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Why Would the Rise of Social Media Increase the Influence of Traditional Media on Collective Judgments? A Response to [Authors]

In our original article (Etter, Ravasi & Colleoni, 2018), we argued that the rise of social media is changing how evaluations are made public and impact the formation of organizational reputation. In their counterpoint, [authors] argue in favour of a separation between the construct of media reputation and social media reputation. They further argue that the rise of social media is actually strengthening the impact of traditional media on the evaluations of key stakeholders. Finally, they urge scholars to take a cautious approach to the assumption that social media are introducing more dynamism in the formation of (media) reputation.

We agree that, in some circumstances, a conceptual distinction between (traditional) media reputation and social media reputation might be useful to advance future research and theorization of reputational dynamics¹. In fact, in our original article we highlighted the importance to acknowledge the potential existence of different and separate “reputational arenas” (Aula & Mantere, 2013; see also Bromberg & Fine, 2002), where multiple actors attend to, respond to, or add to texts made available by other actors, and multiple competing accounts of an organization and/or its attributes possibly co-exist (we return to this point later).

We are less persuaded, however, by the other objections that [authors] raise.

Social Media and the Formation of Reputation among “Key Stakeholders”

To argue that the rise of social media is strengthening the impact of traditional media, [authors] distinguish between a “public domain” and “key stakeholders”, and claim that the

¹ An earlier version of our paper was simply entitled “social media reputation” and structured as a contraposition between the mechanisms that produce and disseminate evaluations in both domains.

latter are more likely to base their judgments on traditional media, rather than social media. Answering this objection is not straightforward, because [authors] are not clear about what constitutes a stakeholder as “key”, and how exactly they are “tied” to the organization.

Presumably, by “key” stakeholder, [authors] refer to current clients, suppliers, investors, and employees, who directly interact and transact with the organization and “more directly impact the organization’s success” by influencing costs and revenues; and by “public domain”, they refer to the general population. This distinction seems blurry – both in theory and in practice. For many organizations, the general population is effectively constituted by thousands of current and potential customers, employees, or investors, who may be encouraged or discouraged to buy from, work for, and invest in the organization by the evaluations they are exposed to on the media (Fombrun, 1996). [Authors], however, remain unclear about how to trace a line – theoretically and empirically – between these stakeholders and “key” ones.

[Authors] further argue that the evaluations of “key” stakeholders will rely more on traditional media than social media, yet their theoretical explanation for this statement is unclear. They seem to argue that the rise of social media is making “traditional media’s role in influencing organizational reputation ... even stronger” or “more cohesive” because “key” stakeholders are overwhelmed by the “noise” of social media, and find refuge in the “clearer portrayal by traditional media” (authors, 2018: 3). We do not find this justification convincing. At best, this seems to be an open question that can only be resolved empirically. In fact, one may argue that, if the distinction between “key” stakeholders and the general population is that the former are already buying from, working for, or investing in an organization, the evaluations of these actors will then mostly be based on their direct experience rather than the media.

[Authors] offer the example of Goldman Sachs as an example that the reputational judgments of the general population and a subset of “key” stakeholders (in this case, banking professionals) may differ substantially. They argue that these judgments diverge because of the different media these actors are exposed to (social media vs. traditional media). We agree with [the authors] that this example illustrates the multidimensionality of reputation as a construct, and we do not deny that the judgments expressed by banking professionals vs. other parts of the population may be based on different sources of information. We disagree, however, that the observed divergence can be primarily attributed to the influence of social media vs. traditional media.

A closer look at the sources of data suggests that the observed difference have probably more to do with the dimension that people (members of the general population vs. banking professionals) prioritize when evaluating Goldman Sachs, than the primary media sources they rely on. Considering that not many members of the general population are unlikely to be potential clients or employees of Goldman Sachs, they may evaluate the company primarily as a (bad) corporate citizen with perceived negative influence on society. Banking professionals may focus instead on Goldman Sachs as an excellent employer – especially if they are asked by the ranking agency about “what matters most to them in choosing an employer” (Vault, 2017). In the poll mentioned by [authors] – according to which Goldman Sachs was the least loved company in the US – Harris Interactive asked respondents instead to evaluate companies across six dimensions (Otani, 2015). Workplace environment was only one of them.

We do not really see, then, how this example supports the notion that “traditional media should be a much better measure to approximate for the organizational reputation with

stakeholders” (authors, 2018: 3). In fact, a social media platform such as Glassdoor² – where employees rate and comment on the attractiveness of their companies as workplaces – may be more influential on the decisions of banking professionals considering a career move than the general news media. On Glassdoor.com, at the time when we write this response, Goldman Sachs has been rated by 4900 former and current employees; its average score positions it as the most highly highest rated employer among investment banks – a reputation that seems to closely match what is captured by the survey mentioned by [authors]³.

(Social) Media Reputation: Concept vs. Measure

We are also confused by the assertion that a “divergence between the public’s domain and stakeholder view could lead to a more neutral *overall* assessment when analysing social media and traditional assessments together” (authors, 2018: 2). This statement seems to confuse reputation as a set of dispersed, possibly diverging or contradicting evaluations about an organization among one or more stakeholder groups, with reputation as the abstract result of the processing of a multitude of survey responses or media coding. The idea of a “neutral overall assessment” resulting from the merger of diverging evaluations may be convenient, but is questionable – especially from a theoretical standpoint.

While some organizations may be characterised by a widespread convergence of evaluative judgements both within and across stakeholder groups, in others, the presence of highly diverging evaluations renders the idea of an overall reputation an oversimplification. In these cases, lumping all evaluations into an “overall” one would obscure the fact that

² Scholars often consider online review sites, such as Tripadvisor or Glasdoor, as social media (e.g., Orlikowski & Scott, 2013; Fuchs, 2015), because they enable users not only to (co-)create content, but increasingly to build personal profiles, engage in two-way conversations, or to share, like, and comment on posts, which matches our definition of social media, based on Kaplan and Haenlein (2010).

³ For a critical discussion and comparison between survey measures and measures using social media posts as data source see Etter et al. (2018).

different groups hold quite different views, possibly – as in the case of Goldman Sachs – because of the dimensions that they prioritize.

In our original article, we pointed out that selective exposure to different (media) sources of information could also be a cause of this divergence, but we did not necessarily assume a segregation – in practice – between traditional media on the one side and social media on the other. The purpose of our article was to present social media as a venue where publicly available evaluations of organizations are produced, disseminated and consumed, in interactions among various actors *including* traditional media. We argued that social media have the potential to facilitate the structuring of separate interactions arena, possibly conducive to different “reputational communities”, but also pointed out that traditional news media could participate to, and possibly host, these arenas as well.

It was certainly not our intention to belittle the influence of traditional media on collective evaluations, to deny the usefulness of looking at the content disseminated by traditional media, nor to invite the replacement of traditional research on media reputation with studies of social media reputation. We wanted, instead, to draw attention to how reputational dynamics may unfold differently on social media, and we argued that overlooking these dynamics may cause research on organizational reputation to become increasingly misaligned with changes taking place in the phenomenon “out there”.

We suspect, however, that [authors’] resistance to our ideas really reflects a fundamental difference in how we approach media reputation. [Authors] seem to view media reputation primarily as a “measure” – a term they frequently employ – of organizational reputation, and to be primarily concerned with defending the validity of this operationalization. In other words, they argue that what news media *write* about an organization (media reputation) can be used to capture indirectly what people *think* about an organization (organizational reputation), under the assumption that the former exerts considerable influence on the latter.

We are well aware that in certain circumstances – such as when researchers do not have the means or the resources to survey stakeholders directly, or when historical data are needed – media reputation may offer scholars a reasonable approximation of organizational reputation.

Nevertheless, these are two separate constructs. Media reputation is a *discursive* construct, reflecting the content of the texts produced and disseminated by the media – traditional and/or social – over a period of time. Organizational reputation is instead as a *cognitive* (or socio-cognitive) construct, reflecting evaluative judgments held by stakeholders at a certain point in time. While it may be convenient to use the former as a measure of the latter, it may be theoretically far more interesting to problematize this idea and to investigate the dynamic interrelations between the two constructs.

Our original article examined media reputation (broadly conceived, to include both traditional and social media) as a phenomenon – not as an “indicator of” or a “way to assess organizational reputation” (authors, 2018: 6). We pointed out that this phenomenon was rapidly changing, requiring us to reconsider our understanding of how publicly available evaluations of organizations are produced and disseminated, and encouraging us to explore new methods to better explore new dynamics that traditional ones seemed less able to capture.

Reputational Dynamics (and Dynamism) on Social Media

Finally, [authors] object that, by looking at social media, we may overstate the dynamism of organizational reputation. [Authors] point out that the social media flare that followed the viral video of a mistreated passenger – the vignette that we use in the introduction of our article – seemed to have no impact on the performance of United Airlines. They interpret this observation as evidence of the limited influence of social media – compared to traditional

news media – on the collective judgments that shape the choices of clients and investors. We disagree with this interpretation.

First, considering that, as [authors] admit, both traditional news media and social media reported negatively about United Airlines, one might conclude that, contrary to what they argue, media reputation does not really influence stakeholder’s choices more than social media reputation does, and it is not, therefore, “a more powerful way to assess organizational reputation” (authors, 2018: 6). Second, what people think about an organization does not depend only from what they read on the media, but also by how organizations respond to media content. In order to properly understand the impact of social media on the performance of United Airlines, then, we should not overlook the fact that the mounting discontent on social media and the plummeting share prices forced the company to radically change their overbooking policies, deliberately accepting higher costs and lower flexibility in the future, in order to repair their reputation⁴. This, we believe, is a clear evidence of the “substantive effect” of social media that [the authors] seem to deny.

[Authors] also object that using social media should cause us to overemphasize negative assessments of organizations, because they are more likely to go viral – hence, presumably to reach the attention of a broader audience. Again, we find this objection unconvincing: isn’t the use of media reputation as a measure of organizational reputation based on the assumption that organizational audiences pay attention to the content of news media? If so, why would an analysis be biased by placing more emphasis on content that, as a matter of fact, has been brought to the attention of a large amount of people?

Using media reputation as a proxy of organizational reputation is based on the assumption that individuals pay attention to and largely believe what news media say or write about organizations. While potentially representing the view of a vocal minority, social media

⁴ See <https://www.theguardian.com/business/2017/apr/16/united-airlines-changes-crew-flight-policy-forcible-removal>

content directly capture the evaluative judgements of those who share content on these platforms. These judgments may not necessarily represent the views of the general population or particular stakeholders (although, as our earlier discussion of Glassdoor indicates, in some cases they might). However, as they propagate and reach the attention of broader audiences (as evidenced by re-tweets, clicklikes, etc.) they may have substantive impact on collective judgments. We see a closer examination of these dynamics as an important line of inquiry for our understanding of how (traditional and social) media reputation affect the formation of organizational reputation.

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