Social Networking and Its Effects on Companies and Their Employees
Douglas Baker, Nicole Buoni, Michael Fee, and Caroline Vitale

Introduction
The purpose of this research is to review the rising use of social networks by people while on the job. The popularity of social networks and their increasing use in the workplace present some concerns for employers, but all indications are that employers cannot hope to prevent social network use during work hours. As an alternative to an attempt to prohibit their use, this research leads to the recommendation that businesses make use of social networks instead. A possible use would be as a tool of communication between management and employees to ensure that employees are productive but not overworked. Another possible use is as a marketing tool.

Social networking is an interconnected system through which alliances are formed, help is obtained, information is transmitted, and actions taken to achieve certain results. If businesses need to work with social networking websites, as seems likely, they should have a policy on social networking in the workplace. This recommendation is based on the assumptions that use of social networking in the workplace continues to increase and that internet security will never be perfect in filtering personal or business information on social networks. The extent of this problem is ongoing and impossible to predict.

The Major Social Networking Websites
There are four major social networking sites in common use. Facebook, introduced in February 2004, is one of the most popular social
networking websites today. This website was originally open only to
students at Harvard University, but this no longer holds true. Facebook
has reached a membership of over 200 million.

Linkedin was started in May 2003, and is less focused on social
networking. This tool is used to network within a desired professional
atmosphere and allows individuals to build professional, career-oriented
relationships. “Linkedin is the most business-oriented of the four big
social networking websites” (Wilson, 2009). Linkedin has a membership
of about 36 million.

MySpace was started in August 2003. It is more directed toward
the musically inclined. This social networking website is no longer
solely for social networking. It is more about connecting different bands
and groups, rather than connecting individuals. The membership for
MySpace is about 126 million.

Joining the social networking trend in March 2006, Twitter is
the most immediate of the four big social networking websites. It has
become a self-promotional tool used by celebrities. For those who like
to “follow” their favorite celebrities, they can get instant updates about
where their favorite singer or actor is, what they are doing, how they
are feeling, etc. Twitter has around 10 million members.

Potential Benefits of Social Networks for Business Management
Contact with employees can be difficult for management. Social
networking websites provide an opportunity for management to have
faster contact with their subordinates. If there is an issue that needs
immediate attention, a manager can send a message through social
networking websites and the internet to their employees to get the
information they need to make a decision.

According to Swartz (2008), “corporate social networks also cut
down on unnecessary e-mail and instant message among co-workers.”
Social networking websites reduce the amount of time it takes for a job
to be completed because they cut down the amount of time it takes for
employees and management to contact each other.
Information is easily found through the Internet. Social networking websites can be one of the fastest ways to obtain information. “Organizations are actively leveraging the power of social networks to find new business opportunities, new groups of like-minded individuals and companies, and new sources of industry specific wisdom, advice and expertise” (Wilson, 2009). Social networking websites allow companies to find and share information about different marketing strategies and techniques.

Among the benefits of social networking in the workplace, company presence can be maintained. Social networks can act as an advertising or marketing tool to help the company reach out to both potential employees and customers. Wilson (2009) says “a logical extension of this is to employ people to spend their entire day maintaining the sanctioned company presence on various social network sites, acting as a company’s ‘voice.’”

Potential Problems for Employers
According to Wilson (2009), there are five principle worries that management has in regard to social networking: perceived loss in staff productivity, data leakage from staff gossiping freely in an open environment, damage to a company’s reputation, scams practiced by “cyber crooks,” and the open access to company information because of outdated passwords. There are many uses for the big four social networking sites. It is a concern to management and corporate executive officers that employees spend time on these websites while at work.

One possible use of the networks that is a source of concern to management is the possible damage to the company’s reputation that can be brought about by posts online. If an employee were to be angry, or have had a bad day, they might be inclined to take their anger out online. This behavior could damage a company’s reputation. “Employers have the right to hold employees responsible for such conduct if the postings are used to ‘attack the company’ or ‘harass co-workers’” (Breslin, 2009).
Another concern, from a management standpoint, is the belief that the use of social networking websites is detrimental to the productivity of the employees who spend increasing amounts of time on these websites. Employees are given access to company equipment, mainly computers and internet, in order to complete their jobs effectively and efficiently. According to Peacock (2008), “employers worry that staff are wasting time on websites during the day, weakening productivity and increasing security risks to the company by sharing data externally.”

Computer servers can only process so much information at one time. The use of social networking websites, alongside email and company computer programs, slows down the servers. This means that employees are sitting around waiting for their work to be processed. “E-mail usage is upped. This slows down the server and means staff are not working” (Peacock, 2008).

A company can face lawsuits, bad publicity, and decreased employee morale because of employee use of social networks. According to Greenwald (2009), 55 percent of employees visit a social networking site at least once a week. Possible areas of company liability include sexual harassment, bullying, and threats of workplace violence, all potentially occurring during these visits. Sexual harassment occurs when one employee or supervisor makes continued, unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, to another employee or supervisor, against his or her wishes. These behaviors can, and do, happen online.

The increased risk of liability can decrease productivity and cost the company a large amount of money, from dollars spent in defending against lawsuits and possible revenue lost due to damage to the reputation of the company. The figure, below, illustrates employee opinion on how easy it is to damage a company’s reputation, using social networking.
Companies have more to worry about from defamation, harassment, and threats because of social networking. “Cyber smearing” is a key concern for employers; that is communications that are considered libel and defamation that occur online. “An employer could find itself defending its employee’s unauthorized postings against claims of defamation, harassment, or trade disparagement” (Wise, 2009). Companies have to think about employee privacy but also the risk that goes along with it.

**The Employee View**

Employees also have views on the issue of social networks and work. Many professionals are using social and professional networking sites to build their personal brand. A personal brand is the marketing of one’s self through Facebook, Twitter, MySpace, and LinkedIn. Professionals use these sites to engage audiences in their on-going projects. For example, musicians use MySpace to reach listeners who would normally not have access to the artist’s music. LinkedIn helps users create a personal brand through a webpage creation tool. It gives users access “to re-connect with past contacts, discover inside connections when looking for a new job, or new business opportunity, and receive advice from industry experts” (Wilson, 2009). Twitter is used throughout the world of sports and entertainment to give fans an inside look at
current and upcoming projects that their favorite celebrities and sports professionals are engaged in.

There are negatives from the employee standpoint as well. A situation that has been arising for the working professional is going onto Facebook to see what their friends are doing, only to see that their boss or colleague has messaged them about an urgent work matter (Available all the time, 2009). Using these sites has blurred the lines between work and private time. If the employer requests interaction with, or wishes to “friend” an employee, how does an employee not accept that without an issue of etiquette arising, especially if employer and employee are friendly toward one another in the office.

This raises the related question of whether it is appropriate for a co-worker to reach out to another co-worker on a social networking forum to talk about work matters. According to Rothbard, “on the one hand, it enables flexibility. In some ways, it makes you more effective. But it can also lead to a lot of burnout. In the long term, it may lead to conflict about how you feel towards your other life roles and your ability to be fully present in any one domain” (Available all the time, 2009). This burnout would be defined as exhaustion of physical or emotional strength usually as a result of prolonged stress or frustration.

If an employee is in constant contact with superiors and co-workers through social networking sites, the employee may eventually feel like there is no line between work life and a personal life because he or she has become available all the time. Blackberrys, for example, are often provided to employees to check their email on the go, or to check their twitter and face book accounts. This can create exhaustion in the employee who can never have a clean line drawn between work and play, especially if that employee has “friended” the boss. There are two sides to this; “on the one hand, it enables flexibility. In some ways, it makes you more effective. But it can also lead to a lot of burnout” (Are you practicing, 2009).

In the case where an employer and employee are social network “friends,” nothing is kept secret. The employer will be able to see how his or her employee behaves outside the office, which can be
seen as an invasion of privacy. As long as the employee is not making the company look bad, there should not be a problem for the company. According to McGrath, “as an employee you want to ask yourself, ‘How accessible do you want to be?’” (Available all the time, 2009). Rothbard notes that “Facebook itself is not likely to take a role in establishing norms to sort out the conflicts between business and personal friending” (Available all the time, 2009).

This sometimes brings up the uncomfortable issue of, if an employee and employer are friends in the office, why they cannot be “friends” on a social networking site. If an employee and employer are friendly at work, and choose to be “friends” on a social networking site, then both have access to all areas of each other’s lives.

Many potentially awkward situations can come up around the use of Facebook and other social networking sites because too much information is given out. In the workplace, people are going to think twice about what they say and the amount of information that is given. Rothbard thinks “in face-to-face communications, people are much more careful about the volume and nature of the information they disclose. However, over the internet there is a huge lack of awareness, or obliviousness, about who is receiving this information” (Available all the time, 2009). “They have to realize there are potential negative consequences that can flow from coworkers knowing more about you that is prudent” (Are you practicing, 2009).

Behaviors that might not be problematic between friends outside of work could be interpreted very differently by colleagues and employers. In the extreme, the possibility of sexual harassment could be an issue and repercussions and could leave an employee out of a job. “If an employer discovers that an employee has engaged in objectionable communications online, then discipline is appropriate” (Wise, 2009). There is liability for the employer relating to employee communication online so that in certain circumstances, to protect the company name and the victim involved, firing the employee is necessary.

In the work environment, an employee has to maintain a professional image. When the line between work and private life
becomes blurred, an employer might feel free to explore an employee’s online communications. “Workplace conflicts have also come up at companies where managers have limited or banned Facebook for being a distraction and monitor employees’ personal pages for images or comments that might reflect poorly on the business (Available all the time, 2009). When an employee is “friends” with their boss they have to think twice about the content they post on their personal page. Even though it could be an invasion of privacy to check up on your employee, the employee has essentially given permission to the employer to see their page by becoming “friends” with them.

According to Williams, an employee just starting in his or her career may not have yet developed a sense of his or her professional self. This individual may be less cautious about the image he or she projects on social networks, even when that image may be visible to bosses or clients. Although this lack of caution is simply a function of inexperience, the employer has the responsibility of keeping the company name reputable. This may give the employer the right to terminate an employee because of something on their Facebook or Twitter page. This is the ultimate downside to becoming “friends” with your employer on Facebook (Available all the time, 2009).

**Legal Issues**

There are also many legal issues that surround social networking sites. The main issue is privacy of employee’s content on work computers. The main piece of legislation that deals with expectancy of workplace privacy is the Electronic Communications Privacy Act, or ECPA, (Nord, McCubbins, and Nord, 2006). The ECPA introduces three exceptions that release liability for companies that use spying software to record and prosecute online activity during work hours (Nord et al., 2006).

The first exception is the “provider exception” which says “if an employer actually owns and is providing the telephone, email, or Internet services to the employees being monitored an employer is released of liability.” The second exception named referred to as
“ordinary course of business” says “the employer may monitor employee’s communications to ensure such legitimate business objectives as assuring quality control, preventing sexual harassment, and preventing unauthorized use of equipment, such as excessive telephone or email usage” (Nord et al., 2006).

The third exception, called the “consent exception” says that if communication from a personal computer is intercepted or filtered through a company’s email system, the employees can be fired over remarks made in that communication. These exceptions to the ECPA make it clear that under federal law a company can spy on its employees and fire these employees if the content is unlawful or the employee is stealing money by being unproductive and using company resources (Nord et al., 2006).

A company is protected under the ECPA to search an employee’s computer. The company that does this, does need to develop a policy that informs employees of the ECPA and, by extension, should inform an employee of any policies related to social networking sites.

**Management Response**
The first reaction of management to social networking in the workplace often is to block access to all social networking websites. However, this creates a few problems for management. It creates more work as, if management blocks access to social networking websites, they create more work for the Information Technology administrators. Social networking websites are being created every week. The task of blocking access to every social networking website would be tedious and never ending. There is a very small chance that an Information Technology technician will be able to know every social networking website and successfully block access to everyone.

If social networking were completely blocked, employees would most likely be able to find ways to get around the controls. There are many ways to access blocked websites online. Different websites grant access to blocked websites. Not only would Information Technology
administrators have to block the main social networking websites, but they would also have to block the proxy websites as well.

A more reasonable management response would be to establish clear and thorough policies regarding use of various online sites and activities. According to McLain (2009), companies should consider the difference between official and unofficial communication. In his view, official communications consist only of those using the company logos, and slogans. The policy should include information regarding:

- Approved communications,
- Authorized users to communicate message,
- Subject matter,
- Separate official account for workers.

Unofficial communications consist of all personal communications on a social network site. An unofficial communication policy should include:

- Separate personal accounts,
- Disclosure of accounts to immediate supervisors,
- Reference to personal affiliation rather than company affiliation,
- Creation of a disclaimer for employees that use social networking sites,
- Creation of time and subject matter restrictions.

Companies would benefit from a social networking policy that provided information to employees about their legal rights and obligations, so employees know what is required of them when they are initially employed.

Conclusions and Recommendations
Social networks have evolved into a mix of socializing and working, and lead to a degree of sacrificing privacy. Many businesses are struggling with the use of social networking sites and might benefit from the following changes. A necessary first step for any company is to create a social networking policy. By setting a policy, employees know the
company’s rules regarding the use of social networking sites. In addition to establishing a policy for employees, a company may want to determine how much use will be made of social networking sites for marketing purposes.

A company should work with, not against, social networking websites. Working against social networking websites is unproductive. Companies that fight the advancing technology are fighting a losing battle. Technology is constantly changing the environment in which a company operates and management should be aware of these changes. It is in the best interests of a company to know what websites are available to its employees, be willing to grant access to certain websites to keep employees productive, and be able to monitor usage of social networking websites.
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