WORD OF MOUSE USING SOCIAL MEDIA TO INFORM YOUR CORPORATE SOCIAL RESPONSIBILITY STRATEGY

In their August 2014 Accountancy Ireland article Anne Marie Ward and Judith Wylie discussed the opportunities and dangers of using social media to communicate with stakeholders; then, in October, they focused on corporate social responsibility (CSR) reporting. Now, in this article they bring the two themes together by examining the potential role of social media in determining CSR strategies in Irish companies.

This article is topical as the Irish Government has recently launched the National Plan on CSR 2014: Good for Business, Good for the Community to increase awareness of corporate social responsibility (CSR) among Irish companies and to promote its value to both businesses themselves and to society as a whole.1 The overall aim of the National Plan (2014, p5) is that “Ireland will be recognised as a centre of excellence for responsible and sustainable business practice through the adoption and implementation of best practice in CSR.”

Although the National Plan is not legislative and any CSR activities engaged in and reported on will remain voluntary it is hoped that this code of best practice will positively influence how Irish companies approach CSR.

FIVE PILLARS
The national plan has five core pillars:

- Workplace;
- Environment;
- Marketplace;
- Community; and
- Public Sector.

<table>
<thead>
<tr>
<th>Stakeholder Information Strategy</th>
<th>Stakeholder Response Strategy</th>
<th>Stakeholder Involvement Strategy</th>
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<td>Communication ideal: One-way communication</td>
<td>Two-way communication</td>
<td>Two-way symmetric information</td>
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<td>Stakeholder role: Stakeholder influence: support or oppose</td>
<td>Stakeholders respond to corporate actions</td>
<td>Stakeholders are involved, participate and suggest corporate actions</td>
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<td>Identification of CSR focus: Decided by top management</td>
<td>Decided by top management after incorporating feedback from opinion polls, dialogue, etc.</td>
<td>Negotiated concurrently in interaction with stakeholders</td>
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<td>Strategic communication task: Inform stakeholders about favourable CSR decisions and actions</td>
<td>Demonstrate to stakeholders how the company integrates their concerns</td>
<td>Invite and establish frequent, systematic and proactive dialogue with stakeholders</td>
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<td>Corporate communication department's task: Design appealing concept message</td>
<td>Identify relevant stakeholders</td>
<td>Build relationships</td>
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<td>Stakeholder endorsement of CSR initiatives: Unnecessary</td>
<td>Integrated element of surveys, rankings and opinion polls</td>
<td>Stakeholders themselves involved in corporate CSR messages</td>
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Underpinning each pillar is the importance of entering into dialogue with stakeholder groups in order to correctly align business activities with their interests. An emerging platform on which to do this is social media, an example being Twitter which is arguably designed with the sole purpose of stimulating dialogue.

**SOCIAL MEDIA AS A STAKEHOLDER ENGAGEMENT PLATFORM**

The use of social media to disseminate CSR messages is growing: in 2012, 176 major global firms used social media to conduct a sustainability dialogue with stakeholders (up from 60 companies two years earlier) and 25 of these offered a version of their CSR report that was fully shareable with social media communities.² A 2013 survey of CEOs of major US corporations revealed that 72% of those sampled had used social media to communicate about their CSR efforts and 59% said the use of social media had a positive impact on the quality of their communications with consumers.³

Social media provides the potential for shareholders to influence company CSR decision-making and policies. Social networking sites enable companies to build and maintain relationships with stakeholders. Indeed, in a study on the use of twitter feeds by Fortune 500 companies, Lee, Oh and Kim (2013) found that messages from and to socially responsible firms are more likely to go viral, therefore rewarding firms who engage in CSR activities.⁴ They conclude that companies who are ‘doing good’ do not necessarily need to interact more online, but rather that they need to ‘seed’ debates and let the stakeholders do the rest.

**COMMUNICATION STRATEGIES**

Morsing and Schultz (2006)⁵ identify three communication strategies companies can use when disseminating CSR practice:

- information;
- response;
- involvement.

**INFORMATION**

The information strategy is a one-way process with the CSR agenda being defined internally. External feedback received is not integrated into the overall corporate CSR vision.

**RESPONSE**

The response strategy is also internally driven; however, it does take stakeholder reactions into account through two-way integration.

**IN VolvEMENT**

The involvement strategy, reflects an approach of full dialogue with all stakeholders. Full stakeholder involvement is theoretically best, yet is rarely adopted in practice. Empirical research on the content of dedicated CSR twitter accounts in some of the most responsible companies as listed in Corporate Responsibility Magazine (namely Starbucks, Ford, Microsoft, Campbell, Smarter Planet, Excel Energy, Green Mountain Coffee Roasters) reported that companies only enter the dialogue to associate themselves with positive CSR messages making little or no direct engagement on negative messages (Colleoni, 2013)⁶ and only 6% of tweets from companies directly address users.

Our investigation of CSR reporting by companies listed on the Irish Stock Exchange found that 54% of their websites have a dedicated CSR section and 56% make use of social media. Only one, Tesco, had a dedicated CSR twitter feed. This
suggests Irish companies are reluctant to engage in dialogue with their stakeholders. It seems that they are adopting a ‘stakeholder information strategy’.

The question to pose is: Are these non-adopters missing out on an important opportunity or is this a defensive approach to avoid the potential reputational threat of online exposure?

BENEFITS OF DIALOGUE
Several academic studies refer to the value of stakeholder dialogue which they claim creates ‘social capital’. This refers to the notion that an expected economic benefit may be derived from cooperation between individuals and groups, in other words ‘social networks add value’. This value may be created by engaging stakeholder feedback in strategic management decisions, continuous learning, knowledge appropriation and participative decision making allowing stakeholders to help build a brand that they can metaphorically and literally ‘buy into’.

The value of entering into dialogue on social media also facilitates the generation of ideas for new projects, activities and strategy to build brand awareness and, in turn, corporate value. This is known as ‘co-creation’ or ‘crowd sourcing’. Co-creation has been used by Pepsi through the ‘Pepsi Refresh Project’ in 2010, whereby charities were invited to pitch their innovative charitable programs on the Pepsi website and users were allowed to vote for which cause should be allocated the funds. During the project, 51 million votes were cast for 7,000 projects and $10 million of funds were allocated by Pepsi to the most popular causes. It wasn’t the Pepsi Board who selected a charity with which to make a philanthropic donation, but rather they allowed the public to make this corporate decision. This was a ‘win-win’ scenario as stakeholders were empowered to use the firms’ resources to support projects they were interested in whilst the company generated millions of visits to its corporate site.

THREAT OF ENTERING INTO DIALOGUE
Negative consequences can also occur. The term ‘tweetjacking’ has been coined to describe the scenario whereby an intended positive message being tweeted by a company gets picked up by stakeholders and turned into a negative message. An example of ‘tweetjacking’ is McDonald’s Twitter campaign around the hashtag #McStories which was hoped to give suppliers and customers a platform to share positive stories; however, the commentary was almost immediately flooded with thousands of complaints of food poisoning, low labour standards and animal welfare concerns in what is thought to be one of the worst social media disasters of 2012.

CONCLUSION
The rich source of information social media provides is not enough to create value in itself, but rather to add value. Theory suggests that social media should be used as part of a ‘stakeholder involvement strategy’ whereby stakeholder issues are introduced to the organisation through ongoing dialogue and there is an iterative organisational effort and change in behaviour as a direct response to the issues raised. However, there is little evidence of this approach in practice in Irish companies. The use of social media by Irish companies is still in its infancy and a period of evolution and learning lies ahead. As a result accountants, as knowledge professionals, need to be committed to continued professional development both in the CSR and social media disciplines in order to provide value added advice and services to clients.

Notes


Anne Marie Ward is a Professor and Judith Wylie is a lecturer at the University of Ulster.