

Employees' Social Media Activity: Should Employers Promote or Restrict it?

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Abstract

Employees increasingly use social media not just for private purposes but also to present themselves in a professional context. The celebrity status of employees such as professional athletes in team sports, CEOs, researchers or university professors can be valuable to employing organizations which benefit from better performance and enhanced reputation. However, there is also a cost of employees' social media activities to an organization, e.g. because of larger bargaining power or reputation conflicts. This study analyzes the effects of employees' social media activity on their employers' costs and revenue using cross-sectional data from leading European football clubs. We find that star players' social media activity increase their clubs' commercial revenue but also result in higher staff costs. For all other players in a team, those two effects were negative. Employers may get what they pay for because a positive association exists between paid salaries and revenue.

Keywords: *Social Media; Employees; Revenue*

Track: Digital Marketing & Social Media