

# [Cambridge analytica and the trump campaign](https://assignbuster.com/cambridge-analytica-and-the-trump-campaign/)

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Facebook’s recent crisis is just one of manyprivacy issues that company has had to deal with in its relatively shortexistence. Barely two years old in 2006, the company faced user outrage when itintroduced its News Feed. A year later it had to apologize for telling peoplewhat their friends had bought. Years after that, the Federal Trade Commissionstepped in — and is now looking at the company again. Facebook has a history ofrunning afoul of regulators and weathering user anger.[i]

In 2004, when Mark Zuckerberg was a Harvardundergrad working on a skunkworks project called The Facebook, a friend askedhim how he’d managed to obtain more than 4, 000 emails, photos and other bits ofpersonal info from fellow students. He said, “ They trust me”. Facebook’sfoundation is built on trust. Facebook users’ confidence in the company hasplunged by 66 percent as a result of revelations that data analysis firmCambridge Analytica inappropriately acquired data on tens of millions ofFacebook users — and CEO Mark Zuckerberg’s public mea culpa during two days ofcongressional hearings last week did not change that.[ii]In thispaper we are exploring how Facebook’s culture and organizational dysfunctionnot only contributed but also aggravated the crisis instead of resolving it.

### Crisis Background – How It Happened

Several years ago, Facebookallowed apps on its platforms, including ordering cakes, simple games, fortunetelling, etc. Interesting, convenient, and likable, many Facebook usersgradually relaxed vigilance against it. In 2013, there was a psychological testonline: this is your digital life, which could send $5 if the user finished allthe questions. More than 270, 000 people completed it using their Facebookaccount. However, all the testers’ and their friends’ information on Facebook, such as liking someone’s posts, commenting somebody’s photos, was totallysneaked, harvested by the behind-the-scenes developer: Cambridge academicAleksandr Kogan and his company Global Science Research­ ­­ .[iii]For this, Facebook did nothing but just got paid. After analyzingmillions of people’s personalities, Kogan sold the results to CambridgeAnalytic, a firm hired by campaigns to analyze voters and target them with ads. For this, in 2014, Facebook just “ asked” Kogan to delete all the data but didnot follow up.[iv]

In 2016, during the U. S. presidential election, Cambridge Analytica took advantage of Facebook users’ personality by helping the Trump campaign invest heavily and purposefully in Facebook fake ads. It worked like if your good friend said on Facebook the Mexican neighbor next door is noisy, and you liked it, Facebook would post a false ad that the presidential candidate, Mr. Trump, promised torefuse Mexican immigrationif he took office. Similarly, if you forwarded and supported a charity news, then you would soon receive a fake push: cheeky and shameful, Hillary’s abuse of donations was revealed. Through accurate political advertising for each Facebook user through this improper propaganda, people would subconsciously support Trump when they voted. And Facebook, which received the money, was equivalent to the same involvement in the manipulation of public opinion.

In our opinion, thisirresponsible behavior can have something to do with Facebook’s organizationalstructure as well as culture. Facebook organizational structure isvertical-based, mainly including the departments: Information Security, Business Development, Marketing Center, Finance Center, and Engineering.[v]Ironically, there is no sub-sector in any department to ensure the security ofuser’s information, even in the Information Security department, which ismainly aimed at the company’s own information privacy. That shows they simplydid not take the protection of users’ information as their own responsibility, because censoring every ad’s authenticity and every inserted applet’s purposewould cost them ‘ unnecessary’ time.

Also, in order to expand thecommercial sector rapidly, Facebook advocates flat management to strengthenevery department’s communication and finish tasks as quickly as possible. Ithas corporate function-based teams, geographic divisions, and product-baseddivisions, but every part has very blurry boundaries.[vi]Forexample, some of these geographic divisions share resources and managers withfunction-based teams, and people in a product-based division can also work inone of the geographic divisions. But the problem is, employees, includingmanagers temporarily working in Asia geographic area, may not be familiar withthe situations in North America. So, it cannot incur such a big disaster toinsert a test game or push ads to Asian consumers. Unfortunately, if thesepeople then work in the North America sector, they would naturally relax theirvigilance and monetize user information in North America, causing a bigproblem. I just think there should be a fixed competent leadership in everygeography, like Latin America, who has great insight into the politicaldirection, laws, and application requirements of the region. In that way, thecompany will have more specific actions to a specific area.

In addition, this scandal isalso related to the culture of Facebook. From a culture model layer one: observable artifacts and behaviors,[vii]we cansee a gym, washing machine, microwave, refrigerator, dining and more in thecompany for employees to enjoy, making it easy for them to work late; there isno cubicle in the office area between employees, so they can communicatenaturally; whenever there is a new idea, they would not spend time discussingbut just realize it, which sometimes makes it hard to expand the feature ofthis newly developed application, leading to clumsy ways to modify or evenrewrite it. Based on these, the layer two value[viii]ofFacebook is speed, openness, act first and ask questions later, growth andexpansion as quickly as possible. Indeed, Facebook can move forward quickly, but sometimes a company’s development should consider more than speed. In thisdata breach case, we may first have to admit inserting some interesting appletstruly makes profits as well as brings joy to customers, but the company hasnever thought about what if the people behind these small programs, in fact, have ulterior motives? What if collecting and selling private data of unwittingpeople would stir up the dissatisfaction? What if pushing fake ads to or evenindirectly manipulating every user who believes Facebook causes irreparabledamage to the accumulative reputation over years? So, we believe Facebook shouldslow the pace of expanding, and look back to figure out how many hidden dangersthey have overlooked on the road of development.

### Crisis Response – or Lack Thereof

In a crisis, it’s not the event itself that counts. It’s the response. The first few days or weeks of the Cambridge Analytica crisis were marked by mishandled responses. When the company got its act together considerable damage had been done. Zuckerberg did a decent job defending the company when he finally responded. But nearly every story was preceded by numerous questions regarding the silence of the company and its inept initial response—both to this and other recent crises—going back to questions regarding Russian actors’ use of Facebook to manipulate the 2016 U. S. presidential election. This clearly shows how unprepared the organization was and the lack of structure to handle the crisis even when the core business is affected. Effective crisis communications response requires proper leadership, structure, and technology. Organizations should have a permanent internal team tasked with continuous monitoring and management of crisis events and a crisis plan.[ix]

Poor handling of the crisis led to politicalscrutiny by the public and governments across the world. As the spotlight growsharsher, it affects investor sentiments and public trust. Facebook can nolonger resist government scrutiny without suffering major repercussions, including:

* Lawmakersin the UK made it clear that they were extremely disappointed with Zuckerberg’srefusal to attend and answer their questions directly. UK Parliament’s decisionto publish Facebook’s emails and other sensitive information will no doubt leadto further inquiries in the UK and abroad, embroiling Facebook’s partners alongthe way.[x]
* The FederalTrade Commission is looking into whether Facebook violated a consent decree byenabling third parties to access users’ information without their permission.[xi]
* MarkZuckerberg appeared before the Senate’s Commerce and Judiciary committees todiscuss data privacy and Russian disinformation on Facebook.
* Theattorney general of Massachusetts, Maura Healey, announced that her office wasopening an investigation. Facebook’s lack of disclosure on the harvesting ofdata could violate privacy laws in Britain and several states.[xii]
* Facebookhas lost $35 billion in market value following reports that CambridgeAnalytica, a data firm that worked with President Donald Trump in the 2016elections, had unauthorized access to 50 million Facebook user accounts in oneof its largest breaches yet.[xiii]

Additionally, Facebook’s mishandling of theCambridge Analytica crisis has led to widespread lack of trust. In a columnForbes notes that “ the most valuable business commodity is trust”.[xiv]Trustis an immeasurable currency, both externally and internally; once lost, acompany must climb a mountain of challenges to reestablish its integrity.[xv]Facebook was challenged by a critical situation where it had to choose betweenadmitting to third-party access to consumer data or withholding information thateventually became publicly revealed through other sources years later. Facebook’s decision to choose the latter, led to loss in public trust, due tolack of transparency. Jonathan Albright, a research director at the Tow Centerfor Digital Journalism, said that he was disappointed that the CEO did notaddress why Facebook enabled so much third-party access to its users’ personalinformation for so many years. He also said:

Thisproblem is part of Facebook and cannot be split off as an unfortunate instanceof misuse. It was standard practice and encouraged. Facebook was literallyracing towards building tools that opened their users’ data to marketingpartners and new business verticals. So, this is something that’s inherent tothe culture and design of the company.[xvi]

In a recent survey by Pew Research Center, aroundfour-in-ten (42%) say they have taken a break from checking the platform for aperiod of several weeks or more, while around a quarter (26%) say they havedeleted the Facebook app from their cellphone. All told, some 74% of Facebookusers say they have taken at least one of these three actions in the past year. Just over half of Facebook users ages 18 and older (54%) say they have adjustedtheir privacy settings in the past 12 months, according to a new Pew ResearchCenter survey. There are, however, age differences in the share of Facebookusers who have recently taken some of these actions. Most notably, 44% ofyounger users (those ages 18 to 29) say they have deleted the Facebook app fromtheir phone in the past year, nearly four times the share of users ages 65 andolder (12%) who have done so.[xvii]

Being one of the “ big techcompanies” with immense power that can shape the news for more than two billionpeople worldwide, it was important for the CEO, Mark Zuckerburg to rethink hisgoals. After an unintended role as a “ propaganda weapon for Russia” in the2016 US presidential elections, he declared his new goal for the year 2018 asto “ fix Facebook”. Though he did not explicitly talk about his course ofaction, he emphasized on making changes through enforcing policies that couldpossibly prevent the misuse of their product. Although these changes wereinitially not publicly visible, after the huge Cambridge Analytica scandal, thesechanges became much more evident. The company has gone through the biggestexecutive shakeup in its entire tenure of 15 years.

With its earlier organisational structure, where each of the acquired apps, Instagram and Whatsapp were independently functioning, Facebook was a mess. These independently operating arms lacked coordination among them, turning the  company into a tangle of overlapping products. This lack of synchronization has led to a great deal of redundancy, that was responsible for the miscommunication.

Today, the company has reorganised it’s product and engineering efforts into three broad areas, which include, the company’s family of apps, new platforms and infrastructure, and central product services. These changes are intended to provide better transparency , ensuring improved communication. Along with appointing new leaders for each of the applications, new responsibilities were assigned to the executives, that include the new effort to incorporate blockchain technology.

The “ family of Apps” group will now oversee Facebook, Instagram, Whatsapp and Messenger that together have a reach of about 5 billion users monthly. The “ New platforms and infra” group will tackle the new growing features of Facebook that include Facebook’s AR, VR and artificial intelligence efforts. The upcoming efforts of Blockchain technology at Facebook will now be a part of this team. The intersection of these applications, that include the shared product features such as ads, security and growth will now be handled by the third division called the “ Central Product Services”. It was mostly shuffling the teams, rather than bringing new people  into the company or kicking out people from the company. These new roles are intended to provide open lines of communication among executives without hurting the speed Facebook is known for.

Clearly, these changes bring all the independently functioning arms together and turn the efforts cohesively into one direction. Though it does not appear from the face of it, informally, this suggests a reduction of autonomy for each of these applications. Though this threat of interfered functioning might spook any possible future acquisition candidates, considering the overlapping functionalities of these applications, such as the stories, this makes better sense.

Earlier it was assumed that being in different domains, with their own set of competitors, each of these apps need different strategies for acquiring the market growth. But with the increasing number of overlapping features, for instance the stories, this no longer hold true. It took until late 2017 for Facebook to realize it should synchronize Stories across Instagram, Facebook and Messenger so users could post once to their audiences everywhere. The new organisational structure will ensure the ability to formulate a coherent strategy. Instead of reinventing the wheel every time, the expertise of different executives who are skilled in these overlapping functionalities can be shared across multiple applications. For instance, achieving utter dominance over Snapchat in photo sharing, Instagram is putting its efforts in terms of enhancing its News Feed, hoping to ramp up monetization. Mosseri, a long-time member of Mark Zuckerberg’s inner circle, will now bring his experience turning News Feed in Instagram. Similarly, the reorg could prevent Facebook from haphazardly tripping over itself in an attempt to seize on emerging trends.

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