# Assignment 2 Facebook privacy issue

*by* Sarah Abdulaziz A Alseghayer

**Submission date:** 18-May-2018 03:11AM (UTC+0100)

**Submission ID:** 89473741

**File name:** 4189_Sarah_Abdulaziz_A_Alseghayer_Assignment_2_Facebook_privacy_issue_111237_1797727570.docx

**Word count:** 2491

**Character count:** 16115

# Critical discussion of Business Ethics and the Internet

Student name:
Sarah Abdulaziz Alseghayer
Student number:
P142708
Submission date:
18/5/2018

## Table of Contents:

Executive Summary....3
Introduction....3
Key Concepts and Relevant Theories....4
**Business Ethics**....4
**Shareholder theory**....5
**Stakeholder theory**....5
**Legitimacy theory**....6
**Corporate Social Responsibility (CSR)**....6
Background of Facebook Company....7
Case Study: Facebook Ethical Issues....7
Conclusion....11
Recommendation....11
**References**....12

## Executive Summary

The focus of this report is to engage on a discussion that focuses on business ethics and the internet while focusing on Facebook, a leading social media website and company, as the case study for this discussion as well as its influence on the society. Following the discussion, the report presents the theories for business ethics, such as business ethics, shareholder, stakeholder, legitimacy and Corporate Social Responsibility (CSR), and discusses their application using Facebook as the case studies.

## Introduction

In this report, the discussion focuses on evaluating the approaches in which social networking sites (SNS) have become the most important communication tool for people and business around the world. In addition, the report analyses the significant powerful marketing tool that social media websites present to businesses in advertisement. Moreover, individuals can use SNS to find job opportunities while business organisations could use SNS to market and promote their products. To achieve this objective, the report focuses on Facebook to discuss the issues related to privacy in relation to its users' data since there have been privacy issues that have already been highlighted by researchers (Latulipe, 2010). In this case, the privacy issues on Facebook will focus on discussing the ethical issues surrounding Facebook and consequently make some recommendations on how the company could improve its ethical performance in relation to privacy.

**Key Concepts and Relevant Theories**

In this part, the discussion focuses on evaluating the key concepts, which are business ethics and corporate social responsibility. In addition, some relevant theories such as, stakeholder theory and shareholder theory are discussed since they underpin the discussion in relation to the application of business ethics when using social media.

**Business Ethics**

According to Pimple (2012), business ethics is known as the written and unwritten codes of principles and importance that run decisions and actions within an organisation. Researchers indicate that each organisation has a unique culture that sets the criteria for defending the diversity between right and wrong, organisational decision-making as well as organisational behaviour. Furthermore, the culture within an organisation dictates the business ethics in relation to the individual behaviour of employees within the organisation, which are reflective of the organisation (Pimple, 2012).

Social media companies, such as Facebook, identify ethics as an element of CSR that establishes business operations by guiding activities within an organisation. In effect, business ethics and CSR have become an essential element of business studies. Consequently, researchers have engaged in studies on these subjects with a study by Bird et al. (Hall, 2007) indicating that the approaches are rooted in social, economic and cultural changes that took place in the 1980s and 1990s.

**Shareholder theory**

An individual or an entity that owns a part of an organisation through ownership of the company's stock is a shareholder (Fontinelle, 2018). As such, shareholders are affected by the company's operations and the success of the organisation translates to their increased valuation of the stock they held on the company as well as increased dividends to their stock (Kilroy and Schneider, 2017). In effect, social media sites fundamental responsibility is to create value for their shareholders. Moreover, organisations focus on achieving business sustainability with CSR identified as an approach that businesses could pursue towards achieving sustainability, which guarantees more value to the shareholder.

**Stakeholder theory**

In comparison to the shareholder theory, the stakeholder theory is interested on the input of an individual, or an entity, and their effect on the organisation, or vice versa (Hatch, 2018). Due to the stakeholders' theory, different individuals, or entities, have a voice in the operations of an organisation as well as its decision-making (Crane and Ruebottom, 2011).

Based on its significance, stakeholder engagement is an essential element of a successful implementation of an organisation's corporate social responsibility (CSR) policy (Abitbol and Lee, 2017). In line with this, McWilliams and Siegel (2001) noted that CSR activity of different organisations act in promotion of the organisation's social good as well as the interest of the organisation, which is a requirement by law. The categories of stakeholders' theory, according to (Mitchell, Agle, Chrisman and Spence (2011), fall under broad and narrow categories.

In the contemporary society, however, the stakeholders' theory is no longer applicable in reality as it would have been some years back since the growth and sustainability of modern

business organisations rare translates to the social welfare. In this case, contemporary organisation's objectives mainly focus on creating shareholders' value and generating more wealth for shareholders with little regard to the social welfare, which is the case for social media companies based on the increased cases of unethical incidents reported in the media (Takacs Haynes, Campbell and Hitt, 2016).

**Legitimacy theory**

Legitimacy theory is a model that a situation or condition, which exists within an organisation, is congruent with the value system of the larger social system of which the entity is a part (Colombatto, 2012). In effect, social media companies could adopt this theory to implement a CSR policy in three approaches as postulated by Bhattacharyya (2015). First, the organisation can adapt their operations, output and goals to conform to prevailing definitions of legitimacy. Second, communication helps the organisation change the definition of social legitimacy by integrating it to current practices of an organisation as well as its output and values. Finally, could utilise communication to structure its symbols, values, or institutions within a strong base of social legitimacy (Bhattacharyya, 2015).

**Corporate Social Responsibility (CSR)**

Corporate social responsibility is a strategy that demands to understand the various stakeholders within an organisation's environment (The University of Edinburgh, 2018). In addition, CSR focuses on enhancing the ethical behaviour and operations of an organisation. In this case, it implies taking responsibility on economic, social and environment effect and looking on human rights (The University of Edinburgh, 2018). CSR is shown as voluntary corporate obligation to overrun the outright and implicit committing imposed on an

organisation by society's expectations of conventional corporate behaviour (Hou and Reber, 2011).

**Background of Facebook Company**

In 2004, Mark Zuckerberg founded Facebook with the company becoming the biggest social medial company in the world with over a billion users (Facebook, 2018). Mark believes that Facebook's main objective is to unite the world. On March 2018, Facebook had 1.45 billion daily active users and on the end of March, it increased to 2.2 billion monthly active users and it is the biggest social media site in the world (Facebook, 2018). Moreover, the company has over twenty thousand employees with their mission focusing on communication with people and business (Facebook, 2018). Nonetheless, a majority of the social network sites' users use the site to maintain contact with their family and friends and share their moments as well as videos and photos (Facebook, 2018). In addition, its capacity to ensure that users stay up-to-date with the news makes it appealing to users in the global environment (Facebook, 2018).

**Case Study: Facebook Ethical Issues**

As indicated earlier, the case study company for this assignment is Facebook. The company's mission is "giving people the power to share and make the world more open and connected" (Facebook, 2018). Undeniably, this mission is possible for the company since it is evident that the company has helped people connect through different approaches although also suggest that the company has engaged in some incidents with negative implications to the society, which raises ethical concerns. The most significant of these issues is to maintain the data privacy of its users and maintain the ethics of the professional work of the company. Despite

these ethical issues, Abrahamsson (2017) indicates that Facebook largely has positive outcomes that include the capacity to help build and develop relations, within an organisation to benefit a business, as well as improve communication and engagement with an organisation's customers, which improves organisational success.

Despite the popularity and benefits of Facebook, the company has faced a particularly difficult ethical dilemma, in recent times due to its innovative tools. Bird et al. (2007) indicates that the social network site, which started with the exchange of data in text and later advanced to exchange data in video and photo form has advanced its innovativeness and started live videos under Facebook Live. Based on this new innovation, criticism has been rife on this tool that has been used to broadcast unethical things such as killings and suicide. Most recently, Nieva and Solsman (2018) noted that the company was accused after a man uploaded a video of a shooting in Cleveland with the company's CEO noting that the company has a lot of improvements to make and guarantee ethical practices. Despite these assurances, Facebook faced similar criticism following a Thailand man that broadcasted the murder of his child before committing suicide on the same platform with the company only taking down the video after 24 hours. While Nieva and Solsman (2018) noted that the company is not the only social networking site that faces such challenges, its unique position as the leasing SNS with a huge user base makes it attract the attention with stakeholders requiring the company to act more in ensuring that the company engaged in ethical practices. One of the approaches that the company has used to address these unethical practices is to hire three thousand employees that are responsible for reviewing users' content with the objective of stopping and curbing unethical practices that are signified by the violent and sensitive videos uploaded on the site without comprising its live streaming tools (Zlatolas et al., 2015).

Figure 1: This figure is an image of a Facebook user using the Facebook Live feature on the SNS (Griffith 2016)

Other than the unethical practices fuelled by the live-streaming tools, the company has faced one of the biggest privacy issues faced by a social networking site in recent times. In this case, Cambridge Analytica, a data analytics company that has been accused of engaging in unethical behaviour, was accused of illegally gaining access to hundreds of Facebook users' data and using it to engage in unethical behaviour, which Zuckerberg and admitted failure on Facebook's part (Castillo, 2018). Cambridge Analytic used personal data by using an app called *quiz app* that focused on mining user data to target ads, which were mainly propaganda content, to potential voters of President Donald Trump as well as in other countries (Castillo, 2018).

By gaining access to private data using an unethical practice, Facebook failed to guide its users' data with different ethical implications on its business. For instance, it is important for the company to acknowledge the privacy concerns associated with the users' data since the company owes its users a duty of care based on the stakeholders' theory. In addition, corporate social responsibility requires the company to take responsibility on economic,

social and environment effect and focusing on the human rights of an individual based on their need for data privacy. By allowing Cambridge Analytica to use Facebook users' data without the users' consent, Facebook failed to take responsibility over the data that their users have entrusted them with, which is a breakdown of responsibility and influences its overall CSR practices.

## Conclusion

Overall, this report has discussed ethical behaviour on a social network site organisation by focusing on Facebook and the prevailing privacy and other ethical issues using the SNS. In addition, the discussion has presented the issues facing Facebook and made proposals on the different approaches that the company could use to improve its ethical behaviour in business.

## Recommendation

It is a known fact that Facebook is the most popular social media in the world and it helps people connect with their friends and family as well as make new connections. Furthermore, it helps in businesses such as marketers and in advertisement although putting private information on social media has established a new problem related to unauthorised use of private and persona data as well as tracking other people's live in an intrusive manner that is potentially egregious. In effect, the recommendations made include:

1. Facebook should create more awareness about how users could ensure their individual privacy on the data that they shared on the platform.
2. Facebook should review the use of 'Facebook Live" because this application is difficult to control unethical incidents occurring via this innovative approach.
3. Overall, Facebook's operations should be guided by the desire to safeguard the privacy of its users' data.

**References**


Abitbol, A. and Lee, S. (2017). Messages on CSR-dedicated Facebook pages: What works and what doesn't. *Public Relations Review*, 43(4), pp.796-808.

Abrahamsson, C. (2017). *The advantages of social capital for businesses on Facebook*. [ebook] Halmstad,:Halmstad University. Available at: https://www.diva-portal.org/smash/get/diva2:1065203/FULLTEXT01.pdf [Accessed 5 May 2018].

Bhattacharyya, A. (2018). Corporate Social and Environmental Responsibility in an Emerging Economy: Through the Lens of Legitimacy Theory. *The Australasian Accounting, Business and Finance Journal*, [online] 9(2), pp.77-92. Available at: http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1573&context=aabfj [Accessed 5 May 2018].

Bird, R., Hall, A., Momentè, F. and Reggiani, F. (2007). What Corporate Social Responsibility Activities are Valued by the Market?. *Journal of Business Ethics*, 76(2), pp.189-206.

Castillo, M. (2018). *Facebook's Mark Zuckerberg: 'I'm responsible for what happened'*. [online] CNBC. Available at: https://www.cnbc.com/2018/04/04/mark-zuckerberg-facebook-user-privacy-issues-my-mistake.html [Accessed 5 May 2018].

Crane, A. and Ruebottom, T. (2010). Stakeholder Theory and Social Identity: Rethinking Stakeholder Identification. *SSRN Electronic Journal*, 102, pp.77-87.

Facebook (2018). *Company Info | Facebook Newsroom*. [online] Newsroom.fb.com. Available at: https://newsroom.fb.com/company-info/ [Accessed 5 May 2018].

Fontinelle, A. (2018). *Shareholder*. [online] Investopedia. Available at: https://www.investopedia.com/terms/s/shareholder.asp [Accessed 5 May 2018].

Griffith, E. ( 2016). Facebook's Live Videos Just Got a Bunch of New Features. Available at: http://fortune.com/2016/04/06/facebook-beefs-up-live-video/ [Accessed: 17 May 2018].

Hou, J. and Reber, B. (2011). Dimensions of disclosures: Corporate social responsibility (CSR) reporting by media companies. *Public Relations Review*, 37(2), pp.166-168.

Hull, G., Lipford, H. and Latulipe, C. (2010). Contextual gaps: privacy issues on Facebook. *Ethics and Information Technology*, 13(4), pp.289-302.

Kilroy, D. and Schneider, M., 2017. *Customer Value, Shareholder Wealth, Community Wellbeing: A Roadmap for Companies and Investors*. Springer.

Mitchell, R., Agle, B., Chrisman, J. and Spence, L., 2011. Toward a Theory of Stakeholder Salience in Family Firms. *Business Ethics Quarterly*, 21(02), pp.235-255.

Takacs Haynes, K., Campbell, J. and Hitt, M., 2016. WWhen more is not enough: Executive greed and its influence on shareholder wealth. *Journal of Management*, 43(2), pp.555-584.

Nieva, R. and Solsman, J. (2018). *Can Facebook solve its violent video problem?*. [online] CNET. Available at: https://www.cnet.com/news/facebook-live-violence-cleveland-thailand/ [Accessed 5 May 2018].

Pimple, M. (2012). Business ethics and corporate social responsibility. *Journal of Management Research and Reviews*, 2(5), pp.761-765.

The University of Edinburgh (2018). *What is corporate social responsibility?*. [online] The University of Edinburgh. Available at: https://www.ed.ac.uk/careers/your-future/options/occupations/csr/what-is-csr [Accessed 5 May 2018].

Zlatolas, L., Welzer, T., Heričko, M. and Hölbl, M. (2015). Privacy antecedents for SNS self-disclosure: The case of Facebook. *Computers in Human Behavior*, 45, pp.158-167.

# Assignment 2 Facebook privacy issue

ORIGINALITY REPORT

| 22% | 15% | 10% | 19% |
|---|---|---|---|
| SIMILARITY INDEX | INTERNET SOURCES | PUBLICATIONS | STUDENT PAPERS |

PRIMARY SOURCES

| | | |
|---|---|---|
| 1 | Submitted to Nottingham Trent University<br>Student Paper | 2% |
| 2 | eprints.soton.ac.uk<br>Internet Source | 2% |
| 3 | Submitted to Canterbury Christ Church University<br>Student Paper | 1% |
| 4 | Submitted to University of Wales Institute, Cardiff<br>Student Paper | 1% |
| 5 | Submitted to South Bank University<br>Student Paper | 1% |
| 6 | www.researchgate.net<br>Internet Source | 1% |
| 7 | ltu.diva-portal.org<br>Internet Source | 1% |
| 8 | ro.uow.edu.au<br>Internet Source | 1% |

| | | |
|---|---|---|
| 9 | Submitted to Mont Blanc Palace<br>Student Paper | 1% |
| 10 | Submitted to University of Sunderland<br>Student Paper | 1% |
| 11 | www.ics.uci.edu<br>Internet Source | 1% |
| 12 | Submitted to University of Greenwich<br>Student Paper | 1% |
| 13 | Submitted to St. Patrick's College<br>Student Paper | 1% |
| 14 | Chang, Kuei-Lun. "A hybrid program projects selection model for nonprofit TV stations. (Research Article)(Report)", Mathematical Problems in Engineering, Annual 2015 Issue<br>Publication | 1% |
| 15 | Submitted to Ramapo College<br>Student Paper | 1% |
| 16 | Submitted to FAME International College<br>Student Paper | 1% |
| 17 | Submitted to University of Birmingham<br>Student Paper | 1% |
| 18 | crzp.uniag.sk<br>Internet Source | 1% |

Cathy Driscoll. "The Not So Clear-Cut Nature of

| | | |
|---|---|---|
| 19 | Organizational Legitimating Mechanisms in the Canadian Forest Sector", Business & Society, 2016<br>Publication | 1% |
| 20 | ecu.summon.serialssolutions.com<br>Internet Source | 1% |
| 21 | Submitted to BPP College of Professional Studies Limited<br>Student Paper | 1% |
| 22 | Submitted to University of Wales, Lampeter<br>Student Paper | 1% |
| 23 | Submitted to Oxford Brookes University<br>Student Paper | <1% |
| 24 | www.google.co.uk<br>Internet Source | <1% |
| 25 | www.diva-portal.org<br>Internet Source | <1% |
| 26 | www.digitalcultureandeducation.com<br>Internet Source | <1% |
| 27 | gredos.usal.es<br>Internet Source | <1% |

Exclude quotes Off Exclude matches Off

Exclude bibliography Off