



# INTRODUCTION

There is little question that social media is high on the agenda of corporate and nonprofit decision-makers across the United States. Love it or hate it, Facebook, Twitter, YouTube, blogs and more are increasingly common for effectively reaching both internal and external audiences. Yet, while many in management have embraced the idea of delving into social networking waters, many of these same individuals have supported policies that prevent their own employees from using these new communication channels. Why? What are their concerns? And, more importantly, what are they doing to address them?

In July 2009, relevance management specialists Russell Herder and Ethos Business Law embarked on a research study to gain nationally-based insight on these important questions. The results were fascinating. More than eight in 10 executives said they have concerns about social media and its implications for both corporate security and reputation management. Yet, surprisingly, *only one in three* said they have implemented social media guidelines and only 10 percent have undertaken related employee training.

In the following document, you will read a recap of this important study as well as best practices on development of a sound social media policy.

It is our hope that this information will help management, marketing and human resource professionals engage in the social media conversation – both using these new communication opportunities and addressing any underlying concerns – not as unilateral dictates, but as natural extensions of corporate values and ethics.



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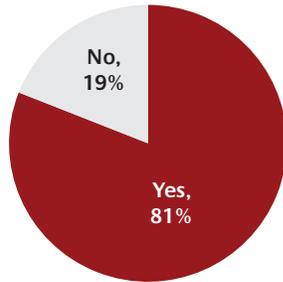
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## THE RESEARCH: KEY FINDINGS

Social media has become a fixture on communication agendas across the country, fueled by the fact that Americans spent 73 percent<sup>1</sup> more time on social networking sites in the past year alone. But social media use is also generating its share of corporate heartburn.

According to new research findings, confidence exists in social networking as viable communication outreach, but so do worries about the potential liabilities. Concerns regarding social media use were acknowledged by some eight in 10 businesses participating in a recent national study undertaken by Russell Herder and Ethos Business Law.

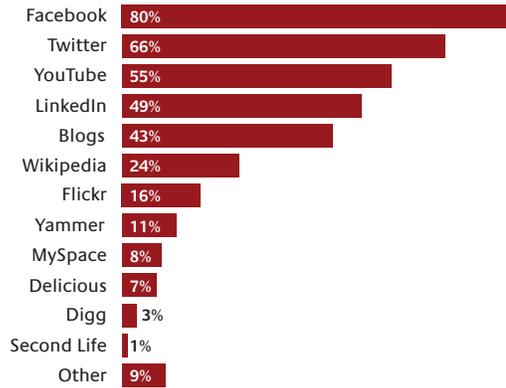
### Social Media: A Corporate Security Risk?



Fifty-one percent of senior management, marketing and human resources executives fear social media could be detrimental to employee productivity, while almost half (49%) assert that using social media could damage company reputation.

Despite these apprehensions, social networking is being accepted as a key communications strategy. According to survey results, eight in 10 believe social media can enhance relationships with customers/clients (81%) and build brand reputation (81%). Almost 70 percent feel such networking can be valuable in recruitment (69%), as a customer service tool (64%) and can be used to enhance employee morale (46%). The most popular vehicles being used include Facebook (80%), Twitter (66%), YouTube (55%), LinkedIn (49%) and blogs (43%).

### Social Media Vehicles Being Used



*Multiple responses allowed*

### Perceived Value of Social Media

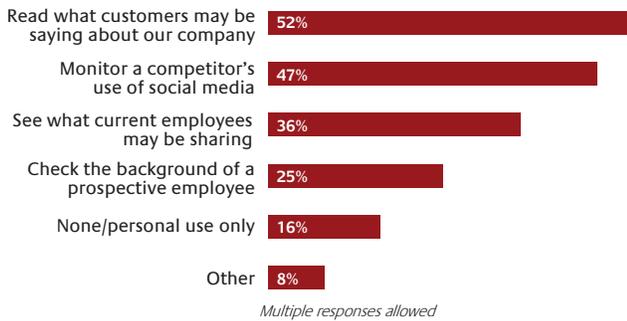


*Multiple responses allowed*

<sup>1</sup>“The Online Global Media Landscape: Identifying Opportunities in a Challenging Market.”  
The Nielsen Company, April 2009. The Nielsen Company.  
<http://blog.nielsen.com/nielsenwire/wp-content/uploads/2009/04/nielsen-online-global-lanscapefinal1.pdf>

Particularly as Millennials compose a greater share of corporate ranks, social networks are likely to become more popular as communication channels with customers, colleagues and partners.

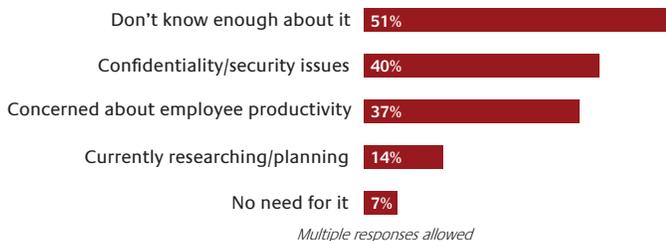
### Reasons Management Uses Social Media



**Much of senior management's direct experience with social media appears to be reactive versus proactive**, an interesting fact given the confidence they express in these new mediums. The majority (72%) of executives say that they, personally, visit social media sites at least weekly to read what customers may be saying about their company (52%), and to routinely monitor a competitors' use of social networking (47%). One in three search social media sites to see what their employees are sharing (36%); or check the background of a prospective employee (25%).

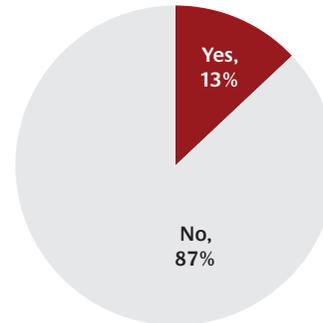
Even though social media communication is growing, only one in 10 executives say they have staff who spend more than 50 percent of their time on such efforts – perhaps somewhat surprising given that half of the organizations surveyed employ over 1,000

### If You're Not Using Social Media, Why?



people. **And only 13 percent have included social media in their organizations' crisis communications plans.**

### Social Media's Inclusion in Crisis Communications Plan



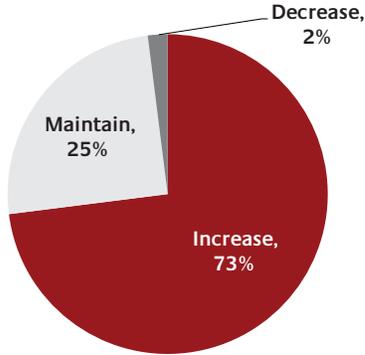
As well recognized as the benefits of social media appear to be, executives believe social media can potentially be detrimental to employee effectiveness and company reputation. In fact, those surveyed who are not using social media on a corporate basis say non-implementation is primarily due to concern about confidentiality or security issues (40%), employee productivity (37%) or simply not knowing enough about it (51%).

### Viewpoints on Social Media



This may be why many organizations continue to prohibit workplace access to social networking sites. The recently completed Russell Herder/Ethos study found that 40 percent of companies technically block their employees from accessing social media while at work. At the same time, 26 percent of companies use social media to further corporate objectives and just over seven in 10 said they plan to increase the use of these new opportunities.

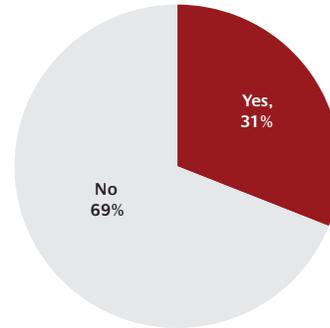
**Projected Use of Social Media  
(Over Next Year)**



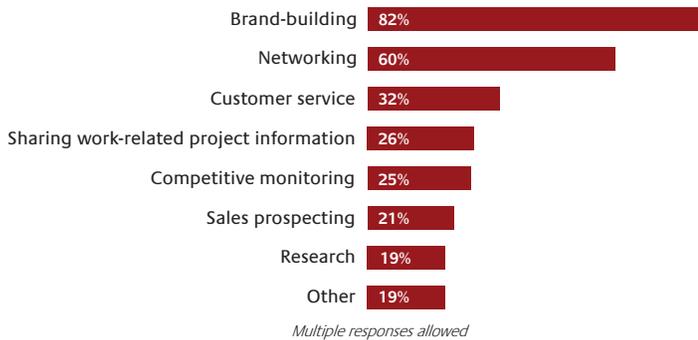
The most common reason why these entities are using social media are for brand-building (82%), networking (60%), customer service (32%) and sharing work-related project information (26%). Remarkably few efforts are being made to mitigate

conducted relevant employee training. Why? One of the main reasons, according to respondents, is uncertainty about what to include in such policies.

**Companies Having a  
Written Social Media Policy**



**Reasons for Using Social Media**



**If No Policy...Why?**



perceived risks. **Only one in three businesses surveyed has a policy in place to govern social media use**, and only 10 percent said they have

Ignoring the need for responsible guidelines can impede an organization's ability to protect itself, while at the same time hampering efforts to effectively compete in the marketplace. As Forbes.com recently noted about the urgency to establish such policies, **"...if you think [social media guidelines] don't apply to you, you are probably already on the endangered species list."** <sup>2</sup>

<sup>2</sup> Ross, Joshua-Michele. "A Corporate Guide For Social Media." *O'Reilly Insights on Forbes.com*, June 30, 2009. [www.forbes.com/2009/06/30/social-media-guidelines-intelligent-technology-oreilly.html](http://www.forbes.com/2009/06/30/social-media-guidelines-intelligent-technology-oreilly.html)

## BEST PRACTICES: TEN KEY ELEMENTS OF A GOOD SOCIAL MEDIA POLICY

Should employees be encouraged to use social networking to enhance marketing outreach? Or will such activity impede productivity in an already tight economy? And what about reputational risk? These and other questions are clearly on the minds of today's management.

In a 2009 social networking study<sup>3</sup> by Deloitte LLP, 74 percent of employed Americans believe it's easy to damage a brand's reputation via sites such as Facebook and Twitter. More sobering yet, Deloitte reported that nearly one-third of those surveyed say they never consider what management, co-workers or their clients would think before posting material online.

These behavioral implications are not going unnoticed. In a poll<sup>4</sup> conducted this year by the anti-virus firm Sophos, 66 percent of corporate system administrators said they worry that employees who share personal information on social networking sites will put their company's IT infrastructure at risk. A quarter of these businesses also reported that they have been the victim of spam, phishing, and malware attacks via sites such as Twitter, Facebook, LinkedIn and MySpace.

Yet these same security experts observed that **a corporate lock-out isn't the answer.** By denying staff access to social networking sites, Sophos observed that organizations run the risk of driving their employees to find a way around the ban — and thus potentially open up even greater holes in corporate defenses.

The national research conducted by Russell Herder and Ethos Business Law revealed that eight in 10 businesses have concerns about the potential liabilities of social media. Yet, only a third have a policy in place to govern social media use.

**Instead of ignoring the need for responsible guidelines, organizations of all sizes should begin to define their strategy regarding social media, and most importantly, the rules for employee engagement.** By doing so, management can take advantage of the benefits offered by these new communication channels while mitigating undue risk.

Think you're covered with your current policies? Perhaps not. Social media is a far different animal than traditional technology. **A company's current policies on IT matters are usually not sufficient.**

The truth is, all companies are different. Thus the rules for creating and implementing a social media policy are not universal. They must take the form, substance, philosophy and culture of the organization to which they apply. However, the following are 10 important elements to include in a good social media policy.

<sup>3</sup> "Social Networking and Reputational Risk in the Workplace." *Deloitte LLP*, 2009. [www.deloitte.com/dtt/cda/doc/content/us\\_2009\\_ethics\\_workplace\\_survey\\_220509.pdf](http://www.deloitte.com/dtt/cda/doc/content/us_2009_ethics_workplace_survey_220509.pdf)

<sup>4</sup> "Two-thirds of Businesses Fear That Social Networking Endangers Corporate Security, *Sophos Research Reveals*". Sophos, April 28, 2009. [www.sophos.com/pressoffice/news/articles/2009/04/social-networking.html](http://www.sophos.com/pressoffice/news/articles/2009/04/social-networking.html)

- 1 **Overall Philosophy.** An effective social media policy should define the company’s overall philosophy on social media and be consistent with its culture. For example, does the company have a supportive, open philosophy on the use of social media or a stronger, more limited embrace of this technology?
- 2 **Honesty and Respect.** One of the most important aspects of a policy is a requirement that employees be open, honest, respectful and transparent in their usage of social media – especially in the business context.
- 3 **Confidential and Proprietary Information.** Disclosure of confidential or proprietary information through social media can be prevalent. **Especially since this type of communication is often viewed as less formal than other, there is increased risk for inadvertent disclosure.** Guidelines should reinforce the company’s confidentiality and proprietary information policies and apply such to the social media environment.
- 4 **Online Identity.** When engaging in online social networking, it is important to differentiate an employee’s personal identity from his or her *business* identity. While regulating employees’ usage of their personal identity may be outside of the scope of a company social media policy, defining such is fair game. For example, is it acceptable to have an employee’s business name and title be connected to a personal blog post which is critical of a certain political party? Is it acceptable for employees to post their work e-mail addresses on blogs discussing controversial topics? An effective policy must address such issues and define acceptable limits.
- 5 **Focus on Job Performance.** There is a lot of discussion on whether social media hurts worker productivity. For example, is it acceptable for an employee to post on a personal blog during their lunch break? Or, can an employee tweet on business-related topics during the work day? **Remember, the new work force does not live in an eight-to-five world.** The focus should be on job *performance* instead of “company time.”
- 6 **Avoid Conflicts of Interest.** Conflicts of interest come in many forms – especially when engaging in social media. The policy should discuss how to identify potential conflicts of interest, what types of conflicts are prohibited and who to talk to when in doubt.
- 7 **Include a Disclaimer.** Employees should make it clear that their views about work-related matters do not represent the views of their employer or any other person. The policy should require a disclaimer, such as the following, when there is the possibility for confusion between business and personal identity: *The views expressed on this blog are mine alone and do not represent the views of my employer or any other person.*
- 8 **Monitoring.** The policy should state whether – and to what extent – the company has the right to monitor social media usage and identify any associated disciplinary guidelines.
- 9 **Universal Application.** A social media policy should apply to everyone, not just a subset of employees (i.e., the marketing department).
- 10 **Other Policies.** Other company policies, such as those on workplace environment, discrimination, harassment, ethics, code of conduct and others apply even in the cyber-land of social media. An effective policy should remind internal audiences of these obligations and relate them to social media.

While this list is not exhaustive, it serves as a starting point to develop a strategy and policy around social media that can serve to protect corporate interests, yet allow employees to further an organization's overall social media goals.

And while having a good social media policy in place is imperative, it's just as important to educate your team on why compliance is important. **Clearly defined guidelines, alone, will not change how employees behave online.** To truly mitigate the potential risks, a well defined training plan should reinforce key social media policies while encouraging good decisions based on the company's values and ethics.

An effective training plan should have the following attributes:

- **Engagement.** Social media philosophy and policy should be introduced to employees in a comprehensive, yet engaging manner, grounded in the company's values and ethics. The focus should be upon educating employees on what social networking is, why it is important to the company and how employees can – and should – engage with social media.
- **Inclusiveness.** The training plan should cover every employee of the company – from the most senior executive to the most junior intern. It must be clear to employees that social media is accepted and relevant at all levels of the company. While it may be appropriate to vary the training content depending on the audience, no class of employee should be excluded.

- **Training on Various Topics.** The training should not just be a PowerPoint presentation that summarizes the policy. Such a session should be an interactive educational opportunity to ground employees in the social media philosophy, motivate employees to participate in such mediums and ensure they understand the rules of engagement. **This is the company's opportunity to create "social media evangelists" within the employee ranks.**
- **Training Should be Ongoing.** One training session is not enough. Companies should engage in ongoing training that grows as social networking evolves to reinforce guiding principles and ensure employees are best equipped to implement the company's social media strategy.

A well defined strategy, coupled with clear policies and effective training will place your company in the best position possible to take full advantage of social media's potential.

## METHODOLOGY

The study providing a foundation for the white paper, “Social Media: Embracing the Opportunities, Averting the Risks,” was conducted by Minneapolis-based Russell Herder and Ethos Business Law in July 2009. A total of 438 randomly selected management, marketing and human resources executives within companies across the United States completed the online survey, providing a statistical reliability of +/-4.8 percent at the 95 percent confidence level.

## ABOUT US

Russell Herder and Ethos Business Law provide strategy, counsel and executive briefings on social media for corporate clients nationwide. Having served clients for over 26 years, Russell Herder specializes in relevance management – leveraging research, social media and strategic creative to build meaningful relationships between individuals and organizations. **Russell Herder** offers clients across the United States deep insights and proven, measurable solutions. **Ethos Business Law** is a leader and innovator in providing responsive legal services to dynamic, progressive companies through business-centric tools.

To find out more about Russell Herder and Ethos Business Law:

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