Corporate Social Responsibility and Content Moderation

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Executive Summary:

Social media and other technology companies have publicly struggled to identify the most ethical approach to content moderation. Questions about how to regulate disinformation, hate speech, and political discourse has posed substantial challenges for these organizations. While the process is bound by limited regulation, pending legislation out of the European Union will likely require these organizations to address these questions more transparently and effectively.

Much of the debate about content moderation has focused on balancing a commitment to freedom of expression, information, and privacy against the potential harm caused by certain content. Social media organizations have also been criticized for prioritizing profits over safety and Democracy. For decades, social media organizations have been engaged in this ad hoc balancing as they develop their policies and practices regarding content moderation. However, there seems to be a disconnect between content moderation policies and an organization’s overall approach to corporate social responsibility. This discussion seeks to bring the most recent research regarding corporate social responsibility to bear on the most pressing questions about digital content moderation.

This discussion begins with an overview of the content moderation process and then makes a case for why corporate social responsibility can and should be used to offer fresh insights into these complex questions. It then undertakes a thought exercise, which uses the four major theories of modern corporate social responsibility, to determine what guidance these approaches can provide social media companies. The end result of this analysis is a set of recommendations and potential directions for social media organizations to consider in their decision-making around content moderation. Any firm wrestling can utilize the process itself with complex ethical questions regarding the impact of its business practices.
Introduction

Big tech has a big problem. Content moderation practices have come to dominate the conversation about social media organizations’ success (and failures). In the United States, platforms are almost entirely unregulated, left to navigate the process of moderating user content in a way that balances the needs of users, advertisers, and society. Companies like Facebook, Twitter, Google, and others have struggled with this task. Mis- and disinformation around issues like the COVID-19 vaccine and the 2020 U.S. Presidential election has proliferated on these platforms (Ferrara et al., 2020). Foreign governments manipulated the political advertising process to influence the 2016 U.S. presidential election (Faris et al., 2017). Globally and domestically, hateful rhetoric has flourished on these sites, leading to campaigns of ethnic cleansing and other forms of offline violence. Racially motivated mass shootings from Buffalo, NY to Christchurch, N.Z. have been broadcast and shared broadly via social media channels (Harwell & Ormes, 2022).

According to the most recent ranking from the Digital Rights Accountability Index, none of the digital platforms evaluated earned a passing grade on the standards of transparency and accountability (Ranking Digital Rights, 2020). The Index uses 58 indicators across the categories of governance, freedom of expression and information, and privacy to assess company practices and policies (Ranking Digital Rights, 2020). The analysis indicated that these firms lacked transparency around data collection and how algorithms were used and also failed to enforce their own existing rules. At the heart of what the assessors called a "systemic crisis" was a lack of corporate governance and oversight of policies and practices affecting users’ rights to privacy, expression, and information.

Politically and even morally, social media companies are in a difficult position. Particularly in the United States, substantial disagreement exists among the public about how aggressively social media content should be regulated. In one camp are those that think harmful expression, such as hate speech or disinformation should be removed from these sites. On the opposing side, are people who think platforms should prioritize freedom of expression and take a hands-off approach to content moderation. Although in the United States social media platforms are essentially governed only by their own community standards, many Americans believe that the right to free expression protected by the First Amendment should extend to these spaces. To be clear, the First Amendment only protects freedom of expression from state action. Social media platforms are private virtual spaces and as such are free to regulate far more expression than First Amendment jurisprudence would dictate.

That may be changing, however. Led by Republican lawmakers, Texas and Florida recently passed legislation that would prevent platforms from removing posts or accounts based on the political viewpoints espoused. These laws, which are essentially a response to complaints from conservatives that social media companies unfairly moderate their speech, were deemed unconstitutional by the courts (NetChoice v. Paxton, 2022). These laws violate the First Amendment rights of social media companies, but they also run counter to the existing U.S. legal framework. Under Section 230 of the Communications Decency Act of 1996 (1996), social media platforms and other computer services from legal liability for what users do on their sites. However, dozens of bills have been introduced by U.S. Senators and Congresspeople to revise or revoke Section 230, making the legal landscape for content moderation tenuous (Anand et al., 2021).
Globally, efforts by governments to intervene in the process of content moderation are gaining a much more substantial foothold. In Germany and France, strict laws have been passed that require social media companies to quickly remove illegal content or face fines as large as 50 million euros. The European Commission has two forthcoming pieces of legislation, the Digital Service Act and the Digital Markets Act, which together form a new set of rules that will be applicable across the European Union. This legislation will take steps to increase users' fundamental rights across digital services and level the playing field to foster greater competition and innovation (European Commission, 2022). Regulation for this burgeoning industry is forthcoming. In the United States, social media and other digital platforms are in a unique position to act now to address their content moderation issues and, in doing so, shape future self- or government regulation.

Although social media firms have been developing their policies and practices regarding content moderation for decades, there seems to be a disconnect between content moderation policies and an organization's overall approach to corporate social responsibility. Therefore, this paper seeks to bring the most recent research regarding corporate social responsibility to bear on the most pressing questions about digital content moderation.

To do that, the practice of content moderation will first be reviewed in detail to identify the spaces or gaps in which the tenets of corporate social responsibility might be relied on to provide answers for what, until now, have seemed like unsolvable problems. Thereafter, the theories driving modern corporate social responsibility will be explored and applied to the most pressing content moderation issues facing social media organizations today. This analysis will hopefully demonstrate the promise of merging norms of corporate social responsibility with the until-now separate efforts undertaken by technology firms to moderate online content.

**Content Moderation**

Content Moderation is best defined as a series of practices with shared characteristics which are used to screen user-generated content including posts, images, videos, or even hashtags to determine what will make it onto or remain on a social media platform, website or other online outlets (Gerrard, 2018). The process often includes three distinct phases. First, is editorial review, which refers to the community standards set by social media platforms (Gillespie, 2018). Next is automatic detection, which utilizes algorithms and artificial intelligence to remove content that violates community standards both before and after material has been uploaded (Klonick, 2018). The last of the three phases of content moderation is community flagging (Gillespie, 2018). Here users report content they believe violates the Community Standards outlined by the company. Reported content is then manually reviewed by employees, and a determination is made regarding whether it will be blocked, deleted, or remain on the site. Social media organizations often contract this work out to other organizations. Workers in these roles are dispersed globally at a variety of worksites, and the work itself often takes place in secret by low-status workers paid very low wages (Roberts, 2016).

Among platforms, the company’s size, reach, language, technical design, corporate ethos, and business model can all impact its approach to content moderation practices (Gillespie et al., 2020). Although individual platforms each have their own content moderation practices, these overlap in
significant ways, such as in how the rules are phrased and how users understand violations (Gillespie et al., 2020). Smaller firms may even use the same software or outsource their human content moderation to the same companies (Gillespie et al., 2020). Decisions about moderation are not exclusive to the platforms themselves but are made by third-party vendors as well as cloud computing services (Plantin et al., 2016; van Dijck et al., 2019).

Content moderation practices are influenced by a company’s corporate philosophy, regulatory compliance (primarily within the European Union), the public response, and interest in profit maximization (Sander, 2020). A firm’s philosophy can evolve. Twitter, for example, began as more speech protective but has shifted away from this approach, increasing its willingness to ban accounts and label misinformation. Generally, platforms seek to balance their commitment to free expression with their desire to minimize harm (Johnson, 2017). However, some scholars have criticized this method, arguing that platforms’ democratic commitments should transcend the freedom/harm dichotomy (Forestal & Singer, 2020). Research has also shown that for users, the impact of account bans and post removals has less to do with freedom of expression than being cut off from their networks or audiences (Gillespie et al., 2020). Rather than thinking of platforms simply as venues for speech, we should consider them part of a "web of private infrastructures that we traverse in our digitally mediated lives" (Gillespie et al., 2020, p. 15).

Despite this proposed shift in how we think about social media and the process of content moderation, much of the current regulation, mainly out of the European Union, still revolves around issues related to freedom of expression, surveillance, and privacy. We have also seen companies change their practices as the public responds to issues caused by problematic content moderation practices. For example, Facebook banned political ads around the time of the 2020 U.S. Presidential Election in response to ads that dissuaded users from voting and spread other disinformation about the election (Isaac, 2021). Among users, the process of content moderation often leads to frustration by what they see as a lack of training among employees and system limitations for reporting content (al-Khateeb et al., 2017).

Profit maximization also plays a substantial role in how firms approach the process of content moderation. As the recent cache of documents from Facebook whistle-blower Frances Haugan affirmed, content moderation algorithms are intentionally designed to feed people extreme viewpoints to keep them on the platform longer (Allyn, 2021). In her October 2021 testimony to the U.S. Congress, Haugen, who was part of Facebook’s Civic Integrity Department, testified about how the company’s engagement-based formula helps sensational content, such as posts that feature rage, hate or misinformation, gain traction (Allyn, 2021).

For many scholars, Haugen’s testimony was hardly a revelation. Critics have long contended that profit maximization and algorithmic manipulation are responsible for many of the perceived harms caused by social media organizations (Vaidhyanathan, 2018). The amplification of emotional and extreme content and targeted disinformation has fueled racial divisions and political ones. Social media allows us to choose what information we are exposed to. This selective attention leads to filter bubbles and corrodes our notion of shared truth, ultimately threatening our democracy (Vaidhyanathan, 2018).
The stakes for successfully addressing problems that arise from a company’s content moderation policies and practices could not be higher. The tenets of modern corporate social responsibility can offer social media and other organizations a new way of thinking about complex content moderation questions.

Why CSR for Content Moderation?

Corporate Social Responsibility (CSR) is defined by the World Business Council for Sustainable Development (WBCSD) as ‘the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large’ (WBCSD, n.d., p.3). CSR encompasses the policies and practices that firms enact to improve the well-being of their stakeholders and society, whether undertaken voluntarily or required by rules or norms (Zaman et al., 2022; Jain & Jamali, 2016; Jamali & Mirshak, 2007; Jamali & Neville, 2011). Corporate social responsibility is a form of self-regulation that can be manifested in an organization’s goals, initiatives, or strategies (Taylor, 2017). Firms that embrace corporate social responsibility are empowered to act in a socially responsible way.

Engaging in CSR activities boosts an organization’s ethical identity, but it can also lead to stakeholder satisfaction and improved financial performance (Berrone et al., 2007). A substantial body of research points to the financial advantages of corporate social responsibility. Tech companies that spend more on CSR experience a corresponding increase in revenue and profitability (Okafor et al., 2021; Kim et al., 2018; Orlitzky et al., 2003; Waddock & Graves, 1997). Researchers who analyzed a sample of 104 S&P 500 companies across nine leading industries found that in the United States, involvement in socially responsible initiatives has a significantly positive effect on financial performance (Giannarakis et al., 2016).

While it is true that being socially responsible can impact a company’s bottom line, which may help convince managers to dedicate resources to these efforts, some scholars argue that ethical and responsible business practices are justified for their own purposes and the business case is overstated or unneeded (Ciulla, 2014; Taylor, 2017). A market-based justification for CSR is insufficient to do the philosophical work to ground corporate responsibility (Smith, 2019). This seems particularly salient when considering the issues that social media and other technology companies are wrestling with. Failure to adequately address these problems could lead to further infringements on privacy and free expression, further political unrest, and continued offline violence.

Regardless of a firm’s motivation, companies that engage in CSR must find an approach to balance stakeholder claims with corporate resources and financial transparency and accountability to shareholders (Hamidu, et al., 2015). According to CSR expert Archie Carroll, the questions that should drive the CSR process in the coming decade are: “To whom is a corporation responsible? For what is the corporation responsible? How should corporations behave?” (Carroll, 2021; Carroll et al., 2012, pp. 376–403).

Answering these questions can be an arduous task. The list of stakeholders they are accountable to is seemingly endless for social media organizations and other technology companies. It includes
shareholders, users, advertisers, governments, law enforcement, and citizens in every country they
operate in. Determining what the corporation is responsible for and how it should behave poses
additional challenges. To answer these questions, it is necessary to turn to the theoretical
underpinnings that drive corporate social responsibility and consider those in the context of content
moderation.

Applying CSR Theories to Content Moderation

Since its emergence in the middle of the 20\textsuperscript{th} century, corporate social responsibility has evolved
to include several different theoretical approaches (van der Merwe & Achkar, 2022). Today, four
primary theories describe how businesses approach corporate social responsibility. After
introducing each of these, I'll consider how they might inform a more ethical approach to the
process of content moderation.

Corporate Social Performance

At its heart, Corporate Social Performance refers to the principles, practices, and outcomes of a
firm’s relationship with people, organizations, institutions, communities, societies, and the earth.
This framework contends that businesses are responsible for addressing societal problems through
their actions. The theory of Corporate Social Performance holds that companies essentially have
four areas of responsibility: economic, legal, ethical, and philanthropic (Carroll, 1979). As our
understanding of this approach has evolved, so too has our understanding of these responsibilities,
which now might be more broadly considered to encompass businesses’ deliberate actions toward
stakeholders and the unintended externalities of business activity (van der Merwe & Achkar, 2022).
The “philanthropic” responsibility is best understood today as a firm’s societal responsibility, not
just its philanthropic giving.

Asking social media organizations to think about their discrete areas of responsibility is a valuable
thought exercise. Given the limited legal framework that governs content moderation, the question
centers on an individual firm’s societal responsibility, its ethical responsibilities, and its
responsibility for wealth creation. Firms thinking about Corporate Social Performance have an
opportunity to constructively prioritize these commitments. When it comes to answering questions
about removing hate speech or labeling disinformation, firms must choose whether their ethical or
societal obligations outweigh their financial obligations. In the past, it seems financial obligations
were prioritized. If that is the company’s decision, they should be transparent about it. However,
suppose their goal is to truly determine the most ethical approach to content moderation. In that
case, they must recognize that a commitment to society and democracy is likely to require financial
sacrifice. In other words, it is unlikely that the most profitable approach to content moderation will
be the most ethical one, and therefore a clear decision is needed about which of these areas should
be given priority.

Shareholder Value Theory

This approach to corporate social responsibility holds that a firm’s primary responsibility is to
generate profit and increase economic value for shareholders while adhering to any legal
obligations. Often referred to as the "classical" approach, Shareholder Value Theory draws on
Milton Friedman’s belief that the social responsibility of a business is to increase profits (Friedman, 1962).

This theory offers a clear and concise answer to many difficult questions associated with content moderation. Under this framework, firms would make decisions based on which actions were most profitable without considering the moral or ethical implications of the outcome. Algorithms could be leveraged to prioritize extreme content knowing that would keep users on the platform longest and thus maximize advertising dollars. Ads could be sold to whoever was able to purchase them and firms could absolve themselves of responsibility for the paid space being used to spread disinformation or dissuade voters from participating in elections.

Although this would represent a departure from the current approach to content moderation, which in theory seeks to balance a commitment to free expression and democracy with financial obligations, it would likely motivate swift government intervention to address the resulting issues. It would also offer firms a transparent approach to content moderation. This approach recognizes that as private virtual spaces, a platform's job is not to serve as a digital town square, nor is it to act as the arbiter of political discourse. While following this framework would undoubtedly result in public backlash, the current approach, which claims a commitment to public discourse while still prioritizing profits, would be more transparent.

**Stakeholder Theory**

Under this theory, an organization has a responsibility to all stakeholders, defined as individuals and groups with a vested interest in the business’ activities. As mentioned previously, the list of stakeholders for social media and other technology firms is substantial and can include but is not limited to users, advertisers, shareholders, employees, governments, regulators, law enforcement agencies, and members of the public.

From the outside looking in, it appears that, to date, social media organizations have prioritized advertisers and shareholders at the expense of other stakeholder groups. Facebook, for example, has been slow to act in instances where governments misused its platform to wage campaigns of disinformation and hate speech. In Myanmar military personnel used Facebook to target the Rohingya, resulting in the exodus of over 700,000 people from that country. Facebook has been widely criticized for its failure to remove the offensive posts, many of which compared the Rohingya to dogs and called for the destruction of their race. The U.N. publicly reprimanded the company for its role in facilitating ethnic violence. Under the stakeholder theory, the needs of the citizens of Myanmar’s Rohingya Muslim population would need to be considered alongside the needs of advertisers or users.

This approach would allow social media companies to acknowledge the impact their business has on each stakeholder group and consider that in their decision-making processes. While doing this may require the companies to act in ways that minimize profits, it would also likely help them avoid some of the criticism and harm that comes with failing to consider how their approach to content moderation impacts certain stakeholder groups.

**Corporate Citizenship**
Corporate Citizenship is an umbrella term for a body of theories that argues that business is an integral part of society. Under this framework, businesses enter the realm of citizenship to fulfill the roles that governments typically undertake.

This approach has a lot to offer platforms struggling with questions about ethical content moderation. More so than the other theories presented here, Corporate Citizenship would require social media and other technology companies to act first in society’s best interest. When questions arose about removing hate speech or disinformation, regulating political ads, or de-platforming problematic users, traditional ethical frameworks such as utilitarianism could be used to determine which action is the most beneficial to the greatest numbers of people. A desire for a healthy democracy and a good society would, in theory, underly decisions regarding content moderation.

This approach gives social media companies a substantial amount of power, which could be problematic if what the company thinks is in society’s best interest is, in reality, harmful. For example, social media companies such as Twitter and Facebook have, in the past, expressed a commitment to freedom of expression, which they believe is beneficial for society. On this subject, Facebook CEO Mark Zuckerberg has said that it is not the job of Facebook to fact-check political speech (Rodriguez, 2020). He believes this is what is best for society. However, this perspective resulted in the spread of significant mis- and disinformation regarding the 2020 Presidential election.

Suppose firms are going to take responsibility for areas of life customarily governed by the state. In that case, they will have to find ways to ensure that their decisions genuinely represent what is best for society. Taking advice from academics, regulators, and other outside parties is one way to identify and address potential blind spots. Facebook’s Oversight Board is a clear example of how firms can use a representative body of sorts to help them determine which course of action will be best for society and Democracy.

Conclusion

Applying the various theoretical approaches to corporate social responsibility has yielded several valuable insights, including:

- The need for social media and other technology companies to prioritize their commitments. Firms should be clear about whether social responsibility or wealth creation takes precedence.

- The importance of being authentic and transparent in decision making. In reality, social media organizations have very few legal requirements governing their approach to content moderation. They are within their rights to focus their efforts on turning a profit and let government decide which form of regulation is appropriate for their industry.

- Alternatively, social media companies could choose to consider all stakeholders in their content moderation decisions rather than prioritizing advertisers or shareholders.
• Social media companies can (and perhaps) should regulate content in a way that is best for society and our Democracy. However, there is substantial subjectivity around what is, in fact, best for society. Consulting outside experts is one way firms can identify their blind spots in this area.

While the goal of this analysis was to see how the various theoretical approaches to corporate social responsibility might inform social media platforms’ content moderation practices, the exercise presented here is useful for any firm struggling with ethical questions about their business practices. By analyzing ethical questions using each of these four frameworks - corporate social performance, shareholder value theory, stakeholder theory, and corporate citizenship – companies can generate fresh insights and answers to their most pressing problems.

References


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