Social Networking at Work Is a Major Risk with Large Costs

Spending time on social networks such as Facebook and Twitter appears to be normal behavior at most workplaces. Employers need to deal with its risks and minimize its costs. Employees should consider the potential ramifications of every post they make.

The Ethics Resource Center (ERC) has been conducting nationally representative surveys of ethical attitudes, knowledge, and beliefs in the U.S. workforce since 1994. Its latest comprehensive report, *2011 National Business Ethics Survey*® (NBES), included a series of questions about social networks and the people who use them. The intriguing findings on this subject led ERC to perform a follow-up survey in 2012 that focused on employees' social networking activities. The resulting report, *National Business Ethics Survey of Social Networkers* (NBES-SN), found that the emergence of social networking has serious implications for the workplace. ERC believes "social networking is affecting the way work gets done, reshaping ideas about transparency and confidentiality, and even altering attitudes about the type of conduct that is acceptable in the workplace."

The Securities & Exchange Commission (SEC) provided an indication of the importance of social networking to financial markets on April 2, 2013, when it announced that companies can use social media outlets such as Facebook and Twitter to report key market-moving information to the general public. These actions comply with Regulation Fair Disclosure (Regulation FD) as long as companies inform investors which social media outlets will be used.

According to the NBES-SN, "Social networking is now the norm, and a growing number of employees spend some of their workday connected to a social network." In 2011, three-quarters of American workers at all levels reported that they belonged to one or more social networks. The 2012 report notes that the proportion is higher today. Contrary to popular belief, young workers aren't the only ones using social networks. While the rate for 18- to 45-year-olds was 83%, participation by those in the 45- to 63-year-old group reached 67%. A November 2013 presentation by The Infographic Show reported that 67% of people use social networks when they are supposed to be working. Analysis of demographic factors in the NBES-SN, including gender, management level, intent to stay, education, union status, and compensation status (hourly or salaried), confirms that the population of social networkers closely mirrors the overall working population in the United States. The issue showing the greatest difference between a social networker and the U.S. workforce as a whole is tenure. Fewer social networkers have either short (less than one year) or long (11 years or more) tenure at their employer.

The top social networks that the largest percentages of employees use are Facebook (95%), Twitter (43%), Google+ (37%), LinkedIn (37%), Pinterest (23%), MySpace (21%), and a personal blog (14%).

Active Social Networkers (ASNs), which are employees who spend at least 30% of their workday connected to one or more social networks, represent 10% of the workforce. ASNs are younger: Workers younger than 30 make up only 26% of the total workforce but represent about 47% of ASNs. Workers older than 45 make up 43% of the total workforce but only 13% of ASNs.

ASNs include more members of middle management and first-line supervisors (71%) than the work-

force as a whole. Again, employees who are more likely to be ASNs include males, workers in publicly traded companies, workers between the ages of 30 and 44, workers with some college or a technical degree, workers with three to five years' tenure, employees who intend to stay one to two years, employees who intend to stay three to five years, middle managers, first-line supervisors, members of unions, and salaried employees.

According to the NBES-SN report, "Nearly three out of four social networkers (72%) say they spend at least some time on their social networks during every workday, and almost three in 10 (28%) say such activity adds up to an hour or more of each day they spend at work." More than a quarter (27%) of ASNs check a social network about every hour. Well over half (61%) of all hourly employees—who should be paid only for time spent working—say that *none* of the time they spend on social networking is related to work.

In fact, survey participants report that very little of the workday spent online is work related. One-third (33%) of those who spend an hour or more of the workday on social networking say that none of the activity is related to work. Another 28% say just a small fraction (10%) of their time online has something to do with their job. Just 14% confine their social network use to their lunch period or other unpaid time, meaning that employers are paying considerable sums for ostensible work time spent on personal matters.

While many employees report

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only passive use of social networks to "connect" or "consume," more than half (55%) are "creators" who post commentary, write blog posts, or otherwise share their thoughts, including those about work-related issues.

This is particularly true of ASNs, who are unusually vulnerable to risks relating to ethical issues since far more of them consider many questionable disclosures to be more acceptable than do other social networkers: 60% of ASNs are likely to comment if their company is in the news, 53% mention work projects once per week or more, 42% believe it's okay to post about their job if the company isn't named, 36% mention clients once or more per week, 35% mention management

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once or more per week, and 34% mention coworkers once or more per week.

The propensity of ASNs to broadcast information otherwise considered confidential poses significant risks to all organizations. According to the NBES-SN, "Management must assume that anything that happens at work; any new policy, product, or problem; could become publicly known at almost any time."

That isn't to say that ASNs only represent a risk to an organization—they are also more likely to witness and report wrongdoing. In "Ethics and Social Media: Where Should You Draw The Line?" Patricia J. Harned, president of ERC, told Sharlyn Lauby that "You could also look at another set of our responses— particularly the high number of active social networkers who reported misconduct—and say that social networkers behaved appropriately." And when they report misconduct, they experience retaliation more frequently than their colleagues. The survey states, "A majority (56%) of ASNs who reported the misdeeds they witnessed experienced retaliation as a result, compared to fewer than one in five (18%) of other employee groups."

In addition to jeopardizing the reputation of the organization, improper use of social networking may provide temptations for sharing confidential information about new products or other projects that may enable others to profit illegally from trading inside information. This risk is especially relevant to accountants, who have

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access to a vast amount of financial and other data.

Social networking may also be altering the nature of reporting relationships at work. More than four out of 10 supervisors (42%) have some kind of an online connection, such as a friend or follower, who is someone they supervise. Among ASNs, the incidence of such linkages rises to 60%. Supervisors who connect to social networks during the day are especially sensitive to how their posts will be viewed. "Among supervisors who spend 10% or more of their workday engaging in social networking, 84% say they consider what their direct reports will think when seeing the post," the survey notes.

To cope with the evolving importance of social networking in the workplace, the NBES-SN identifies several strategies for addressing these challenges. Organizations should:

◆ Develop broad-based strategies and social networking policies grounded in ethics and values, not merely compliance, so that employees are able to handle novel situations in an environment that continues to evolve. Only 32% of companies report having policies concerning social networking.

◆ Establish a social networking policy sooner rather than later, and reinforce it with training to reduce ethics risks for employees and management alike. It's important for rules to reflect today's realities of widespread use during the workday so that workers are more likely to abide by them.

◆ Take advantage of social networking to enhance internal and external communications, especially outreach to employees to reinforce the company's ethics culture.

◆ Invite social networkers to help shape social networking policy and to help the ethics/compliance function engage employees through social networking.

With social networking now the normal behavior for most employees, employers need to deal with the risks and opportunities it provides. The Infographic Show presentation reports that almost a third of companies either have no social networking policy or don't block access to certain sites. Employees should consider the consequences to themselves as well as their employer of every post they make. The continued growth of social media will only amplify these challenges in the future. **SF**

Curtis C. Verschoor is the Emeritus Ledger & Quill Research Professor, School of Accountancy and MIS, and an honorary Senior Wicklander Research Fellow in the Institute for Business and Professional Ethics, both at DePaul University, Chicago, Ill. He is also a Research Scholar in the Center for Business Ethics at Bentley University, Waltham, Mass. He was selected by Trust Across America as one of North America's Top Thought Leaders in Trustworthy Business Behavior–2013. John Wiley & Sons has published his latest book, Audit Committee Essentials. *You can reach him at* curtisverschoor@sbcglobal.net.