



# Employees' Company Reputation-related Social Media Competence: Scale Development and Validation

Gianfranco Walsh <sup>a</sup> & Mario Schaarschmidt <sup>b,\*</sup> & Harald von Kortzfleisch <sup>b</sup>

<sup>a</sup> Friedrich-Schiller University of Jena, Carl-Zeiss-Strasse 3, 07743 Jena, Germany

<sup>b</sup> University of Koblenz-Landau, Universitätsstrasse 1, 56070 Koblenz, Germany

## Abstract

Cases in which employees' uses of social media harm their company's reputation highlight the need for a measure to evaluate employees' company reputation-related social media competence (RSMC). Drawing on reputation and human capital theory and data from four occupationally diverse samples of employees, this study develops and validates a new, multidimensional measure of RSMC, or an employee's ability to use social media without causing harm to the employer's reputation. Exploratory factor analyses, first- and second-order confirmatory factor analyses, and structural equation modeling all provide strong evidence of the convergent, discriminant, known-group, and nomological validities of the proposed RSMC scale. The higher-order RSMC construct also relates to job demands and resources and to two behavioral outcomes: bad mouthing and positive word of mouth. The RSMC scale also exhibits test–retest reliability and ecological validity. Thus, the new scale offers both research directions and managerial implications.

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*Keywords:* Employees' company reputation-related social media competence; Scale development; Validation

## Introduction

Academia and the business press regularly feature articles about employees who use social media platforms privately, at and about work in ways that cause damage to their organization's reputation (e.g., Johnston 2015; Rokka, Karlsson, and Tienari 2014). Because employees' social media use can put corporate reputations at risk and poses a marketing challenge, an increasing number of companies deploy policies and training to guide these uses (Macnamara and Zerfass 2012; Miles and Mangold 2014). From a resource effectiveness perspective (Connolly, Conlon, and Deutsch 1980; Hartnell, Ou, and Kinicki 2011), applying such measures to all employees may not be feasible or desirable though, because some employees already possess the competence to use social media without harming the company's reputation. Thus, it is important to identify employees who lack company reputation-related social media competence (RSMC),

then target them with RSMC-related training.

Even with the widespread recognition that employees' social media use can shape a company's reputation, no measure of employees' RSMC exists. Various aspects associated with social media use (e.g., retrieving and contributing new content, reposting material found online, evaluating content) provide employees with ample opportunities to harm their employer's reputation, which suggests a multidimensional conceptualization. Beyond this notion that employees' RSMC is a multidimensional construct though, and despite calls for research into employees' reputation-relevant social media use (e.g., Dekay 2012; Huang, Singh, and Ghose 2015; McDonald and Thompson 2015), the nature and dimensional structure of RSMC remain opaque. From the perspective of theory development, we need a RSMC scale to better understand employees' social media use and its implications for companies.

This study therefore develops and validates a scale to measure RSMC, defined theoretically as *an employee's explicit and tacit knowledge, skills, and behavior that give him or her the ability to use social media in ways that do not harm the employer's reputation*. With a qualitative research approach, we

\* Corresponding author at: University of Koblenz-Landau, Universitätsstr. 1, 56070 Koblenz, Germany.

E-mail address: [Mario.schaarschmidt@uni-koblenz.de](mailto:Mario.schaarschmidt@uni-koblenz.de) (M. Schaarschmidt).

seek to corroborate the emerging literature-based notion that RSMC is multidimensional; to enhance the applicability of this construct, the current study embeds it theoretically within a network of antecedents and consequences, to ensure the scale's nomological validity. To this end, in two quantitative studies we develop, validate, and test the scale within a nomological net of related constructs, including social media-related job demands and resources and behavioral outcomes. The RSMC scale emerges as applicable across different firm types. Two additional studies establish test–retest reliability and indicate ecological validity. These findings thus provide a foundation for a discussion of directions for marketing research and theoretical and managerial implications.

## Research Background

Employees use social media for personal or organizational purposes, which might harm a company's reputation, whether deliberately or accidentally. We investigate social media competence in relation to company reputation; deliberate attempts to damage the employer's reputation are not our focus (cf. Hennig-Thurau et al. 2004). Instead, employees' social media competence, or lack thereof, pertains to behaviors that might shape the way the public perceives the organization. These uses can support marketing activities and be associated with advantages for the employer. For example, social media can enable "organizations to tap into the collective intelligence, creativity and passion of employees" (Weinberg et al. 2013, p. 299), and they allow employees to act as brand ambassadors (Dreher 2014). Employees also might defend the company against external criticism (Kaptein 1998). However, inconsiderate or incompetent social media use may have negative reputational consequences (Ivens and Schaarschmidt 2015), which are especially problematic because of reputation's effect on key monetary and non-monetary performance outcomes (Walsh, Bartikowski, and Beatty 2014). Many examples describe how employees' social media uses can tarnish their employer's reputation and hurt the company's bottom line:

- In 2011, a Chrysler employee accidentally posted an insulting and obscene tweet from the company's Twitter account (instead from his personal account) (Costill 2014).
- In 2015, after the Charlie Hebdo terror attacks, a Mercedes-Benz employee in a German plant allegedly tried to justify the attacks in a Facebook post (Deutsche Welle 2015).
- In the same year, six HSBC bankers in Birmingham (UK) were fired over a mock re-enactment of the beheading of a colleague that they posted on Instagram (Turner 2015).

As these cases indicate, some employees appear to lack understanding of the potential damage that can result from their social media uses.

Companies engage in various reputation-related processes (Walsh and Beatty 2007), some of which might include encouraging or discouraging employees from communicating on its behalf. But employees' incompetent social media use could foil its overall reputation strategy and hurt marketing outcomes. For example, companies often develop central message

strategies to shape their reputations (Fombrun and van Riel 2004). If employees using social media deviate from that message, they undermine the strategy. Strong evidence thus indicates that low RSMC employees are a liability, because their social media use poses a reputational risk to organizations (Dreher 2014). Noting the double-edged nature of employees' social media use, Miles and Mangold (2014, p. 402) assert that this form of "employee voice can be a source of competitive advantage or a time bomb waiting to explode." Their assertion further implies that RSMC should be considered a hygiene factor: When an employee scores high on RSMC, the employer's reputation will not necessarily be improved, but low levels of RSMC may have a harmful effect.

In traditional consumer socialization and behavior research, any type of competence represents a combination of knowledge, attitude, and skill (e.g., Bandura 1977; Gronhoj 2007; Moschis and Churchill 1978). In information and communication technology settings, it reflects "a combination of tacit and explicit knowledge, behavior and skills, that gives someone the potential for effectiveness in task performance" (Draganidis and Mentzas 2006, p. 53). This notion resonates with Bassellier, Benbasat, and Reich's (2001) distinction between explicit and tacit knowledge as ingredients of competence. Drawing on such general definitions, we define employees' RSMC as an individual-level characteristic, related to each employee's use of social media, which does not vary in the short term and may affect the company's reputation. Most prior research into employee social media use instead adopts conceptual and distinct approaches, such as studying the strategic implications of employee voice for reputation management (Miles and Mangold 2014; Omilion-Hodges and Baker 2014), legal issues surrounding social media use (Elefant 2011; Sánchez, Levin, and Del Riego 2012), and organizational image construction (DuFrene and Lehman 2014; Malthouse et al. 2013). These strategic perspectives on employee voice are important, as a basis for policies and programs designed to guide employee uses of social media. But such programs also are effective only insofar as they target the right employees, that is, those in need of guidance. Similarly, the legal ramifications of employee social media use are relevant (e.g., employer's potential liability if employees engage in slander or harassment; McGrath 2010), yet some legal actions by employees still might affect the firm's reputation (e.g., leaking information to competitors). Harris and Ogbonna (2012) investigate employees' negative word of mouth, motivated by their desire to harm the company's reputation, and Stoughton, Thompson, and Meade (2013) study bad-mouthing behaviors. Both studies are insightful but do not explicitly consider social media articulations (Harris and Ogbonna 2012) and neglect reputational consequences (Stoughton, Thompson, and Meade 2013).

Thus, extant marketing literature could be enhanced by a measure that captures RSMC. Such a measure can improve investigations of individual differences in employee RSMC and help organizations direct their reputation-protecting initiatives at appropriate employees. Thus far, no conceptual framework or comprehensive measures exist to study employees' RSMC. To close this gap, the current study empirically identifies the dimensions of RSMC and develops a reliable, valid scale. We also address the viability of a higher-order conceptualization of

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