

Executives need social media contracts

Executives have cited reputation as one of their top risk factors according to numerous reports. Fake news, fake social media accounts and cyber security are increasing the reputational risk in the digital world.



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“As a measure of defence, many businesses will have social media contracts and policies in place for employees, but surprisingly, not at the c-suite or board levels,” says Leon Ayo, CEO of executive search firm Odgers Berndtson Sub-Saharan Africa. “It is common practice for large companies to have social media contracts in place for executives throughout the UK, Europe and USA, but this is not yet the case in South Africa.”

Need for social media contract

The purpose of the contract is not to sensor or inhibit freedom of speech but rather to ensure the presence of executives on social networks does not compromise the company or its business image.

Recently, Helen Zille’s tweets about colonialism received serious backlash, which discredited not only the Democratic Alliance as a political party but also brought into question its current leadership. In addition, reputational and brand risks from executives posting inappropriate material can evolve to business or revenue risks, where there is a loss of regard from stakeholders.

On the other hand, social media has changed the communications dynamics between executives, employees and customers and the benefit is making people feel more connected. A more connected world contributes to the business objectives of the organisation. Locally, Michael Jordaan, former CEO of FNB was the Twitter trailblazer for the c-suite and was coined by IT media as the coolest CEO in the country.

Leadership authenticity mitigates digital reputation damage

Social media contracts are certainly the practical measures for countering reputational risk in the digital world but leaders must also ensure their authenticity, both in the online world as well as the offline world. Whatever a leader is prepared to say online, he or she must be prepared to share in a face-to-face environment too. Barack Obama is a common reference

for excellence in authentic leadership across various social media platforms because whatever he posts is reflective and authentic to what is happening offline too.

High risk factors such as fake news or fake social media accounts cannot be countered using social media contracts which is why authenticity plays such a necessary and important role.

“Should a fake news story about an executive be published, for example, and is damaging to that reputation, a digital presence where the content and messaging is both authentic and consistent would be able to counter this risk. The same applies for a fake social media account. Executives must use the digital world to gain trust with stakeholders and proper trust comes from authenticity, just as they would do in the offline world.”

Not only are fake news sites or social media accounts a possibility but so too are the chances of executives’ social media accounts being hacked, especially off the back of ransomware attacks such as the recent WannaCry.

“This is just an example of how hackers are increasing reputational risks and the next step could see executives’ accounts being hacked. Imagine comments made by a CEO on social media pertaining to price sensitive information and the impact it would have on share prices. Requirements for secure passwords, as outlined in a social media contract combined with leadership authenticity, would be able to counter such a risk.”

Ultimately, executives cannot shy away from social media but also need to be aware of the pros and cons when communicating in a public forum.

“People are not always going to like what you say or comment on and the c-suite may come under fire for this. At the same time, a well thought out social media strategy, contract and principles of authenticity will go a long way to counter this risk,” concludes Ayo.

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