



MONETIZING YOUR CORPORATE REPUTATION: CORPORATE SOCIAL MEDIA POLICY

MICHAEL VOLKOV, IN HIS ARTICLE TRUST AND INTEGRITY: THE VALUE OF A COMPANY'S REPUTATION, UNDERSCORED THE VALUE OF A COMPANY'S REPUTATION BY QUOTING WARREN BUFFET. "LOSE MONEY AND I WILL FORGIVE YOU. LOSE EVEN A SHRED OF REPUTATION AND I WILL BE RUTHLESS. ... WEALTH CAN ALWAYS BE RECREATED, BUT REPUTATION TAKES A LIFETIME TO BUILD AND OFTEN ONLY A MOMENT TO DESTROY."

Doug Robbins is clear that any loss of reputation reduces goodwill and that directly affects your profit and loss statement and your balance sheet. Moreover, that means, when it comes time to sell your business, you may not receive top dollar.

In 2014, a Nielsen study reported many buyers actively research a product plus the company's reputation before they make a purchase decision.

More importantly, the information these buyers learn about your company's reputation as a good corporate citizen and equitable employer is directly translated into their purchase decisions.

Companies with poor corporate reputations tend to turn over customers, suppliers and employees resulting in a loss of goodwill coupled with a reduction in the price offered for the business.

Corporate Reputation in the 21st Century

Today, corporate reputation goes beyond an assessment of a company's past performance. It encompasses the quality of the company's products, its value added services, its philanthropic pursuits and its employee's behaviour both on and off the job.

In the past goodwill was built when customers shared their good opinions of a business with colleagues, friends and others by word-of-mouth and print media in a limited geographical area.

While the definition of corporate reputation has not materially changed from the 20th to the 21st century, what makes business leaders uneasy is the speed by which a corporation's perceived wrongdoings are communicated.

The introduction of social media changed the reputation game by providing anyone, and that is over 2.2 billion active social media users, with direct Internet access, to spread their views on a company's behaviour 24/7. *entech* sees that as a material threat.

An immediate automatic reaction to minimize social media reputation threats is an abrupt curtailment of social media usage in the workplace. That is a folly.

"Nothing can stop human behavior. Just as employee handbooks don't stop people from breaking the rules, and laws don't stop people from committing crimes, social media policies won't prevent these types of scandals [social media reputation threats] from occurring." (Aliah Wright)

The time is now to develop a corporate social media policy.

Social Media Threats to Reputation

Employees' unbridled use of social media and unrestrained access to company networks from company owned and personal handheld digital devices exposes a business to threats from malware, viruses, hackers and other breaches.

These threats are substantial. They compromise valuable business data and sensitive private customer information.

On level with the threat of data security and integrity is the enduring damage created by uninformed employee's social media activities that compromise a company's reputation.

SocialMediaToday describes how an entire police station faced embarrassment after an officer posted a photo online of four girls in bikinis posing on his police cruiser during a charity car wash. This innocent mistake done doing a charitable act damaged the force's reputation and resulted in the firing of the police officer.

Corporate Social Media Policy

Creating a social media policy is an organisation's first line of defense in minimizing the threat of social media blunders.

A well-written social media policy has three main sections: introduction, policy guidelines and conclusion.

Policy Introduction

Outlines how an organization and its employees should conduct themselves online.

It sets the tone of the policy. Be it super restrictive (don't) or guidelines for acceptable ways of thinking and acting with respect to social media (corporate culture), it's grounded in the company's mission and values.

It encourages and empowers employees to be responsible social media users by outlining acceptable and unacceptable behaviour in a manner that provides sufficient flexibility for the employee to promote the brand passionately in their own words.

Policy Guidelines

Guidelines are best developed in consultation with employees.

1. Describe the actions of employees for interacting with social media.
2. Make clear distinctions between private and personal communication and company domains.
3. Outline how employees engage the brand on social media.
4. Clearly delineates what corporate knowledge is confidential and lays out how and when employees should use social media in their social media communications.
5. Unequivocally outlines the consequences of abusing social media up to and including termination.

Social media policy is best crafted as an educational tool that teaches proper social media etiquette whether it be acting as a corporate ambassador or a social media junkie.

Policy Conclusion

The policy conclusion provides company contacts and links to other resources where employee's questions can be directed or more information found.

Access to a confidential anonymous hot line for whistleblowers.

THE BOTTOM LINE

Social media policies will not prevent scandals from occurring that tarnish a business's reputation.

Rather it is a call to action that encourages employees to think before they click and damage the corporate as well as their personal reputations.

About the Author



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Employees Gone Wild: 8 Reasons You Need a Social Media Policy TODAY (Aliah Wright)

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