

# *Why company directors should use social media*



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## *About Connect and Reflect*

Company directors face a wide range of challenges, and how to reverse the decline in public trust is a persistent underlying theme. It is increasingly apparent that minor adjustments to traditional corporate governance won't be enough to fully meet rising expectations. Companies and directors need practical but radical ideas about how to break the deadlock. ICAEW's proposal is the package of measures outlined in the Connect and Reflect series. We believe that a step-change is possible if assumptions are challenged and conventions are refined.

Improving the public's empathy towards companies and company directors is the central objective of Connect and Reflect, and this requires fresh dialogue between new participants. Attitudes can change if directors are willing to share their opinions and listen to counterarguments. Social media is ideal for this purpose.

## *The power of social media*

Social media has revolutionised communications and a lot of people cannot imagine their lives without it. The impact on commerce, politics and civil society is unquestionable. Social media is ubiquitous and it has changed the world we live in fundamentally and forever. This is why it is untenable for directors to be silent observers.

There are multiple reasons for the popularity of social media. It is very convenient because it can be accessed by mobile phone while on-the-go. It is an enjoyable way to stay in touch with friends and family, and it also enables contact with individuals and ideas from around the globe. It provides entertainment, a means of escape and encourages people to broaden their horizons. Social media is central to the spread of breaking news and to the shaping of opinions because all sides of any story or argument can be expressed and discussed.



## *Social media for directors*

Directors will be aware that their companies are expected to find ways to engage with all stakeholders. Social media is useful because it attracts an enormous number of users, including company employees, suppliers, and existing and new customers. Some users engage with social channels multiple times a day because they dread missing out or being uncontactable. They may end up spending as long on social media as they do sleeping because they are permanently glued to their mobile phones.

### **Nomophobia**

No-mobile-phone-phobia is an anxiety disorder suffered by mobile phone users when they run out of battery or credit, or they have no network coverage. Nomophobia isn't restricted to those with pre-existing social anxiety.

Directors who add their stories and opinions to social media will support their companies' social media activities, and demonstrate their willingness to engage in new conversations. The public will be relieved to discover that directors care about what they think, and directors will see for themselves that the public are interested in what they know. This dialogue will reap maximum benefits if it involves a candid but respectful exchange of views, followed by reflection about what's been heard.

If directors make themselves accessible through social media this will help resolve misunderstandings, heal animosity and meet the public's curiosity about who is in charge of companies. The insights which emerge will improve boards' decision-making, and the diversity of the director community will be transparent.

A fresh analysis of social media and objective consideration of its benefits will inspire directors to take part, and the steps in our action plan will allay fears and cure inertia.

## *Five home truths about social media*

### 1. ROOTED IN HUMAN NATURE

Directors should find comfort in the fact that social media simply reflects human nature. It facilitates people's desire to have their say, and it taps into the innate craving for companionship which is the foundation of emotional health. Just as herding is a natural phenomenon for animals, people are naturally social which is why solitary confinement is used as a punishment.

Social media allows people who feel passionately about a subject to coalesce even if they disagree. However, those who share similar interests and strong opinions have often formed groups and tried to persuade others to join their cause. 'Likes' on social media have made it much easier to show public support but the desire to find common ground isn't new.

### 2. UNCOMFORTABLE AND IMPERFECT, BUT HERE TO STAY

Directors may feel frustrated and unsettled by the idea that social media is pervasive, and that what gets said can be regarded as more important than what gets done. Short and blunt posts may feel unnatural, and the emphasis on instant gratification can exasperate directors because they believe in deferred gratification having worked long and hard to achieve their success. Other perceived flaws include fake news and the ability to hide behind anonymity.

These problems are unlikely ever completely to disappear. However, by now the do's and don'ts are well known. A wide range of prominent individuals including royalty now feel confident enough to use social media.

### 3. CRITICAL FOR COMPANIES

In the digital age, reliance on top-down, one-way and faceless company communications is outdated. Companies have learnt that it is pointless reacting to what's happening on social media by issuing a traditional press release the following day.

Marketing departments are well aware that social media is the modern word-of-mouth. It is used for launching new products or services, and for the accumulation of customer data which allows companies to target their adverts. Online customer reviews are what really determines success or failure. This feedback is regarded as reliable and authentic, so positive reviews are priceless for companies. Reviews may be in the form of star ratings and appear on comparison websites.

The perceived risks of social media need to be kept in perspective because reputational crises already occurred. AGMs could already be infiltrated by activists, news could be leaked by insiders and CEOs occasionally said the wrong thing in public. Although social media allows public relations disasters to go viral in real-time, this is balanced by companies' use of social media to deal efficiently and effectively with complaints. Transport companies are particularly adept at using social media to keep their customers up-to-date about delays, cancellations and winning awards.

Social media also allows companies to monitor their competitors. Companies like to track when and how competitors launch new products or services, and it is easy to monitor whether the reception is positive or negative.

#### **Skip The Dishes**

When Uber Eats in Canada failed to deliver the free ice cream they had promised complaints started appearing on social media. Rival food delivery company Skip The Dishes saw an opportunity and filled the gap. As a condition for receiving ice cream customers had to provide their personal details, which allowed Skip The Dishes to increase their subsequent market share.

#### 4. IMPORTANT FOR CEOs

CEOs need a variety of personal qualities including sufficient confidence and presence to be the public face of their company. Directors should follow some popular CEOs and entrepreneurs on social media in order to see what good and bad looks like.

The personal and professional advantages of social media for CEOs outstrips the time they need to dedicate to it. CEOs benefit from direct engagement with their employees who like to hear from them on social media because it's a convenient medium which blends with their personal lives. When employees see what their CEO is saying on social media they may feel a sense of pride. Social media is a good way for employees who work remotely or may never meet their CEO to stay in touch and feel part of the bigger team. If the cleaner follows the CEO it's a great place to work.

CEOs' proximity to their company's communications specialists helps mitigate any risks. The close nature of this relationship makes it unlikely that the CEO will say the wrong thing. However, all executive and non-executive directors are as empowered as the CEO, and they should be equally trusted by each other and by their company. If any director's authority to be active on social media if they wish is unclear, or if a company regards a director as a loose cannon, then there are much bigger issues to address.

Although the evangelism of CEOs can generate excitement, over-reliance on any one individual can result in their posts sounding predictable, self-serving, one dimensional and monotone. This leaves a gap which other directors can fill.

#### Question time

Political parties need public support, and winning support requires party leaders to display their character and commitment. However, political parties don't completely rely upon centralised communications or the party leader. Other parliamentary candidates and party members are allowed or expected to be vocal on social media.

#### 5. VITAL FOR SURVIVAL

Confirming directors are active on social media may become a routine part of directors' recruitment by companies and investors' due diligence. Whether a director has a social media presence may be as important or more important than their actual posts. In time, silence and avoidance may be regarded as eccentric, or even as a dereliction of duty.

## *Five benefits for company directors*

### 1. UPDATED SKILLS

Directors who get social media right have an opportunity to mark themselves out as courageous trail blazers. Those who successfully adapt will hint at their stellar performance in the boardroom.

Directors have a head start in the skills needed for social media. Their ability to analyse lengthy board papers and engage in measured discussions provides a solid basis for the alternative styles of communication which are used on social media.

Social media will probably be completely natural for future generations of directors. As they will have been digital natives since childhood they will want to leverage social media to solve the challenges of long-termism, recruitment, diversity, succession planning and climate change. However, there is nothing to stop existing directors bringing these innovations forward.

### 2. ENHANCED CREDIBILITY

The ability to inspire confidence and galvanise people is a prerequisite for company directors. They are natural innovators and proficient at managing risks. Effective directors acknowledge the benefits of diversity. They regard disruptive thinking by challenging individuals as essential for the avoidance of groupthink.

#### Followers

Religious leaders could be described as the ultimate influencers, and social media could be described as a new religion. When the two come together it is a powerful combination. Pope Francis has revolutionised the papacy by opening an Instagram account, as well as picking up his own glasses from the opticians and driving his own car. He has positioned himself as an accessible and likeable leader regardless of opinions on Catholicism.

### 3. NEW NETWORKS

Traditional networking involves a balance between quality of relationships and quantity of contacts. In this model having a vast quantity of contacts is pointless unless the relationships involve mutual business interests, needs or ambitions. There is comfort in these closed groups because you are either surrounded by friends, or you are more likely to know who your friends are. However, the danger with closed groups is that they become a comfortable echo chamber.

Social media turns this equation on its head because it is based on loose networks of individuals who may have little or nothing in common and who may be virtual strangers. These characteristics are precisely what should encourage directors to join social media as it is a way to hear from admirers, engage with detractors and learn from critical friends. Directors may also learn about new opportunities for themselves or for their companies through social media.

#### 4. CONTROL OF LEGACY

History is being written in social media, and history is often kind to those who write it. Social media stars are performing modern oratory on a daily basis.

Directors who want to create a legacy are more interested in being remembered than their right to be forgotten. Communications which are indelible are more worthwhile. Fortunately, digital footprints can be searched, including by journalists. This permanence should persuade directors that it's worth the time and effort to go on-the-record using social media.

#### 5. BOLSTERED REPUTATION

There are parallels between reputational considerations for companies and directors as individuals. Both must stay interesting as well as demonstrate their dependability and competence in order to earn and retain a good reputation. As companies and directors share the same goals they can help each other by publicly blending their reputations. Directors' views are bound to be attributed to their company, so caveats such as 'all views are my own' won't hold water.

Directors can demonstrate how their values intertwine with the ethos of the companies they run. This is particularly important given the increase in 'belief-driven' customers and employees. However, it is important to be aware of the risks of sounding a little too polished or 'on-message'.

#### Philanthropy

Social media is a great way for companies to publicise their corporate social responsibility, and to seek support and ideas. Companies tend to focus their efforts on areas related to their core activities and expertise. Accommodation companies provide temporary homes for refugees, disaster survivors and relief workers; supermarkets donate to food banks; and hairdressers and chiropodists treat the homeless.

## *Action plan*

### 1. WORK OUT WHO'S BOSS

The perceived risks of social media use have sometimes been exaggerated. Concerns such as directors contradicting their companies, commercial confidentiality or the erosion of personal independence need to be kept in perspective as all of these risks can be mitigated.

Some directors may find it difficult or even impossible to question the reluctance of communications specialists to relinquish control of social media, but they may find that they are kicking an open door because their communications colleagues are just as keen to try something new. It should be possible for directors to at least express an interest in using social media, and ask why this is prohibited or seek guidance about how to make a start.

### 2. ESTABLISH THE GROUND RULES

If the company offers social media training then there is no reason why directors shouldn't be invited. Everybody needs reminders about how to write clearly, eg, avoid jargon and be aware of typos which spell rude words. Jokes can be regarded as offensive, or what seems funny now may not be funny in the future. Hashtags followed by trending terms are good for connecting with specific audiences, eg, #CompanyDirector. The best times of the day or week to post on social media may also come up during training.

As a first step, directors need to think through the related questions of their *motives*, *methods* and *markets*. Communications specialists can help steer directors through these choices.

One possible *motive* for directors is to integrate what they learn about the company on social media into their board role. However, if directors are deluged with feedback they will need to focus on trends and know which company employees they should tell about specific feedback on different issues. This approach will help directors remain strategic rather than becoming too operational. Other possible motives include supporting the company's or CEO's communications by coming at the subject from a new angle, and acting as a spokesperson, eg, during a crisis. A *motive* for communications specialists mentoring directors' social media activity is that it is a rare opportunity for contact with the most senior people in their company.

Directors may need help deciding which *methods* (or social media channels) are most suited to them by clarifying their *markets*, ie, which audiences directors want to connect with most and why. For example, directors may primarily want to talk directly to their company's customers, perhaps in a particular country or region.

Specialists usually dislike a one-social-media-channel approach. However, it may be better for a director to do one channel well rather than taking a scattergun approach. Visual platforms may not be suitable if directors' messages are best expressed in writing rather than through imagery. However, directors should add a personal touch by including an up-to-date headshot on their social media profiles.

Each director must find a rhythm for social media which works for them, and the specialists who are mentoring them need to be honest about the amount of time they have available for the role. This discussion may prompt questions about time investment versus benefit, but time cost must be weighed against the fact that social media gets easier with practice and it is practically free of charge.

Companies have found imaginative ways to manage their employees' parallel uses of social media for personal and professional purposes so that synergy is maximised and conflict is minimised. The same could be applied to directors.

**Back to school**

Employees often want to use social media to promote their work and company. However, employees and companies need clarity about what information will be shared on both professional and personal channels, and privacy settings need to be updated accordingly. Some companies offer incentives for social media use. Some companies use internal league tables to rank employees' use of social media for professional purposes, and high performers mentor their peers and seniors.

The best way for directors to avoid negativity on social media is to be positive, stay away when angry and avoid controversy, eg, by remaining apolitical. However, if the reaction which directors receive through social media is occasionally less than complimentary then they will have the maturity to recognise that attitudes can be revised with the benefit of hindsight, and they will also have the resilience to rise above it. Directors know that anything is better than being ignored. In the worst case scenario it may be helpful to keep in mind that people and companies in countries which curtail social media crave freedom of speech.

**3. COLLABORATE**

At first, directors may want to run through all of their posts with the communications specialists who are mentoring them. Ghost writing directors' first posts is one option, but directors still need to be happy that the content is factually accurate and an authentic representation of their views being expressed in their natural voice. Any approach to joint working between directors and their mentors mustn't kill the momentum. There is an analogy with photographers who need to allow themselves enough time to assess the best angle for their shot, but who still need to shoot before the light goes.

Unless the company has very significant resources, at some point directors will need to take the reins. Companies will either have to leave directors to it, or reduce their involvement to occasional monitoring, ie, minimal oversight sufficient to be happy that complacency hasn't set in. The level of monitoring may vary depending upon whether the director's social media content is mainly sensitive or routine, ie, fireworks (wow content) or throwing logs on the fire (ticking over). Of course, most social media activity falls somewhere in-between these two extremes, the so-called sparklers.

**4. SET THE AGENDA**

When deciding their content, directors' main objective should be to maximise the chances of their followers and networks being pleased to see their content in feeds. Directors are careful to build well-balanced portfolios which reflect their strengths and passions. They may sit on the boards of multiple companies, and they may also help run charities or other not-for-profit organisations. If directors give a rounded impression of their work and personality on social media then what they have to say will resonate with their intended audiences.

Directors may want to forward content created by others, and perhaps add their personal perspective. However, directors have a wealth of experiences and knowledge which can form the basis of engaging original content and it would be a shame for this to go to waste.

It may be a good idea for directors to pick a limited number of core subjects to focus on. The best subjects are those which can be approached from a variety of perspectives. We suggest jumping from the personal to the professional, and from the international to the local. It would be nice to include seasonal messages for festivals enjoyed by employees or customers anywhere in the world. Combining light-hearted stories with more serious issues will help get the message across, but savvy directors steer clear of stories that are too contrived.

## **5. BE YOURSELF**

Directors will maximise their chances of success on social media if they stay true to themselves. This is why the views which directors promote on social media must be their own, but not too extreme or obvious. Directors should be aware that they are participating in public forums, but continually behaving as though being interviewed by a journalist is too limiting.

## *Conclusion*

Once the initial tranche of non-CEO directors enjoy success on social media then other companies may encourage their directors to join in. Companies may try to persuade their directors by referring to data which proves the incredible reach of social media. Ambitious directors will want to get ahead of this by voluntarily using social media rather than waiting to be asked.



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