

*Business & Society*  
**Special Issue Call for Papers**

**Unbelievable! How fake news affects the relationship between business and society**

**Submission Deadline: February 1, 2023**

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**BACKGROUND**

Did you hear on that podcast that Bill Gates puts microchips in vaccines? Or read in that blog that Elon Musk programs Teslas to run over squirrels? And wow – check out this video on YouTube that looks like a jacked-up Jeff Bezos kicking an Amazon delivery driver and stealing twenty bucks from him!

Fake news is fabricated information intended to tell a false story about an object or event (Tandoc, Lim and Ling, 2018). We live in an era in which fake news and “alternative facts” challenge our understanding of people, events, and organizations. “Deep fake” technology can distort and even upend reality. Rumors and false information are not novel phenomena, but their scope and sophistication are new, and are only increasing. The profusion of social media, perfection of technology, and profound changes in the management philosophies of modern news outlets have made fake news omnipresent and often indistinguishable from reality.

With almost no barriers to its creation and dissemination, fake news has diffused massively and is increasingly influencing public discourse about private enterprise (Roulet, 2020). How do stakeholders process all of this fake news about companies? How does it affect corporate governance? What are its overall consequences for both business and society?

In this special issue, we seek to develop scholarly insights into how social evaluations of organizations form, how they are maintained, how they change, and how this affects the relationship between business and society when the information that underpins these evaluations cannot be trusted. Social evaluations refer to the opinions, attitudes, and perceptions of an organizations’ stakeholders, and include celebrity, image, reputation, legitimacy, status, and stigma. Social evaluations are a critical mechanism of social control over business (Scott, 1995). Stakeholders exert social control by rewarding and punishing firms based upon evaluations of their behaviors; firms respond by adjusting their behaviors to conform to shared social norms (Barnett, 2018). For instance, NGOs publicly expressing

their disapproval of plastic have driven firms to convert to plastic-free practices (Castello and Lopez-Berzosa, 2021). Firms' compliance with stakeholder demands to adapt to changing social norms can be a source of competitive advantage (Rindova and Martins, 2012; Pfarrer, Pollock and Rindova, 2010; Podolny, 2005; Roberts and Dowling, 2002).

Scholars have developed and distinguished various constructs of social evaluation, such as reputation, status, and legitimacy (Pollock et al., 2019; Barnett and Pollock, 2012; Mishina and Dever, 2012; Bitektine, 2011). However, these and related constructs rest on the often unstated assumption that the signals that build and sustain these social evaluations reflect the true characteristics of the corresponding firm. What happens to these constructs when the information that underpins them cannot be trusted?

Social evaluations have become more and more important in the last twenty years with the advent of social media and the disintermediated communication between business and individuals that this has entailed (Etter, Ravasi and Colleoni, 2019). Individuals increasingly rate their experience with or feelings toward a firm in real-time on digital platforms. In this "evaluation-obsessed society" (Roulet, 2020), social evaluations around a firm are increasingly formed on social media and shaped by rating algorithms (Etter and Albu, 2021).

Although fake news has received increased attention mainly due to its effect on politics (Mueller, 2019), organizations are not immune to this informational threat. For example, Starbucks was alleged to give away free drinks to undocumented immigrants, and had to manage the blowback of this false information as it spread widely on social media (Taylor, 2017). According to a recent study, 84 percent of companies feel threatened by the risk of false reporting (Binham, 2019).

The social evaluations literature has extensively investigated the social, political, and business conditions underpinning stakeholders' approval and disapproval (George et al., 2016; Kvålel and Murdoch, 2021). However, the large-scale diffusion of fake news about companies and the spreading of unverified, false, and contradictory signals that this entails, challenge current theorizing about the validity of social evaluations as an efficient mechanism of transmission of societal needs and norms to firms. It also calls into question the effectiveness of stakeholders in governing firm behavior (Barnett, 2018) and forces a reexamination of constructs like organizational legitimacy and corporate reputation as means to help align the interests of business and society. Thus, fake news requires significant further study in the business and society literature.

## **AIMS AND SCOPE OF THE SPECIAL ISSUE**

This special issue seeks to advance understanding of the ongoing efficacy of social evaluation constructs such as reputation, legitimacy, and status as signals of societal approval or disapproval in an era of fake news. Current debate among business and society scholars has long theorized social evaluations as a critical mechanism to align business actions to societal expectations and to signal the superior social and economic

performances of individual businesses. However, social evaluations may now be less likely to accurately reflect a firm's adherence to social norms (Bitektine, 2011). Rather than serve as an overall assessment of a firm's character and competencies, corporate reputation (Weigelt and Camerer, 1988), for example, may increasingly be a manipulated outcome of fake signals circulating about a firm.

We invite scholars to study the theoretical mechanisms driving the creation, distribution, and effects of fake news on the different constructs of social evaluations, such as corporate reputation, legitimacy, status, and stigma at different levels: the formation of judgements at the micro level (Bitektine et al., 2020; Bitektine, 2011; Pollock et al., 2019), the overall evaluation of a firm (Wang, Reger and Pfarrer 2021; Bundy, Iqbal and Pfarrer 2021; Dowling and Gardberg, 2012; Pollock, Lashley, Rindova, & Han, 2019), the societal effects (Barnett, Henriques and Husted, 2020a; and the effects on stakeholder theory (Barnett, Henriques, & Husted, 2020b, Freeman, 1984) of large-scale manipulated social evaluations.

Hence, in this special issue, we welcome papers that explicitly address how social evaluation constructs should be reconceptualized, theorized, and measured to be credible signals in a context of manipulative information. In addition, we encourage research with a particular focus on the strategic actions that different stakeholders, such as firms, NGOs and regulators, and sources of signals, such as different media outlets, should adopt to restore credible signals. In addition, we seek further insights into the implications this holds for corporate governance and social control.

## **TOPICS OF INTEREST**

We encourage scholars to address a broad set of questions examining the effects of fake news on business and society. These include but not are exclusive to the following:

### **Fake news and implications for social evaluations**

How does fake news influence overall perceptions of a company in terms of corporate reputation, legitimacy, status, and/or stigma?

To what degree does fake news affect key assumptions underlying theoretical mechanisms in organization theory?

What are the rational, emotional, and moral aspects of perceptions of a company that are threatened by fake news?

### **Institutional context for fake news**

What institutional factors have contributed to the emergence of fake news, and how does this affect business and society relationships?

How do different stakeholders react and respond to fake news?

How does the prevalence of fake news vary internationally? How does this impact reputational comparisons within and across MNCS?

### **Fake news and implications for business and society**

How does fake news affect trust in business, NGOs, the media, and the government?

When and how does fake news harm a firm's ability to make a positive societal impact?

Is there a connection between populism, political polarization, and business-related fake news?

How do firms know when they should change their behaviors when surrounded by fake news?

How do firms make strategic use of fake news and what are the implications?

How does fake news about firms affect the social responsibility of firms and the resolution of ongoing social problems?

### **Fake news and implications for corporate reputation**

Do corporate reputations form and function differently in the fake news era?

In this fake news era, the assumption that corporate reputation approximates a firm's true characteristics over time may no longer hold. What happens to the mechanisms and merits of corporate reputation when these signals cannot be trusted? Does corporate reputation still signal the inner qualities of a company?

Does corporate reputation remain an intangible asset that creates competitive advantage? Should a company put more or less effort into building and sustaining a reputation?

Can corporate reputation be "locked in" over time or is it constantly challenged in the fake news era?

If the reputational signals shared by intermediaries become increasingly unreliable, is the future of corporate reputation management only based on managing direct experience? Is corporate reputation management becoming only a crisis management exercise of protecting the company from fake news?

How can we measure corporate reputation to account for or neutralize the impact of fake news, providing managers and stakeholders with a reliable measure of reputation?

Which methods are most appropriate to measure the different dimensions and overall perception of corporate reputation in the fake news era?

Does prior corporate reputation and prior knowledge about a company protect it from fake news?

### **Corporate responses to fake news**

What strategies should companies employ in responding to fake news?

How should companies engage in stakeholder dialogue in an increasingly manipulated and polarized public discourse?

What are the types of responsible and ethical behaviours companies should follow to engage online with stakeholders in the fake news era?

### **Fake news and communication dynamics**

Which news characteristics and communication strategies drive the visibility, perceived authenticity, and legitimacy of business-related fake news posted or shared?

What are the roles of social media algorithms and artificial intelligence in preventing or diffusing fake news?

### **Multidisciplinary and interdisciplinary**

We encourage scholars from a variety of organization science disciplines including but not limited to communications, economics, information systems/technology, marketing and management to contribute insights from their fields to this special issue. A variety of different theoretical perspectives and empirical approaches are necessary to fully understand the implications of this burgeoning phenomenon for business and society.

### **EDITORIAL PROCESS AND DEADLINES**

- The deadline for submissions is **February 1<sup>st</sup>, 2023**. All manuscripts must be uploaded to ScholarOne Manuscripts (<https://mc.manuscriptcentral.com/bas>) between November 1<sup>st</sup> and January 15th, 2023.
- Specify in the cover letter that the manuscript is for the special issue: **“Unbelievable! How fake news affects the relationship between business and society”**
- Follow the *Business & Society* author guidelines (<https://journals.sagepub.com/author-instructions/BAS>)
- All submissions will be double-blind peer-reviewed by multiple reviewers.
- Online publication of the accepted articles will take place in Autumn 2024.

We welcome informal enquiries relating to the special issue, proposed topics and potential fit with the special issue objectives. Enquiries should be directed to the Guest Editors:

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## PAPER DEVELOPMENT WORKSHOP

We hope to hold a paper development workshop during the 2021 International Association of Business Society (IABS) conference to be held in San Francisco, CA during June 2022. Details to follow.

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