

The Ethical Climate of Facebook

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When social media and digital marketing giant, Facebook began almost 15 years ago, the website was purely a way for college students to connect. As the company was established and grew, it has arguably changed digital communication, consumerism, and advertising more than any other digital tool since the inception of the internet. With more than 2 billion users worldwide, Facebook continues to fulfill its mission to “Give people the power to build community and bring the world closer together” (Facebook, 2019). However, as Facebook has grown in both the scope of its offerings and from a private to a publicly-traded company, their leadership has been faced with ethical dilemmas society has never faced. How Facebook reacts to these ethical dilemmas will make them pioneers in not just social media but societal expectations, norms, and digital ethics. To date, Facebook CEO Mark Zuckerberg and COO, Sheryl Sandberg, have shown ethical disengagement and an instrumental climate in their reaction to a variety of ethical dilemmas.

The ethical artifact that represents the decoupling at Facebook is an image of a black zipper partially unzipped on a red background (Jackson et al., 2018, Appendix). This image is symbolic of the hoodies that Zuckerberg favored when Facebook was in its start-up phase. However, the zipper is coming apart signifying the disconnect between what Facebook’s purpose claims to be and the actions its leadership has taken. Institutional decoupling is the phenomenon where there is a gap between an organization’s stated policies and its real practices. A zipped zipper is unified and acts as one, taking opposites and melding into a functional tool. Likewise, organizational leadership must represent a consistent pattern of behavior that models the values of the organization.

Facebook leadership and their reaction to the following examples show a pattern of decision-making and leadership ethics that have built an ethical climate that is in direct contrast to the values of the organization. Facebook lists their principles as: give people a voice, build connection and community, serve everyone, promote economic opportunity, and keep people safe and protect privacy (Facebook, 2019). In particular, the leadership response and behavior of Zuckerberg and Sandberg conflict with these values. Johnson (2016) describes instrumental climates as those that “encourage self-serving (egoistic) behavior, which is often economically driven.”

Zuckerberg and Sandberg have been slow to respond to the issues outlined below, and when they do respond, they seem to use a common set of tactics. Frenkel, Confessore, Kang, Rosenberg, and Nicas (2018) described it best when they wrote that Facebook’s communications tactic during crisis or scandal is to delay, deny, and deflect. Arnett, Fritz, and McManus (2017) write that “Communication ethics is about filling the void of absence with insight into different ideas and perspectives; it is about showing up and engaging what is before us.” As leaders, Zuckerberg and Sandberg set the tone for the entire organization. Their ability to handle criticism and steer the company into new frontiers lacks courage and transparency. Johnson (2016) posits that leaders are responsible for shaping culture and can curb or promote behavior that is destructive by leading through example. Facebook leadership has shown time and time again that their response doesn’t align with the stated principles of the company.

Cambridge Analytica. In 2015, Facebook became aware that the political advertising group, Cambridge Analytica, and other third-party apps were using Facebook user data in ways that violated user agreements and company policy (Feiner, 2019). In some cases, Facebook user data was scrapped through users’ friends’ accounts without the friend’s knowledge. Zuckerberg

testified in front of congress in 2018, reassuring lawmakers that the issue had been resolved. However, in 2019 the Securities and Exchange Committee placed Zuckerberg back in the hot seat, accusing him of providing misleading information in the initial filings. This situation is another example of Zuckerberg's tendencies to skirt around details and withhold information. His actions and testimony show direct conflict with Facebook's principle to keep people safe and protect privacy. Furthermore, Zuckerberg set a precedent with this interaction that would influence the ethical dilemmas the company would continue to face.

Holocaust Deniers. As Facebook has grown, issues of hate speech, bullying, and toxic content have grown with it. In 2018, Zuckerberg was criticized by the media and anti-defamation groups for suggesting that posts denying the Holocaust be allowed on the platform because "I don't believe that our platform should take that down because I think there are things that different people get wrong. I don't think that they're intentionally getting it wrong ... It's hard to impugn intent and to understand the intent" (Hern, 2018). Although Zuckerberg described being deeply offended by the claims, his initial reaction was to defend the rights of those who choose to post on Facebook no matter the content. The company has a policy against hate speech that reads that to be considered hate speech, posts must contain "violent or dehumanising speech, statements of inferiority, or calls for exclusion or segregation" (Hern, 2018). Facebook denies that Holocaust deniers fit in this category.

Facebook values protecting free speech and giving everyone a voice, but attempts to thwart hate speech. This scenario represents a disconnect between providing safety for users and allowing free speech. Zuckerberg's response to this issue was inconsistent. For instance, in Germany, it is illegal to claim the Holocaust did not happen, so in Germany, Facebook content

was removed. Why would the company allow the same content, determined to be hate speech in the country of origin of the Holocaust be published elsewhere?

Russian Election Interference. In 2016 as Donald Trump and Hillary Clinton campaigned for the office of the president of the United States, foreign agents from Russia as well as those looking to make a profit off of web traffic, posted fake and often tabloid-worthy stories about both candidates online and pushed traffic to their fake news sites through Facebook. When this came to light, Zuckerberg initially denied that this content could have swayed the election and attempted to downplay the power of Facebook. Eventually, under pressure from the U.S. and foreign governments, Zuckerberg admitted that the company had much more work to do to ensure the propagation of fake news stopped (Johnson, 2016, pg. 351 – 352). According to an investigation by the New York Times (Frenkel et al., 2018), fake news was not the only problem. Russian hackers who had stolen emails from the Democratic Party attempted to share the stolen emails via Facebook with Facebook members who were involved with the presidential campaigns and placed advertising on the site. Facebook executives were made aware of this six months before the 2016 presidential election. Later it was found that Vladimir Putin had directly ordered Russian agents to wage an influencer campaign to assist Donald Trump's ascension to the White House. When pushed, Facebook admitted that over 126 million people had seen the Russian content.

While Facebook does value giving people a voice, their actions and response to the Russian scandal were not in line with their value of keeping people safe. Zuckerberg and Sandberg only acknowledged the issue when pressured to do so by the Facebook board, and then they only shared bits and pieces of the issue publicly. The company's leaders went from denying there was an issue to making a statement that there was a small issue to eventually admitting that

they did not have a reasonable handle on how Russia had used their platform to influence American politics. Technically, there is nothing in Facebook's principles that says the company invests in protecting the truth. Unintentionally, Facebook has become a news source for many of its users, but the company has not adopted the ethics of a news organization.

Political Advertising. Fast forward to 2019, and Facebook has continued to stay in the spotlight with regards to privacy concerns and claims of protecting first amendment rights. Recently, Google announced it would place restrictions on political advertising, putting political pressure on Facebook to do the same. But Facebook maintains that fact-checking political ads is not their job and would infringe on users first amendment rights. However, the New York Times reported that the company is looking into its policies on advertisers targeting abilities. Isaac (2019) writes, "On the one hand, the company wants to curtail the spread of disinformation across its site. The practice of targeting specific groups with ads, known as "microtargeting," can stoke disinformation because advertisers can inflame niche audiences who may be susceptible to tailored messages."

Digital Consumer Behavior. Perhaps the largest ethical dilemma all social media companies face is the effects of social media consumption on consumer well-being. Like many areas of the new digital frontier, the effects of social media and screen time on mental health are not entirely understood. Twenge (2018) claims that social media and screen time has a direct correlation to mental health issues like anxiety, depression, and suicide rates among GenZ. However, other researchers believe there is not enough data to make a strong link between social media use and mental health. A study by Heffer, Good, Daly, MacDonell, and Willoughby (2019) found that the more people used Facebook, the more the researchers could predict subsequent increases in negative emotions, and when Facebook was not used for a week, users reported more positive

emotions. Although research is in the early stages, there is enough data to be concerned about how social media may be changing users' brain chemistry. A report by Fowler (2017) found that social media activities like producing content and then having that content reacted to light up the same areas of our brains as slot machines. Arnett et al. (2017) write, "If we are in the dark in an area we do not know well, it is prudent to learn what is before us before we run off with confidence, or we are likely to collide with something in our ill-considered movement." In the case of Facebook, their speed to market and ongoing product complexity are moving faster than our ability to understand the effects of their products. There is an undeserved confidence that the company projects as it tackles each new scandal, and that has resulted in the collisions mentioned by Arnett.

Facebook's Ethical Climate Effects on Stakeholders

When Facebook became a publicly-traded company, its stakeholder landscape became increasingly complex. Over the last 15 years, the company has gone from having user and employee stakeholders to investors, a board, stockholders, advertisers and marketers, and the millions of companies that rely on Facebook to connect with consumers. Below four stakeholder types are explored.

Internal Stakeholders

Employees. In each of the ethical examples listed above, Facebook employees alerted leadership about ethical issues long before the company publicly acknowledged or admitted to problems. Particularly during the 2016 issues with Russia using the site to influence and disseminate false information, many employees attempted to be open and even wrote a report about their findings. Zuckerberg and Sandberg refused to let the employees release the

information they had found. Instead, they released watered down reports via the company blog and engaged lobbyists and political advisors to help the company through the scandal.

Zuckerberg and Sandberg's behavior has caused a shift in company norms. Johnson (2016) states that norms often have more influence than company policies and regulations. Zuckerberg and Sandberg have habitually engaged in norms that do not align with the company's stated values and qualify for many of the attributes listed in Johnson's (2016) characteristics of ethically decoupled organizations including seeing ethics as a means to an end, being driven by the bottom line and preventing members from making moral choices. Not surprisingly, Facebook has seen an uptick in turnover and criticism from former employees, including Facebook co-founder, Chris Hughes who wrote an op-ed about the need to break Facebook up. Hughes (2018) writes, "Mark is a good, kind person. But I'm angry that his focus on growth led him to sacrifice security and civility for clicks. I'm disappointed in myself and the early Facebook team for not thinking more about how the News Feed algorithm could change our culture, influence elections and empower nationalist leaders. And I'm worried that Mark has surrounded himself with a team that reinforces his beliefs instead of challenging them."

Marketing Professionals and Advertisers. It is worth noting that marketers and advertisers who use Facebook also have an ethical duty to consumers. Marketing has never been able to target consumers based on interest, demographics, and activity in this way before. Facebook dramatically changed advertising, allowing for a medium that lends itself to message tailoring, reach, affordability, and measurement – to put it bluntly, it is a marketer's dream. Marketers rightly lost themselves in delight, but consumer privacy issues were not top of mind in this new world. General Data Protection Regulation (GDPR) and a deepening of understanding of and expectation of data privacy are driving consumers' online behavior. Wright (2019) writes of

possible solutions for marketers to meet consumers halfway: a merging of consumer analytics privacy data, allowing customers to know what a company knows about them, providing options for consumers to opt-out of some communications without fully opting out of a database and giving individuals the right to be completely removed from a company database. For too long, Facebook has been on the defense. The company must adjust to changing consumer understanding of data and privacy and take proactive steps to help marketing professionals understand how they are using consumer data.

External Stakeholders

Consumers. There is no doubt that Facebook has opened up a world of communication and connectivity the world has never seen before. What started as a social experiment with the lofty goal of connecting people and creating community, has become a company that provides “free tools” to consumers powered off of advertising profits. Consumers who began using Facebook before it became an advertising platform willingly shared personal information to join what they thought of as an innovative way to communicate. However, that data is exploited and used in ways initial users probably never anticipated. It is difficult to place blame on Facebook for changing its business model. After all, consumers willingly joined and could leave Facebook at any time. However, the company has made decisions and changes to their products that have directly impacted consumer health. The most impactful change was the addition of the like button, which has been proven to create a feedback loop in the brain, increasing endorphins and the illusion of connection. Facebook has an ethical duty to consumers to lead the charge on investigating the effects of using their platforms and protecting user privacy. Ethically, Facebook, and the businesses that use Facebook to reach consumers must understand if it is

possible to both expose and protect consumers to the possible mental health repercussions of using social media.

Government. The success of Facebook depends on the organization's ability to work with the U.S. government to find solutions and drive the formation of digital ethics. This relationship is an important part of the organization's actions as a corporate citizen because the company wishes to create and serve communities. To date, Facebook has been on the defense and has not taken a leadership role in shaping privacy laws or displayed transparency about its business dealings. This behavior has left American politicians skeptical of Facebook when the expectation is that organizations in the U.S. will play fair and protect consumers. Facebook's government partnerships in foreign countries may be acting as corporate social responsibility efforts, while really aiming at opening new avenues of business. For instance, Facebook provides education resources in China, which is believed to be an effort to sway the government there to open the country's market to the social channel (Kissinger, 2018).

Ethical Recognition and Position

Facebook only seems to be serving one group of stakeholders well – its stockholders. Advertising revenue grew 30% in the last quarter for the company, and the stock price reflects that. Zuckerberg and Sandberg's actions and ethical decision-making seem focused on positioning the company to continue to make a profit and growing the company's services and offerings. There are also elements of egoism in Zuckerberg and Sandberg's leadership choices. Both have created sub-brands and side projects that take their focus away from Facebook (Frenkel et al., 2018). While there is no doubt that Facebook is a pioneer in digital communication, the company seems to have no focus on the ethical ramifications of their products. As Lidow (2019) writes, companies in Silicon Valley are rewarded for expedient

decision-making, not ethical decision-making. Certainly, Zuckerberg and Sandberg have dealt with ethical issues that have not occurred in society before, but their lack of initiative and foresight show that their ethical point of view congruent with ethical egoism and the economic principles of Friedman. Their focus is the business and the business only. Johnson (2017) writes that ego at the top of the hierarchy can be especially harmful as it allows these leaders to justify behavior on the belief that it's necessary for the success of the organization.

Conclusion

Technology is outpacing consumer understanding and has given rise to ethical conundrums that have no precedent. Facebook is the poster child for this new age and has an ethical responsibility to shape the future of online communities and communication. To date, Facebook leaders have not served consumers in terms of understanding and protecting them from potential harm. In a capitalist society, Facebook has the right to shape their business strategy to make profits, but they also must protect consumers who use their products. There is a societal expectation that organizations will “act as citizens who promote the welfare of society” (Johnson, 2017). Facebook has work to do.

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Appendix

