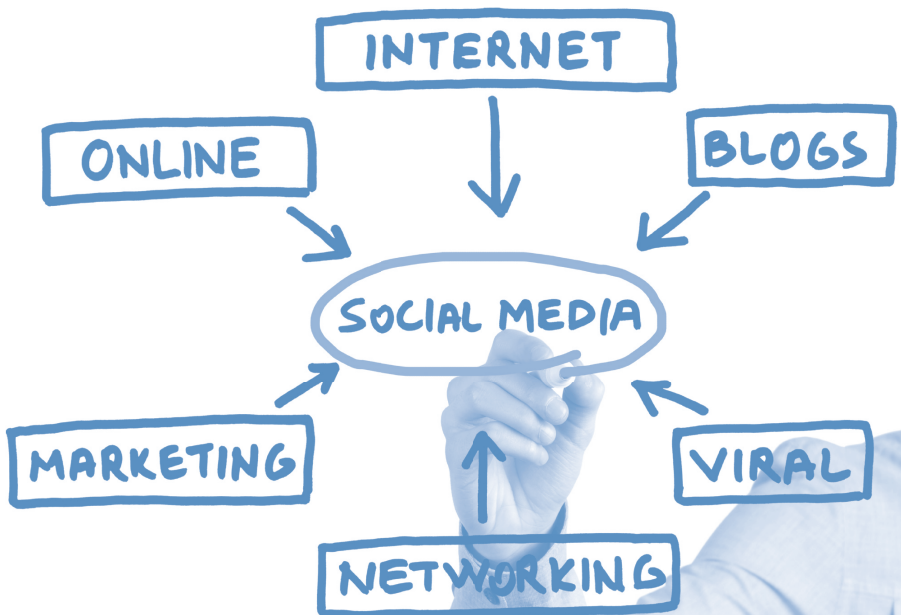


Social Media and Compliance

*A survey by the Health Care Compliance Association
& the Society of Corporate Compliance and Ethics*

February/March 2011



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Introduction

In August of 2009 the Society of Corporate Compliance and Ethics (SCCE) and the Health Care Compliance Association (HCCA) jointly fielded research into how compliance and ethics professionals were managing the exploding rise of social media. Then, as now, the usage of sites such as Facebook, Twitter and LinkedIn was exploding. In addition, Facebook and Twitter were seeing dramatic increases in usage by adults, changing them from vehicles for teens to communicate to platforms used by multiple generations.

That trend has continued. LinkedIn connects executives around the world, and Facebook's user base is so large that, were it a country, it would be the third most populous nation in the world.

Adding to the complexity of the situation, social media has also now become a marketing tool. Twitter feeds and corporate pages on Facebook have become common for many companies.

With this growth and evolution have emerged great risks. Inappropriate online behavior has cost individuals their jobs. Companies have sought to discipline behavior of employees with mixed results, and in one case the National Labor Relations Board weighed in, making it clear that workers have the right to complain to each other about working conditions, even on Facebook.

To assess how compliance professionals are managing the use of social media, the SCCE and HCCA fielded a new survey in February and March 2011.

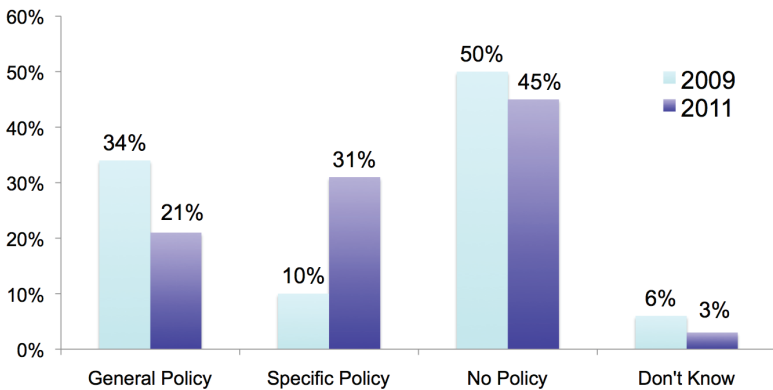
Executive Summary

Business is growing more active in its efforts to manage the social media usage of its employees. More companies, although still a minority, now have policies for employee social media usage outside of work, and more companies have had to discipline employees for their activity online. At the same time, business has recognized that not all social media sites are the same, setting site-specific policies.

Key Findings

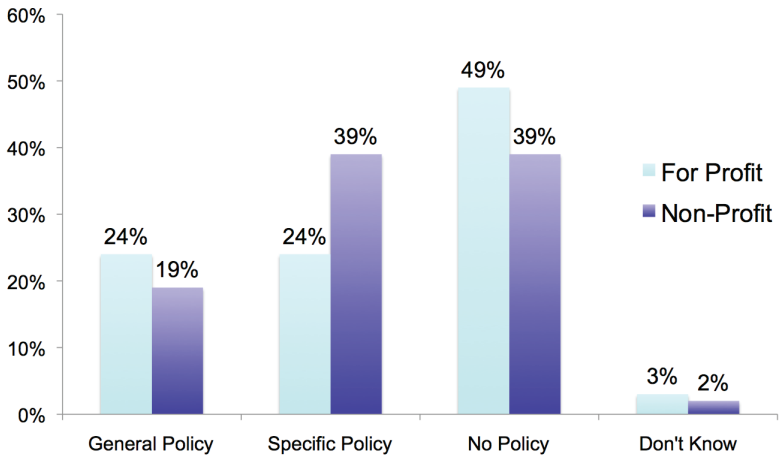
- **Despite all the headlines, only about one-third of respondents reported that their organizations have adopted policies specifically addressing the usage of social media sites outside of work.** Thirty-one percent of respondents reported that their employer had adopted specific policies. This is an increase from the 10% who reported a specific policy in 2009, but still far from a majority.
- **The lack of a social media-specific policy does not mean that companies have no policies at all.** Twenty-one percent of respondents' companies rely on a more general policy for social media. That number has declined, though, as the incidence of specific policies has increased.

Companies increasingly have a specific policy for social media usage outside of the workplace



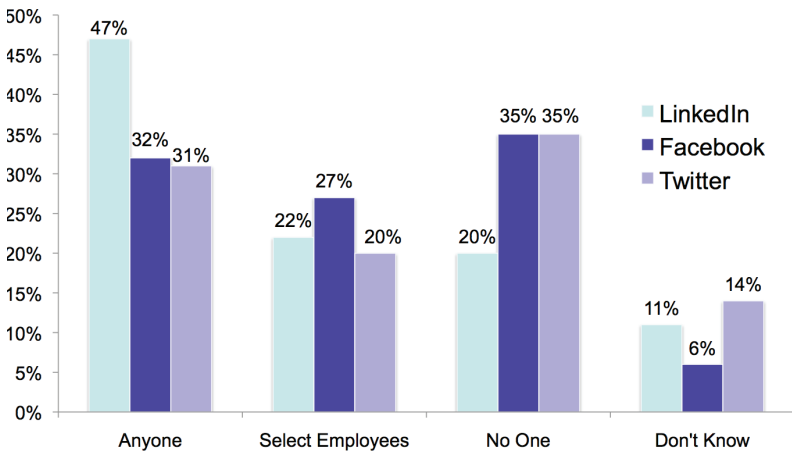
- **The type of organization where someone works is likely to have an impact on social media policies.** Specific policies were reported by 39% of respondents from non-profits but just 24% of for profits.

Where you work matters



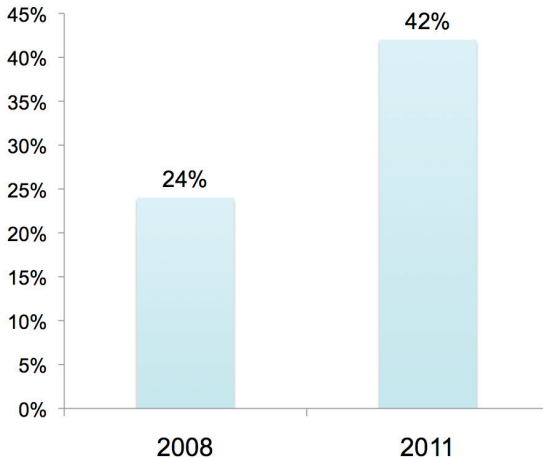
- **Companies often set site-specific policies for workplace access, with LinkedIn most likely to be permitted.** Forty-seven percent of respondents reported that anyone is permitted to access LinkedIn. By contrast, only 32% reported that Facebook or Twitter could be accessed by any employee, while 35% reported that no one may access these two sites at work.

Site-specific policies



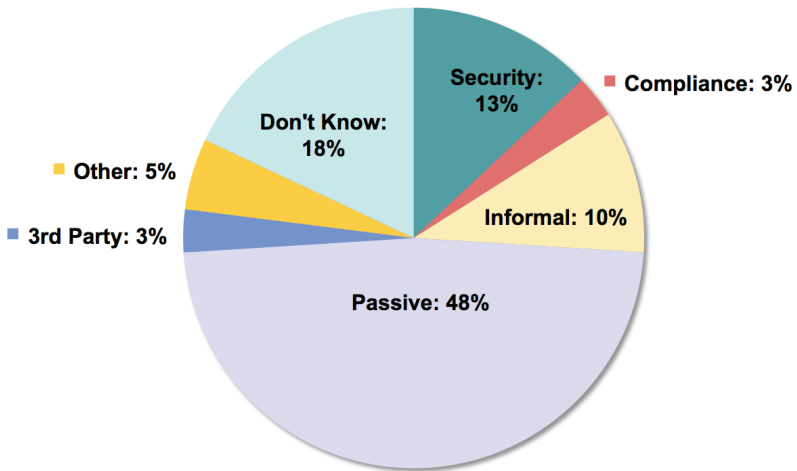
- **Here, too, there were differences by type of employer.** For profits were far more likely than non-profits to allow access to LinkedIn, for example, (55% vs. 41%), and healthcare companies were far less likely to allow access (40%) than industry as a whole (77%).
- **Discipline of employees for activities on Facebook, Twitter and LinkedIn is on the rise.** Forty-two percent of respondents reported that their organization has had to discipline an employee for behavior on these sites. That is up significantly from just 24% in 2009.

Discipline is on the rise



- **The increase in incidents and policies has not been matched with increasingly systematic approaches to monitoring compliance.** In August 2009, passive systems—acting when apprised of an issue—was used by 32% of respondents. Despite the growth in usage of social media, the availability of monitoring solutions and the increase in policies restricting use, passive systems are now relied on by 48% of respondents.

Monitoring still not formal



Conclusions/Implications

- **Business has clearly woken up to the risks and opportunities posed by social media.** The increase in business usage of social media sites has been accompanied by increased efforts, at least on paper, to control employee activity inside and outside of the workplace.
- **At the same time, there appears to be a lack of rigor around implementing those policies.** The reliance on informal monitoring methods and lack of clear owners of monitoring suggests that many companies have a long way to go in ensuring that their policies are followed.
- **The lack of formal monitoring programs is not entirely unexpected.** Widespread market awareness of monitoring tools is a long way off, and even the best of tools have difficulty capturing private conversations using these sites. In addition, a series of workshops conducted by the HCCA and SCCE designed to identify potential social media policies inevitably ran into enormous obstacles when it came to determining how to audit and monitor the policies. No matter what model policy a workshop designed, procedures for enforcing the policy were difficult to identify.
- **This gap between policies and adequate procedures to implement them could pose a significant risk.** If a policy exists but is not enforced consistently, employees may come to believe it is a policy that the company doesn't care about. In addition, absent an organized enforcement process, there is the possibility that employees will see enforcement as being arbitrary.

- **Organizations can expect continued turmoil around social media.** The law is far from settled in this area and usage patterns continue to evolve. As a result, any policy may be best written in pencil, rather than pen, to be flexible enough to accommodate a quickly moving target.

Methodology

Survey responses were solicited during February and March 2011 from compliance and ethics professionals in the database of the Health Care Compliance Association and Society of Corporate Compliance and Ethics. Responses were collected and analyzed using Zoomerang, a web-based third party solution. A total of 485 responses were received from private and public companies as well as non-profits.