

Corporate Responsibility and Ethical Conduct in the Era of Social Media

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Abstract

The development of social media has transformed the landscape of modern business by creating opportunities and challenges related to corporate ethics and accountability practices. The speed of information dissemination, transparency, and public participation have made social media a strategic arena vulnerable to abuse, such as misleading marketing and misuse of consumer data. This study aims to analyze the role of business ethics in the social media era as a mechanism for corporate accountability. The method used is qualitative research with content analysis of secondary literature, including journal articles, academic books, institutional reports, and company case studies, with data validity ensured through triangulation and peer review. The research findings indicate that the application of business ethics principles such as integrity, honesty, fairness, responsibility, and transparency strengthens corporate accountability. Companies that consistently apply ethical practices are able to reduce reputational risks, enhance public trust, and strengthen their competitive position. The implications of the findings emphasize the need for companies to develop a specific social media communication code of ethics, conduct regular content audits, and involve the public in evaluating social performance, thereby making digital communication strategies more ethical and responsible.

Keywords: business ethics; social media; corporate accountability; Good Corporate Governance (GCG); corporate reputation.

INTRODUCTION

The development of digital technology, with a focus on social media, has revolutionized the way businesses operate. Social media serves as a means of communication between individuals, which has since evolved into a public space where companies interact with consumers, build their image, and market their products and services (Lin et al., 2020; Dwivedi et al., 2021; Ihsaniyati et al., 2023). In Indonesia, the potential for social media use is enormous, as evidenced by the number of internet users reaching 212.9 million people or 77% of the population in January 2023. Of this number, 167 million are active social media users with an average usage of 7 hours and 42 minutes per day (Fitriani et al., 2023). This fact indicates that social media has become an integral part of people's lives while presenting significant opportunities for companies to optimize their communication and marketing strategies.

However, the development of social media also presents new challenges for business ethics practices, such as maintaining corporate accountability. High information transparency, the speed of message dissemination, and active public participation make social media a vulnerable arena for abuse (Makama et al., 2025). Unethical actions, such as deceptive marketing practices, misuse of consumer personal data, and insensitivity to social or environmental issues,

can quickly trigger viral public criticism. Such reactions often have serious consequences for a company's reputation, trust levels, and even its sustainability.

The phenomenon in Indonesia shows that cases of business ethics violations on social media are not uncommon. For example, a number of companies are known to engage in false advertising or misleading advertisements on digital platforms, which ultimately lead to consumer disappointment. Another example is the practice of influencers promoting products without transparency regarding paid advertisements, causing the public to feel disadvantaged because the information received is not objective (Sari & Satino, 2024). Additionally, cases of misuse of consumer personal data for commercial purposes have also come under scrutiny, highlighting that digital business practices often face ethical dilemmas (Anggraini & Wiraguna, 2025). This situation shows that the integration of business ethics values is becoming increasingly important, not only as a moral guideline but also as a corporate strategy to maintain accountability and build long-term trust with stakeholders (Mahaputra & Saputra, 2021).

A number of previous studies have emphasized the importance of business ethics in corporate governance. Sari's (2021) study shows that business ethics has a positive effect on the implementation of Good Corporate Governance (GCG) at Bank of North Sumatra. Another study by Wahyuni et al. (2024) emphasizes that ethical business practices are an integral part of achieving sustainability and competitive advantage, where a strong governance structure is necessary to maintain accountability and the effectiveness of sustainability strategy implementation. Meanwhile, research by Wardani et al. (2023) found that the application of business ethics based on integrity, honesty, fairness, and responsibility can build a positive reputation while improving a company's operational performance.

Similar findings also appear in international literature. Belás et al. (2020) show that business ethics are considered very important by more than 90% of entrepreneurs in the Czech Republic and 88% in Slovakia, especially in the SME sector. They agree that every business decision must consider moral and ethical consequences, and the similar response patterns in both countries confirm a universal awareness of the importance of business ethics in the business world.

Based on this description, it can be concluded that although many studies emphasize the importance of business ethics, there are still challenges in social media, particularly regarding corporate accountability in the digital age. This study is relevant to fill this gap by focusing on how companies can maintain integrity, protect their reputation, and respond to public accountability demands through business ethics practices in the social media era.

The results of this study are expected to contribute to the development of academic discourse and business practices. Academically, this study enriches the literature on business ethics by positioning social media as a new

and dynamic arena. Meanwhile, from a practical perspective, this study is expected to serve as a reference for companies to understand that success is not solely measured by financial aspects. Commitment to ethical principles, transparency, and social responsibility are important factors that can strengthen public trust and support the long-term sustainability of companies.

RESEARCH METHOD

This study uses a qualitative approach with library research and descriptive analysis methods. This approach was chosen because the research objective focuses more on understanding the phenomenon of business ethics on social media and its relevance to corporate accountability, rather than on quantitative measurement. The main data sources are secondary literature, such as international and national journal articles, academic books, official reports, and publications related to business ethics, social media, and corporate accountability. Data collection techniques were carried out through systematic searches using scientific databases (such as Google Scholar, Scopus, and DOAJ) and official institutional reports. Literature inclusion criteria were set based on relevance to the research theme, academic validity, and contribution to explaining the relationship between business ethics, social media, and corporate accountability.

The collected data were analyzed using content analysis. The analysis stages included identifying key issues related to business ethics in the use of social media; classifying data based on accountability dimensions, such as transparency, responsibility, integrity, and fairness; and synthesizing the findings of previous studies to produce a comprehensive argument regarding the urgency of corporate accountability in the social media era. To ensure data validity, this study applied source and literature triangulation. Triangulation was conducted by comparing findings from various publications, scientific journals, official institutional reports, and company case studies. Additionally, the validity of the concept is strengthened through peer review of the literature, which involves checking the consistency of data interpretation with expert opinions and previous research findings. This approach ensures that the arguments generated are internally consistent and academically accountable.

RESULT AND DISCUSSION

In the era of social media, business ethics is not only an internal company issue but also a public issue that is easily visible and directly assessed by the public. Social media provides a transparent space where business practices, both positive and negative, quickly spread, demanding that companies prioritize accountability, as any action that deviates from ethical norms has the potential to cause a reputational crisis (Arianto, 2023). Business ethics in the digital age should be viewed not only as a moral guideline but also as a strategic imperative for maintaining legitimacy and credibility in the

marketplace. Companies that consistently align their actions with ethical principles are more likely to build strong relationships with stakeholders, safeguard their reputation, and remain resilient in the face of public scrutiny. In this way, ethics becomes a vital component of competitive advantage and corporate sustainability in a transparent, interconnected world (Devyatova & Kazaryan, 2021).

Social media serves as a dynamic platform where individuals and organizations can establish digital identities and engage with diverse audiences on a global scale. Its ability to facilitate rapid, efficient, and widespread information sharing has transformed the way businesses operate and communicate. For companies, this means unprecedented opportunities to expand their reach, connect with consumers in real time, and eliminate traditional geographical barriers that once limited market access. Beyond communication, social media functions as a strategic driver of growth, competitiveness, and long-term sustainability. By fostering direct interaction with customers, companies can build stronger relationships, boost the visibility of their products or services, and enhance their overall brand image. This interactive nature not only helps businesses respond quickly to consumer needs and feedback but also strengthens customer loyalty, positioning social media as an indispensable asset in the modern business landscape (Nurani et al., 2025; Pamungkas et al., 2024).

Today, consumers are no longer passive recipients of information, but rather active participants in monitoring and influencing a company's reputation through criticism, reviews, and public opinion (Abdillah & Pramesti, 2024). In an increasingly transparent and digitally connected market environment, a company's ability to read, respond to, and manage the dynamics of online reviews is a crucial aspect of maintaining business continuity. Consumer reviews are now viewed as strategic assets, not just ordinary feedback, because proper management can strengthen trust, increase customer loyalty, and drive sustainable business growth (Mulyono et al., 2024). Therefore, corporate accountability must be realized in the form of information transparency, responsibility for products and services, and prompt response to public complaints. Companies that fail to implement this principle risk losing trust, which ultimately has a direct impact on business continuity (Aziz, 2022).

Social media has fostered an environment of transparency where business practices are easily observed, scrutinized, and rapidly shared with the public. This heightened visibility compels companies to treat business ethics not just as a matter of moral responsibility but as a vital strategic tool for safeguarding reputation and ensuring long-term sustainability (Masood et al., 2022). In an era where information spreads instantly, even minor ethical lapses can escalate into significant public backlash, threatening a company's credibility and market standing. By consistently upholding ethical standards in every aspect of their operations, companies can cultivate trust among stakeholders and reinforce a positive brand image. Ethical conduct also helps

minimize the risk of reputational crises, which are increasingly difficult to contain in the digital age. Ultimately, embedding business ethics into daily practices enables companies to secure a stronger competitive position and foster resilience within a marketplace defined by transparency and constant public scrutiny (Petra & Christianto, 2024).

Corporate accountability in the digital era extends far beyond compliance with legal requirements, encompassing broader ethical responsibilities that shape public perception. With social media giving consumers the power to share their experiences instantly, every business action positive or negative becomes subject to immediate public evaluation. This constant visibility places companies under ongoing scrutiny, where even minor missteps can quickly escalate into reputational risks and damage long-term credibility ((Moedeen et al., 2023). In this context, consumers are no longer passive recipients of information but active participants who influence and shape a company's image. Trust, therefore, hinges on a company's ability to align its stated commitments with genuine, consistent practices in daily operations. Only by demonstrating authenticity and integrity can businesses maintain legitimacy, foster loyalty, and ensure resilience in an environment where transparency and accountability are central to corporate survival (Ausat et al., 2023).

Furthermore, the viral phenomenon of consumer complaints on platforms like TikTok and Instagram demonstrates the powerful influence of public opinion on a company's image. A swift response in the form of clarification and corrective action is crucial to prevent a company from losing its legitimacy in the eyes of the public. In other words, accountability involves more than simply responding to problems as they arise; it also demands proactivity in maintaining ethics, transparency, and fairness in every business decision. The implementation of this ethical accountability will ultimately determine a company's sustainability and competitiveness in the face of digital openness (Fauziah & Firdaus, 2024).

Social media provides a platform for companies to affirm their ethical commitments through publicizing corporate social responsibility (CSR) programs. When implemented sincerely, these initiatives can strengthen a positive image and increase public trust. However, if used solely as an image-building strategy without concrete implementation, increasingly critical consumers will easily assess inauthenticity, potentially negatively impacting a company's reputation (Kaligis et al., 2025). In relation to business ethics, this emphasizes that accountability does not stop at the communication level but must be reflected in daily operational practices. Business ethics serve as the foundation for ensuring that every company's actions align with the values of fairness, honesty, and responsibility, thereby maintaining the company's integrity in the public eye (Zubaida et al., 2025).

Business ethics is a crucial foundation for maintaining corporate sustainability and industrial relations. Its implementation serves not only as a

moral guideline but also as a strategy for creating a healthy and competitive business climate. By adhering to ethical principles, companies can foster trust from customers, employees, suppliers, and investors, which in turn strengthens long-term relationships. Furthermore, a positive image built through a good reputation will make it easier for companies to attract new customers and retain existing ones. A fair and harmonious work environment can also be created when business ethics are implemented, resulting in more motivated, loyal, and productive employees (Adrai & Perkasa, 2024).

On the other hand, implementing business ethics plays a crucial role in minimizing potential legal violations, as it encourages companies to adhere more carefully to laws and regulations while avoiding unethical practices such as bribery and corruption. Beyond compliance, ethical principles push businesses to extend their responsibilities toward society by engaging in initiatives like environmental sustainability, community empowerment, and other socially beneficial activities. These actions not only strengthen a company's reputation but also demonstrate its genuine commitment to contributing positively to the broader community (Fauziyah et al., 2025).

Moreover, business ethics fosters an environment that benefits both the company and its stakeholders by promoting fairness, trust, and collaboration. Moreover, business ethics fosters an environment that benefits both the company and its stakeholders by promoting fairness, trust, and collaboration. A workplace built on ethical foundations tends to be safer and more inclusive, which in turn encourages innovation and enhances employee motivation and loyalty. When consistently applied, business ethics becomes a cornerstone for building strong, long-term industrial relations that are sustainable and mutually advantageous, ensuring resilience and competitiveness in a rapidly evolving business landscape. When consistently applied, business ethics becomes a cornerstone for building strong, long-term industrial relations that are sustainable and mutually advantageous, ensuring resilience and competitiveness in a rapidly evolving business landscape (Ugah et al., 2025).

However, the application of business ethics in the social media era cannot be partial or merely symbolic; it must be implemented consistently. Digital campaigns proclaiming ethical commitments will lose their meaning if not supported by concrete evidence in daily operations. An increasingly critical and digitally connected public is capable of detecting discrepancies between messages delivered and actual practices. When a gap exists, a company risks being labeled as an image-shamer, ultimately damaging its reputation and eroding consumer trust.

Therefore, corporate accountability in the digital age demands a strong integration between public communication and concrete actions based on ethical business principles. This means that every statement or program published on social media must align with the company's practices in treating employees, customers, suppliers, and the wider community. By maintaining this alignment, the company not only builds long-term trust but also

strengthens its position as a business entity with integrity, sustainability, and the ability to compete healthily in a digital information-driven environment.

CONCLUSION

Business ethics in the social media era require companies to be transparent, accountable, and consistent, as social media enables the public to directly evaluate a company's integrity, elevating ethics from a moral value to a vital business strategy. Consumers actively shape public opinion through criticism and digital campaigns, making accountability essential for building trust, loyalty, and competitiveness. To ensure corporate accountability, companies must embed ethical principles in their communications and operations, including transparency, product responsibility, and timely responses to customer concerns. Authentic corporate social responsibility (CSR) programs are crucial to demonstrate genuine commitment to fairness, honesty, and sustainability. Consistent ethical practices foster harmonious relationships with stakeholders, minimize reputational risks, and leverage social media as a strategic tool for long-term business sustainability. Future research could explore the impact of emerging social media trends, such as artificial intelligence and influencer marketing, on the evolving dynamics of business ethics and corporate accountability.

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