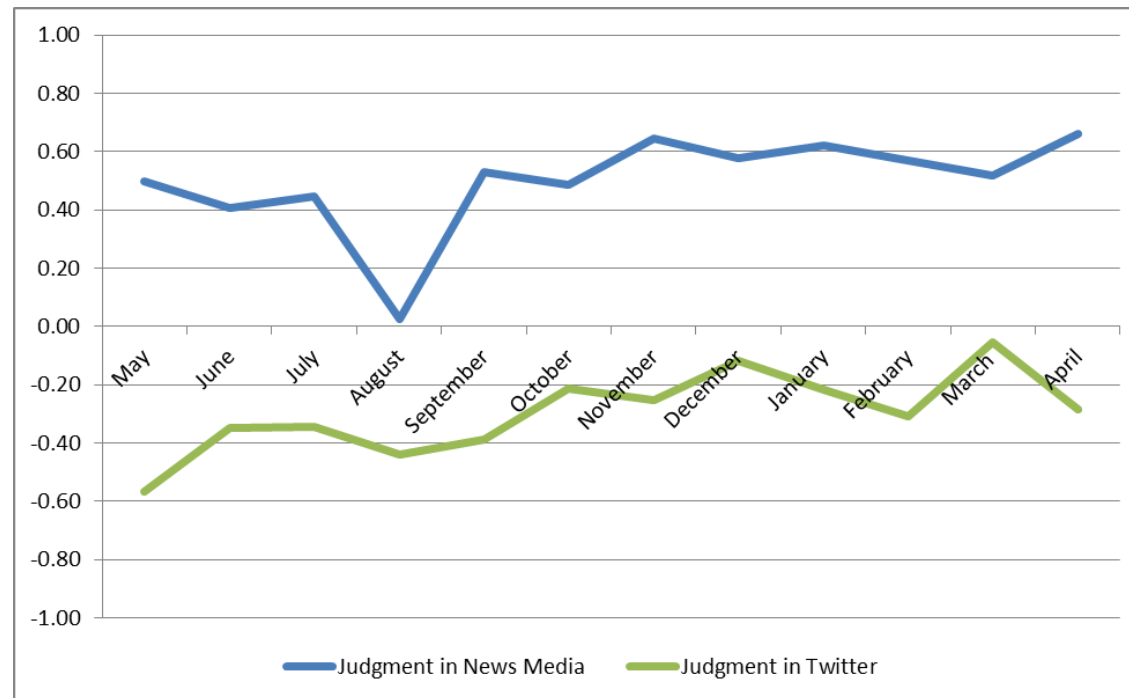
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The No-Position

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 receptable 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

Etter, Ravasi, & Colleoni (2018)

- 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

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)

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